

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

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION****This Section must be completed for all projects.**

JUN 05 2019

**Facility/Project Identification**HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Facility Name: Physicians' Surgical Center

Street Address: 729 Insight Ave.

City and Zip Code: O'Fallon, IL 62269

County: St. Clair Health Service Area: 11

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

Exact Legal Name: Ahmed 15, LLC

Street Address: 5023 North Illinois St, Suite 3

City and Zip Code: Fairview Heights, IL 62208

Name of Registered Agent: Shakeel Ahmed, MD

Registered Agent Street Address: 5023 North Illinois St., Suite 3

Registered Agent City and Zip Code: Fairview Heights, IL 62208

Name of Chief Executive Officer: Shakeel Ahmed, MD

CEO Street Address: 5023 North Illinois St., Suite 3

CEO City and Zip Code: Fairview Heights, IL 62208

CEO Telephone Number: 618-239-0678

**Type of Ownership of Applicants**

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

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

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

**Primary Contact** [Person to receive ALL correspondence or inquiries]

Name: Kara Friedman

Title: Attorney

Company Name: Polsinelli P.C.

Address: 150 N. Riverside Plaza, Ste. 3000 Chicago, IL 60606

Telephone Number: 312-873-3639

E-mail Address: [kfriedman@polsinelli.com](mailto:kfriedman@polsinelli.com)

Fax Number:

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

Name: Shakeel Ahmed, MD

Title: Chief Executive Officer

Company Name: Ahmed 15, LLC

Address: 5023 North Illinois St., Fairview Heights, IL 62208

Telephone Number: 618-239-0678

E-mail Address: [ShakeelAhmedGI@Gmail.com](mailto:ShakeelAhmedGI@Gmail.com)

Fax Number:

## ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR PERMIT

### SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

**This Section must be completed for all projects.**

#### Facility/Project Identification

Facility Name: Physicians' Surgical Center	
Street Address: 729 Insight Ave.	
City and Zip Code: O'Fallon, IL 62269	
County: St. Clair	Health Service Area: 11

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

Exact Legal Name: Haris Assets, LLC	
Street Address: 5023 North Illinois St, Suite 3	
City and Zip Code: Fairview Heights, IL 62208	
Name of Registered Agent: Kim Brokaw	
Registered Agent Street Address: 5023 North Illinois St., Suite 3	
Registered Agent City and Zip Code: Fairview Heights, IL 62208	
Name of Chief Executive Officer: Shakeel Ahmed, MD	
CEO Street Address: 5023 North Illinois St., Suite 3	
CEO City and Zip Code: Fairview Heights, IL 62208	
CEO Telephone Number: 618-239-0678	

#### Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	
<ul style="list-style-type: none"> <li>○ Corporations and limited liability companies must provide an <b>Illinois certificate of good standing</b>.</li> <li>○ 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.</li> </ul>	
<b>APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

#### Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli P.C.
Address: 150 N. Riverside Plaza, Ste. 3000 Chicago, IL 60606
Telephone Number: 312-873-3639
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#### Additional Contact [Person who is also authorized to discuss the application for permit]

Name: Shakeel Ahmed, MD
Title: Chief Executive Officer
Company Name: Ahmed 15, LLC
Address: 5023 North Illinois St., Fairview Heights, IL 62208
Telephone Number: 618-239-0678
E-mail Address: <a href="mailto:ShakeelAhmedGI@Gmail.com">ShakeelAhmedGI@Gmail.com</a>
Fax Number:

**Post Permit Contact**

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

Name: Shakeel Ahmed, MD
Title: Chief Executive Officer
Company Name: Ahmed 15, LLC
Address: 5023 North Illinois St., Fairview Heights, IL 62208
Telephone Number: 618-239-0678
E-mail Address: <a href="mailto:ShakeelAhmedGI@Gmail.com">ShakeelAhmedGI@Gmail.com</a>
Fax Number:

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: The Storage Center of O'Fallon, LLC
Address of Site Owner: 77 Sunset Boulevard Suite 100 O'Fallon, IL 62269
Street Address or Legal Description of the Site: 729 Insight Ave. O'Fallon, IL 62269
<b>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.</b>
<b>APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Operating Identity/Licensee**

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

Exact Legal Name: Ahmed 15, LLC d/b/a Physicians' Surgical Center	
Address: 5023 North Illinois St., Fairview Heights, IL 62208	
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	
<ul style="list-style-type: none"> <li>Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>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.</li> <li><b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>	
<b>APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

**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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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.hfsrb.illinois.gov>).

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

**Historic Resources Preservation Act Requirements**

[Refer to application instructions.]

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

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

**DESCRIPTION OF PROJECT****1. Project Classification**

[Check those applicable - refer to Part 1110.20 and Part 1120.20(b)]

Part 1110 Classification:

- ☒ Substantive  
☐ Non-substantive

## 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.

Ahmed 15, LLC (the "Applicant") seeks authority to relocate Physicians' Surgical Center from its current location at 311 West Lincoln Belleville, IL 62220 (the "Existing ASTC") to 729 Insight Ave. O'Fallon, IL 62269 (the "Replacement ASTC").

The Replacement ASTC will consist of 3,360 gross square feet of clinical space and 915 gross square feet of non-clinical space for a total of 4,275 gross square feet of space. The number of key rooms will be reduced as follows:

Service	# Existing Key Rooms	# Proposed Key Rooms
Operating Rooms	1	1
Procedure Rooms	1	0
Stage 1 Recovery Stations	3	2
Stage 2 Recovery Stations	0	2

While this project is effectively a relocation, it is classified as a substantive project because it proposes the establishment of a new health care facility.

**Project Costs and Sources of Funds**

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

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs	\$0	\$0	\$0
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$392,982	\$107,018	\$500,000
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$29,002	\$7,898	\$36,900
Architectural/Engineering Fees	\$41,735	\$11,365	\$53,100
Consulting and Other Fees	\$0	\$0	\$0
Movable or Other Equipment (not in construction contracts)	\$175,000	\$25,000	\$200,000
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space or Equipment*	\$443,520	\$120,780	\$564,300
Other Costs To Be Capitalized	\$0	\$0	\$0
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
<b>TOTAL USES OF FUNDS</b>	<b>\$1,082,239</b>	<b>\$272,061</b>	<b>\$1,354,300</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Cash and Securities	\$638,719	\$151,281	\$790,000
Pledges	\$0	\$0	\$0
Gifts and Bequests	\$0	\$0	\$0
Bond Issues (project related)	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Leases (fair market value)*	\$443,520	\$120,780	\$564,300
Governmental Appropriations	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Other Funds and Sources	\$0	\$0	\$0
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$1,082,239</b>	<b>\$272,061</b>	<b>\$1,354,300</b>
*The value of the building to be built by a third party is \$564,300. Haris Assets, LLC intends to purchase the building if Physicians' Surgical Center is issued a CON permit for the location.			
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			



**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 **\$ 80,000**.

**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): June 30, 2020

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 (not applicable)  
☐ APORS (not applicable)  
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted  
☒ All reports regarding outstanding permits

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

## Cost Space Requirements

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>							

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



**Facility Bed Capacity and Utilization**

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


<b>FACILITY NAME:</b>		<b>CITY:</b>			
<b>REPORTING PERIOD DATES:</b> <b>From:</b> <b>to:</b>					
<b>Category of Service</b>	<b>Authorized Beds</b>	<b>Admissions</b>	<b>Patient Days</b>	<b>Bed Changes</b>	<b>Proposed Beds</b>
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify))					
<b>TOTALS:</b>					

**CERTIFICATION**

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole 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 for Permit is filed on the behalf of Ahmed 15, LLC \*  
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

  
SIGNATURE

Shakeel Ahmed, MD  
PRINTED NAME

Sole Member and Manager  
PRINTED TITLE

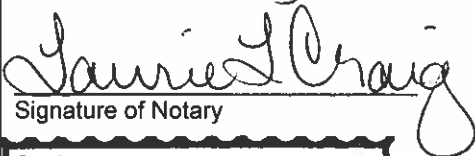
  
SIGNATURE

Shakeel Ahmed  
PRINTED NAME

PRINTED TITLE

Notarization:

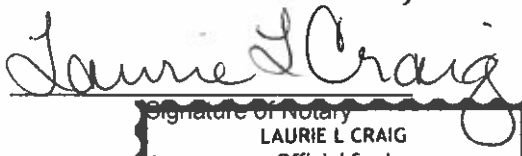
Subscribed and sworn to before me  
this 30th day of May, 2019

  
Signature of Notary

Seal LAURIE L CRAIG  
Official Seal  
Notary Public - State of Illinois  
My Commission Expires Sep 26, 2022

Notarization:

Subscribed and sworn to before me  
this 30th day of May, 2019

  
Signature of Notary

Seal LAURIE L CRAIG  
Official Seal  
Notary Public - State of Illinois  
My Commission Expires Sep 26, 2022

Shakeel Ahmed, MD is the sole manager and member of Ahmed 15, LLC. There are no other officers or directors of the company.

**CERTIFICATION**

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole 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 for Permit is filed on the behalf of Haris Assets, LLC \*  
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

  
\_\_\_\_\_  
SIGNATURE


Shakeel Ahmed, MD  
\_\_\_\_\_  
PRINTED NAME

Sole Member and Manager  
\_\_\_\_\_  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 30<sup>th</sup> day of May, 2019

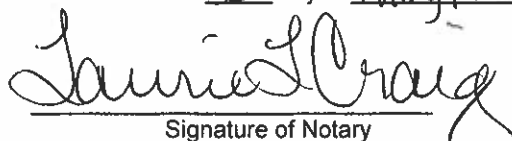
  
\_\_\_\_\_  
Signature of Notary

Seal      LAURIE L CRAIG  
Official Seal  
Notary Public - State of Illinois  
My Commission Expires Sep 26, 2022

  
\_\_\_\_\_  
SIGNATURE  
Shakeel Ahmed  
\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 30<sup>th</sup> day of May, 2019

  
\_\_\_\_\_  
Signature of Notary

Seal      LAURIE L CRAIG  
Official Seal  
Notary Public - State of Illinois  
My Commission Expires Sep 26, 2022

Shakeel Ahmed, MD is the sole manager and member of Haris Assets, LLC. There are no other officers or directors of the company.

**SECTION II. DISCONTINUATION**

This Section is applicable to the discontinuation of a health care facility maintained by a State agency.

**NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

**Criterion 1110.290 – Discontinuation (State-Owned Facilities and All Relocations)**

READ THE REVIEW CRITERION and provide the following information:

**GENERAL INFORMATION REQUIREMENTS**

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.

**REASONS FOR DISCONTINUATION**

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.290(b) for examples.

**IMPACT ON ACCESS**

1. Document whether or not the discontinuation of each service or of the entire facility will have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.

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

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

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

**1110.110(a) – Background of the Applicant**

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 listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
  - a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.
  - b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.
  - c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.
  - d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.
  - e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.
4. 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.**
5. 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 1110.110(b) & (d)****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 Staff Report.**

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

**ALTERNATIVES**

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

Alternative options **must** include:

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

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



**SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE****Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

**SIZE OF PROJECT:**

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
  - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
  - c. The project involves the conversion of existing space that results in excess square footage.
  - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

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

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

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

**PROJECT SERVICES UTILIZATION:**

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

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

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

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

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

**UNFINISHED OR SHELL SPACE: (Not Applicable)**

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.
3. Evidence that the shell space is being constructed due to:
  - a. Requirements of governmental or certification agencies; or
  - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
  - a. Historical utilization for the area for the latest five-year period for which data is available; and
  - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

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

**ASSURANCES: (Not Applicable)**

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

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

**SECTION V. SERVICE SPECIFIC REVIEW CRITERIA**

Sections A-F and H-O are not applicable

**G. Non-Hospital Based Ambulatory Surgery**

Applicants proposing to establish, expand and/or modernize the Non-Hospital Based Ambulatory Surgery category of service must submit the following information.

ASTC Service
<input type="checkbox"/> Cardiovascular
<input type="checkbox"/> Colon and Rectal Surgery
<input type="checkbox"/> Dermatology
<input type="checkbox"/> General Dentistry
<input type="checkbox"/> General Surgery
<input checked="" type="checkbox"/> Gastroenterology
<input type="checkbox"/> Neurological Surgery
<input type="checkbox"/> Nuclear Medicine
<input type="checkbox"/> Obstetrics/Gynecology
<input type="checkbox"/> Ophthalmology
<input type="checkbox"/> Oral/Maxillofacial Surgery
<input type="checkbox"/> Orthopedic Surgery
<input type="checkbox"/> Otolaryngology
<input type="checkbox"/> Pain Management
<input type="checkbox"/> Physical Medicine and Rehabilitation
<input type="checkbox"/> Plastic Surgery
<input type="checkbox"/> Podiatric Surgery
<input type="checkbox"/> Radiology
<input type="checkbox"/> Thoracic Surgery
<input type="checkbox"/> Urology

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

APPLICABLE REVIEW CRITERIA	Establish New ASTC or Service	Expand Existing Service
1110.235(c)(2)(B) – Service to GSA Residents	X	X
1110.235(c)(3) – Service Demand – Establishment of an ASTC or Additional ASTC Service	X	
1110.235(c)(4) – Service Demand – Expansion of Existing ASTC Service		X
1110.235(c)(5) – Treatment Room Need Assessment	X	X
1110.235(c)(6) – Service Accessibility	X	
1110.235(c)(7)(A) – Unnecessary Duplication/Maldistribution	X	
1110.235(c)(7)(B) – Maldistribution	X	

1110.235(c)(7)(C) – Impact to Area Providers	X	
1110.235(c)(8) – Staffing	X	X
1110.235(c)(9) – Charge Commitment	X	X
1110.235(c)(10) – Assurances	X	X
<b>APPEND DOCUMENTATION AS <u>ATTACHMENT 24</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>		

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

## VI. 1120.120 - AVAILABILITY OF FUNDS

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

<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>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</li> <li>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;</li> </ol> <p>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.</p> <p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p> <p>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:</p> <ol style="list-style-type: none"> <li>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;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>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.;</li> <li>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;</li> <li>5) For any option to lease, a copy of the option, including all</li> </ol>
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	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.
	<b>TOTAL FUNDS AVAILABLE</b>
<b>APPEND DOCUMENTATION AS <u>ATTACHMENT 33</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	



**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 34, 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
<b>Enter Historical and/or Projected Years:</b>				
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.

**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 35, 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 New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

\* Include the percentage (%) of space for circulation

**D. Projected Operating Costs**

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

**E. Total Effect of the Project on Capital Costs**

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

**APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION IX. SAFETY NET IMPACT STATEMENT**

**SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:**

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

**Safety Net Impact Statements shall also include all of the following:**

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

**A table in the following format must be provided as part of Attachment 38.**

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Medicaid (revenue)	Year	Year	Year
Inpatient			

	Outpatient				
	Total				

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**SECTION X. CHARITY CARE INFORMATION**

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 39.

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

APPEND DOCUMENTATION AS **ATTACHMENT 38**, 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:

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***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***

**AHMED 15, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 08, 2016, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.**



***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 3RD day of FEBRUARY A.D. 2019 .***

*Jesse White*

SECRETARY OF STATE

Authentication #: 1003400276 verifiable until 02/03/2020  
Authenticate at: <http://www.cyberdriveillinois.com>



***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***

HARIS ASSETS, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JANUARY 31, 2019, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set  
my hand and cause to be affixed the Great Seal of  
the State of Illinois, this 30TH  
day of MAY A.D. 2019 .***

*Jesse White*

SECRETARY OF STATE

May 30, 2019

Re: Proposed Real Estate Lease

To Ahmed 15, LLC, Planned Lessee:

This real estate lease letter of intent ("LOI"), dated May 30, 2019 (the "Effective Date") is by and between Haris Assets, LLC and Ahmed 15, LLC and confirms the planned lease of the real estate located at 729 Insight Avenue, O'Fallon, Illinois (the "Real Estate") by Haris Assets, LLC ("Planned Lessor") to Ahmed 15, LLC ("Planned Lessee") for the purpose of operating a licensed ambulatory surgical treatment center.

The current owner of the Real Estate is The Storage Center of O'Fallon, LLC, M.D. ("Seller"). Planned Lessor has entered into a non-binding Commercial Real Estate Sales Contract attached hereto as Exhibit A. After the sale of the Real Estate to Planned Lessor, which shall be subject to the approval of a Certificate of Need permit application by the Illinois Health Facilities and Services Review Board to relocate the Planned Lessee's existing surgery center to the Real Estate, Planned Lessor will, in turn, lease the Real Estate to the Planned Lessee. The expected material terms of the Real Estate Lease will be set forth pursuant to a negotiated definitive real estate operating lease which shall, among other things, provide for the amortization of the cost of the Real Estate and related core and shell construction costs estimated to be \$443,520 plus a reasonable rate of return over the term of the Real Estate Lease.

It is expressly understood that this LOI is not intended to be, and shall not be construed to be, a binding commitment, agreement or contract and that the parties shall not be entitled to any recourse, in the form of damages, equitable relief or otherwise, for expenses incurred or benefit conferred or lost in the event that there is a failure, for whatever reason, of the parties to agree on any term or terms and/or provisions of definitive agreements.

Sincerely,



Shakeel Ahmed, M.D. for Haris Assets, LLC

**ACCEPTED AND AGREED:**

to this 30<sup>th</sup> day of May, 2019:



Shakeel Ahmed, M.D. for Ahmed 15, LLC

65857696.3

68833380.1

Attachment-2  
30

## **COMMERCIAL REAL ESTATE SALES CONTRACT**

THIS IS A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK COMPETENT LEGAL ADVICE.

THIS REAL ESTATE SALES CONTRACT ("Agreement") is made and entered into effective as of May 1 2019, by and between The Storage Center of O'Fallon, LLC ("Seller"), and Haris Assets, LLC or Assigns ("Purchaser").

1. **Sale of Property**. Seller agrees to sell, transfer, and convey to Purchaser and Purchaser agrees to purchase from Seller, in accordance with the terms of this Agreement, all of Seller's right, title, estate, and interest in and to certain real property known as **Pad "F" (including a new 8,550 sf building shell) Insight Professional Park, O'Fallon, Illinois as shown on Exhibit A** ("Property"), legal description on Seller's title to govern.

2. **Purchase Price and Payment**. The purchase price ("Purchase Price") for the Property is: **\$1,128,600.00** (\$132.00 psf) which shall be paid as follows:

a. **Earnest Money Deposit**. Within 5 days after contract acceptance, Purchaser shall pay to Seller a **non-refundable** earnest money deposit in the amount of **\$15,000.00** ("Deposit") which shall be applied to the Purchase Price at the Closing, as hereinafter defined.

b. **Closing Date**. Subject to the terms of this Agreement, the closing of the purchase and sale of the Property ("Closing") shall take place on or before **Ten (10) days** after all Contingencies are waived by Purchaser ("Closing Date"), in the offices of First American Title Co., Swansea, Illinois.

c. **Payment at Closing**. At Closing, Purchaser shall pay to Seller the balance of the Purchase Price, subject to the prorations and adjustment in Section 3 below, by federal wire transfer of funds over \$50,000 as required by all title companies.

3. **Prorations and Adjustments**. The following prorations and adjustments shall be made to the Purchase Price at Closing:

a. **Taxes**. All ad valorem real estate taxes ("Taxes") imposed on the Property for the year in which Closing occurs and any prior year which are not yet due and payable shall be prorated and adjusted to the Closing Date, hereinafter defined, based on the latest information available with respect to Taxes. All prorations will be on the basis of a 365-day year with the Closing Date being charged to Purchaser. The Taxes which are charged to Seller pursuant hereto shall be a Permitted Encumbrance, as defined in Section 5(a) below; and Purchaser shall be responsible to pay all of such Taxes, when they come due.

b. **Release of Encumbrances**. Other than the Permitted Encumbrances, as defined below, on or before Closing, Seller shall cause, at Seller's cost, any and all assessments, liens, security interests, mortgages or deeds of trust and other encumbrances affecting the Property that were not caused by Purchaser ("Seller Encumbrances"), to be satisfied and released, unless they are assumed by Purchaser at Closing. The proceeds due at Closing may be applied to satisfy or pay any such Seller Encumbrances.

c. **Expenses**. Seller shall be responsible to pay for all expenses in connection with the payment of any Seller Encumbrances and recording costs to release any Seller Encumbrances, Seller's attorneys' fees, real estate transfer or documentary taxes, one-half of the customary escrow or closing

---

Seller Initials SM Purchaser Initials SA

Exhibit A

fees charged by the Title Company, the premium for Purchaser's basic title insurance policy in the amount of the Purchase Price (excluding endorsements for extended coverage, zoning and other matters desired by Purchaser), and such other expenses provided to be paid by Seller herein. Purchaser shall be responsible to pay for the recording fee for the deed, Purchaser's attorneys fees, one-half of the customary escrow or closing fees charged by the Title Company, Purchaser's title insurance endorsements, if any, Purchaser's tests and inspections, Purchaser's survey, and such other expenses provided to be paid by Purchaser herein.

4. **Investigation of the Property.** From and after the date of this Agreement, Seller grants to Purchaser and its agents and representatives access to the Property for the sole purpose of conducting a complete physical inspection of the Property including, without limitation, preparation of boundary line, spot and topographical surveys, soil sampling and boring tests, and such other engineering, environmental, and mechanical inspections and investigations as Purchaser may reasonably require (collectively, "Investigations"). Purchaser shall indemnify, protect, defend and hold harmless the Seller against all mechanic's liens and other claims, demands, causes of action, liens, fines, damages, losses, costs and expenses (including attorneys' fees and litigation costs) and all other liabilities asserted against or incurred by the Property or Seller's ownership therein in connection with Purchaser's entry upon the Property or Purchaser's inspection, surveying, test borings or other work performed by or through Purchaser and Purchaser shall restore the Property to substantially the same condition as in which it existed prior to such Investigations. The Purchaser shall pay for all inspections and reports ordered by Purchaser, promptly; and shall not allow any mechanic's lien's to be filed against the Property. This provision shall survive Closing or other termination of this Agreement.

5. **Contingencies.** In addition to any other conditions set forth in this Agreement, Purchaser's obligation to consummate the purchase provided for herein shall be subject to the fulfillment, by satisfaction or waiver of Purchaser on or before **April 29th, 2020** (the "Contingency Date") of the following contingencies (collectively, the "Contingencies"):

a. **Title Commitment.** Purchaser, at Seller's cost and expense, may order a title search and commitment for title insurance ("Commitment") on the Property, together with complete copies of all exception documents to title ("Exceptions") from Title Company.

b. **Physical Inspection.** Purchaser shall be satisfied with the results of the Investigations. Purchaser shall notify Seller, in writing, of any condition disclosed during its Investigations that is not satisfactory to Purchaser and Seller shall have thirty days (30) days to cure such condition, with the Contingency Date automatically extended for such period, if cure is undertaken.

c. **Survey.** Purchaser shall be satisfied with any survey made during its Investigations to verify the legal description as recorded in the chain of title, verify the total acreage, show the property lines and the location of all recorded easements and other encroachments, if any, show the improvements, verify the elevations, and any other survey considerations deemed necessary by Purchaser. Purchaser shall notify Seller, in writing, if the Investigations reveal any encroachments or other survey conditions which are unacceptable to Purchaser; otherwise said Survey shall be deemed approved and such encroachments and conditions as have not been objected to by Purchaser shall be deemed permitted encroachments.

d. **Finance.** In sole desertion of the Purchaser.

e. **Permitted Use.** Purchaser shall determine the existing zoning and other governmental regulations permit the use of the Property for Purchaser's intended use as **medical office building**.

---

Seller Initials SW Purchaser Initials GP



f. Other. A Certificate of Need (CON) from the State of Illinois. *for an ASC.*

*SA*

g. Shell Construction: Purchaser's approval of the architectural drawings and definitions of what is included in the building shell. In addition, Seller shall have said shell completed no later than November 1<sup>st</sup>, 2019. If said shell is not completed by said date, Purchaser shall have the option of a) receive a full refund of the earnest money plus an additional \$25,000 in liquidated damages or b) continue with Seller with a mutually agreed completion date which shall not be more than 60 days and receive a \$25,000 discount off the purchase price. And in the event the shell is not completed within 60 days, Purchaser may elect to hire another builder to complete the shell at Seller's expense.

h. Right to Extend. Purchaser shall have the right to extend the Contingency Date to July 29<sup>th</sup>, 2020 by written notice to the Seller on or before the Contingency Date indicated above, as extended in accordance herewith, together with a non-refundable payment to Seller of \$2,500.00 as "Additional Earnest Money". The Additional Earnest Money shall be non-refundable but shall be applied as a credit to the Purchase Price, if the purchase is consummated.

**If Purchaser does not give written notice to Seller on or before the Contingency Date, as it may be extended, that the Contingencies have either been satisfied or waived by Purchaser, then this Agreement shall be terminated and of no further force or effect, except for Purchaser's obligations and indemnity under Section 4 above.**

**If Purchaser gives written notice of satisfaction of the contingencies under this Section received by Seller on or before the expiration of the Contingency Date, as it may be extended, then this Agreement shall remain in full force and effect and the parties shall proceed to close on the purchase and sale of the Property in accordance with the terms of this Agreement.**

## 6. Closing.

a. Place of Closing. Subject to the terms of this Agreement, the closing of the purchase and sale of the Property ("Closing") shall take place in the offices First American Title Co..

b. Possession Seller shall deliver possession of the Property to Purchaser at Closing

c. Seller's Obligations at Closing. At Closing, Seller shall escrow to be delivered to Purchaser upon satisfaction of Purchaser's Obligations (as defined below), the following items, all of which shall be duly executed and acknowledged in recordable form, where appropriate (collectively, "Seller's Obligations"):

(i) Deed. A Special Warranty Deed conveying fee simple title to the Property to Purchaser, subject to the Permitted Encumbrances.

(ii) P-Tax. An Illinois Transfer Tax Declaration Form.

(iii) Releases. Written release of any Seller Encumbrances affecting the Property which are not assumed by Purchaser.

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Exhibit A

(iv) Bill of Sale and Assignment. None

(v) Seller's Affidavit. A Seller's Affidavit customarily used by the Title Company.

(vi) Non-Foreign Seller Affidavit. An affidavit of Seller in form and substance satisfactory to Purchaser setting forth Seller's United States taxpayer identification number and certifying that Seller is not a foreign person as that term is used and defined in Section 1445 of the United States Internal Revenue Code.

(vii) Miscellaneous. Any other documents reasonably required by this Agreement, the Title Company, or Purchaser to be delivered by Seller or necessary to implement and effectuate the Closing hereunder, including without limitation, documents, consents, and approvals from Seller and any Tenant under any lease being assumed by Purchaser satisfactory to Purchaser.

d. Purchaser's Obligations at Closing. At Closing, Purchaser shall, in addition to any other obligations of Purchaser as set forth in this Agreement, escrow to be delivered to Seller upon satisfaction of Seller's Obligations, the following items, any of such as are documents to be duly executed and acknowledged (collectively, "Purchaser's Obligations"):

(i) Purchase Price. Deliver the balance of the Purchase Price by federal wire transfer of funds over \$50,000 as required by all title companies. (subject to adjustment and proration as hereinbefore provided).

(ii) P-Tax. An Illinois Transfer Tax Declaration.

(iii) Assumptions. An assumption of any leases being assumed by Purchaser, in a form reasonably satisfactory to Seller.

(iv) Miscellaneous. Any other documents reasonably required by this Agreement, the Title Company, or Seller to be delivered by Purchaser or necessary to implement and effectuate the Closing hereunder, including, without limitation, documents, consents, and approvals from Purchaser satisfactory to Seller.

7. Notices. Any notice, request, approval, demand, instruction or other communication to be given to either party hereunder, except those required to be delivered at Closing, shall be in writing, and shall be conclusively deemed to be delivered when personally delivered or when (a) transmitted by telefax to the applicable telefax number followed with mailing by regular United States mail.

8. Additional Covenants.

a. Brokerage. Seller and Purchaser each hereby represent and warrant to the other that, with the exception Terry Johnson of Barber Murphy Group, (the "Broker"), to whom Seller shall pay all commissions due, neither has dealt with any broker or finder in connection with the transaction contemplated hereby, and each hereby agrees to indemnify, defend and hold the other harmless against and from any and all manner of claims, liabilities, loss, damage, attorneys' fees and expenses, incurred by either party and arising out of, or resulting from, any claim by any such broker or finder in contravention of its representation and warranty herein contained.

b. Liability Disclaimer. The Broker and its real estate agent(s) shall not be liable in any way for damages incurred pertaining to which inspector or inspectors are chosen to conduct the investigations, the results

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Seller Initials            Purchaser Initials SA

Exhibit A

of any investigations, the findings of any parties in connection with any investigation, or the expense of any investigations.

c. AS IS. PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES (OTHER THAN THE WARRANTY OF TITLE AS SET OUT IN THE SPECIAL WARRANTY DEED AND AS EXPRESSLY SET FORTH IN THIS AGREEMENT), PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESSED OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (I) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY; (II) THE INCOME TO BE DERIVED FROM THE PROPERTY; (III) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER OR ANYONE ELSE MAY CONDUCT THEREON; (IV) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (V) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (VI) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY; (VII) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; OR (VIII) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND, SPECIFICALLY, THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION, ZONING OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTANCE IN OR ON THE PROPERTY OF HAZARDOUS MATERIALS EXCEPT AS AND AS EXPRESSLY SET FORTH IN THIS AGREEMENT. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT, HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, PURCHASER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES; THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION; AND THAT SELLER MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT, OR OTHER PERSON. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS-IS" CONDITION AND BASIS WITH ALL FAULTS. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY PURCHASER SUBJECT TO THE FOREGOING. ALL PROVISIONS OF THIS SUBSECTION 8(C) SHALL SURVIVE CLOSING OR THE TERMINATION OF THIS AGREEMENT WITHOUT CLOSING, AS APPLICABLE.

d. Litigation/Mediation/Arbitration. Notwithstanding anything in this Agreement to the contrary, Purchaser and Seller agree that any dispute or claim arising out of or relating to this Agreement, the breach of this Agreement, or the services provided in relation to this Agreement shall be submitted to mediation in accordance with the Rules and Procedures of the Commercial Dispute Resolution System of the United States Arbitration & Mediation. Any agreement assigned by the parties pursuant to the mediation conference shall be binding. The parties further agree that any controversy or claim arising

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## Exhibit A

out of or in relation to this Agreement, or any breach thereof, which is not resolved by mediation, whatever the cause or reason, or which is not subject to mediation under the terms of this Agreement, shall be settled by binding arbitration, in accordance with the COMMERCIAL RULES OF THE UNITED STATES ARBITRATION & MEDIATION or the then relevant rules of the United States Arbitration & Mediation. If one of the parties so elects such arbitration, the award rendered by the arbitrator(s) may be entered as a judgment in any court having jurisdiction thereof. The election to arbitrate may be made at any time after attempts at mediation have failed but not later than thirty (30) days after the receipt of summons in the event suit is filed by an opposing party. Failure to make a timely election to arbitrate will constitute an absolute waiver of the right to arbitrate. The notice of election to arbitrate shall be on the form formally used by the United States Arbitration & Mediation. The arbitration and/or mediation conference shall be conducted by the United States Arbitration & Mediation at a location chosen by United States Mediation & Arbitration. The filing of a judicial action to enable the recording of a notice of pending action, or for order of attachment, receivership, injunction, or other provisional remedy shall not constitute a waiver of the right to mediate and/or arbitrate under this provision nor shall it constitute a breach of the duty to mediate and/or arbitrate.

e. **NON-DISCRIMINATION.** THE PARTIES UNDERSTAND AND AGREE THAT IT IS ILLEGAL FOR EITHER OF THE PARTIES TO REFUSE TO SELL THE PROPERTY TO ANY PERSON ON THE BASIS OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, ANCESTRY, AGE, MARITAL STATUS, FAMILIAL STATUS, PHYSICAL OR MENTAL HANDICAP, MILITARY STATUS OR UNFAVORABLE DISCHARGE FROM MILITARY OR ANY OTHER CLASS PROTECTED BY ARTICLE 3 OF THE ILLINOIS HUMAN RIGHTS ACT. THE PARTIES AGREE TO COMPLY WITH ALL APPLICABLE FEDERAL, STATE, AND LOCAL FAIR HOUSING LAWS.

f. **Initials.** The parties have initialed each of the pages of this Agreement. Initialing each of the pages merely acknowledges that the parties have read and understand the terms indicated on such pages. Failure to initial all the pages shall not be cause to invalidate this Agreement if all other conditions to the formation of the Agreement are satisfied.

### 9. **Defaults and Remedies.**

a. **Default by Seller.** In the event that Seller shall have failed to have timely performed any of Seller's Obligations, covenants, and/or agreements contained herein which are to be performed by Seller, then Purchaser, at its option and as its sole and exclusive remedy, may either: (i) specifically enforce the provisions of this Agreement; or (ii) cancel and terminate this Agreement and in such event the Earnest Money Deposit shall immediately be refunded to Purchaser.

b. **Default by Purchaser.** In the event that Purchaser shall have failed to have timely performed any of Purchaser's Obligations, covenants, and/or agreements contained herein which are to be performed by Purchaser, then Seller, at its option and as its sole and exclusive remedy, may either: (i) specifically enforce the provisions of this Agreement; or (ii) cancel and terminate this Agreement and in such event the Earnest Money Deposit shall be retained by Seller.

### 10. **Miscellaneous.**

**Binding Effect.** This Agreement is binding upon and inures to the benefit of the parties hereto and their respective heirs, legal representatives, executors, administrators, successors and assigns. This Agreement may not be assigned by Purchaser without the written approval of Seller.

**Person Defined.** The word "person" as used herein shall include all individuals, partnerships, limited liability companies, corporations, or any other entities whatsoever.

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Seller Initials SM Purchaser Initials SA

## Exhibit A

**Exhibits/Time Periods.** Any reference herein to any exhibits, addenda or attachments refers to the applicable exhibit, addendum, or attachment that is attached to this Agreement, and all such exhibits, addenda or attachments shall constitute a part of this Agreement and are expressly made a part hereof. If any date, time period or deadline hereunder falls on a weekend or a state or federal holiday, then such date shall be extended to the next occurring business day.

**Agreement Separable.** If any provision hereof is for any reason held to be unenforceable or inapplicable, the other provisions hereof will remain in full force and effect in the same manner as if such unenforceable or inapplicable provision had never been contained herein, and any such unenforceable provision shall be reformed to, as nearly as possible, reflect the parties' intent in an enforceable manner.

**Counterparts.** This Agreement may be executed in any number of counterparts, each of which will, for all purposes, be deemed to be an original, and all of which shall be identical and, when taken together, be deemed to be an original of this Agreement.

**Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

**Fees.** In the event of any dispute between the parties arising in connection with the subject matter of this Agreement, the party prevailing on the merits in any resulting action, mediation, arbitration, proceeding, or litigation shall be entitled to recover from the other party all fees, costs, and expenses including, without limitation, attorneys' fees, consultants' fees, and litigation costs, incurred in connection therewith.

**Entire Agreement.** This Agreement constitutes the entire agreement between Seller and Purchaser, and, except for any addenda attached hereto and initialed by the parties, there are no other covenants, agreements, promises, terms and provisions, conditions, undertakings, or understandings, either oral or written, between the parties concerning the Property other than those herein set forth. No subsequent alteration, amendment, change, deletion or addition to this Agreement shall be binding upon Seller or Purchaser unless in writing and signed by both Seller and Purchaser. No subsequent amendment or change to an addendum shall be binding, unless initialed by both parties.

**Construction.** This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by one of the parties or party's brokers, it being recognized that both Seller and Purchaser have contributed substantially and materially to the preparation and/or negotiation of this Agreement.

11. **Inclusions.** The following items should be included in the sales price: Purchaser shall receive a 10.96% interest in the Insight Professional Park which includes Seller providing the fully developed office park with adequate parking, trash dumpster enclosure, storm water detention, park sign marque, and any other interest provided to all other Pad owners.

12. **Exclusions.** The following items should be excluded in the sales price: None

13. **Shell Construction.** Purchaser, at Purchaser's option, can instruct the Seller to proceed with building the 6,030 SF "building shell" as shown on Exhibit B by paying an additional \$10,000.00 **non-refundable** to Seller. Seller shall have 90 days after building plans are approved by the Purchaser and the city of O'Fallon to complete said building shell. In the event Seller erects said

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Exhibit A

shell, the purchase price shall be increased to add the cost of said shell which shall not exceed \$84.00 per square foot.

14. **Acceptance of Contract.** This Agreement signed by Purchaser constitutes an offer which must be accepted, if at all, by the Seller on or before May 5th, 2019 at the hour of 5:00 p.m., or said offer shall be deemed revoked by the Purchaser and shall be of no legal effect.

15. **Choice of contractor.** Purchaser reserves the right to choose their own contractor to build said office building providing the building design receive prior written approval of the exterior design from the Seller as to the exterior materials and dimensions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

PURCHASER:

By: 

By: \_\_\_\_\_

Printed Name: Shaked Ahmed, MD  
manager Harris Asset

Printed Name: \_\_\_\_\_

Date: 5/7/19

Date: \_\_\_\_\_

SELLER:

- ☒ Accepts the Contract  
☐ Rejects the Contract  
☐ Counter Offers – Counter Offer Addendum Attached

By: 

By: \_\_\_\_\_

Printed Name: Steve Macaluso

Printed Name: \_\_\_\_\_

Date: 5.7.19

Date: \_\_\_\_\_

Seller Initials SM Purchaser Initials SA



***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***

**AHMED 15, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 08, 2016, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.**



***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 3RD day of FEBRUARY A.D. 2019 .***

*Jesse White*

SECRETARY OF STATE

Authentication #: 1903400276 verifiable until 02/03/2020  
Authenticate at: <http://www.cyberdriveillinois.com>



***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***

HARIS ASSETS, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JANUARY 31, 2019, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



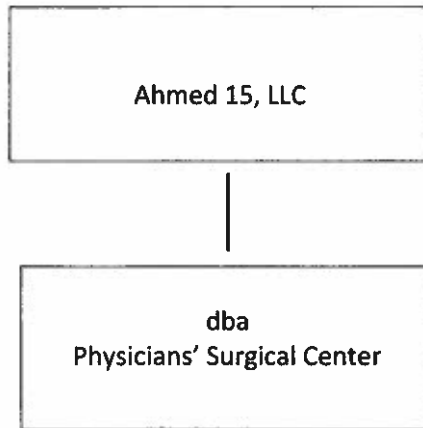
***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 30TH day of MAY A.D. 2019 .***

*Jesse White*

SECRETARY OF STATE



### Entity Chart



**\*Ahmed 15, LLC is the licensed entity and is owned 100% by Shakeel Ahmed, MD.**

## **Flood Plain Requirements**

The site of the proposed project complies with the requirements of Illinois Executive Order #2005-5. The proposed site is located at 729 Insight Ave. O'Fallon, Illinois 62269. Please see the attached Flood Plain Insurance Rate Map (FIRM) and FEMA Flood Map documenting that the project site is not located in a Special Flood Hazard Area.

Attachment- 5

43

MAP NUMBER  
1706308700

EFFECTIVE DATE:  
09/01/2007 5:00 PM



## FEMA Flood Map Service Center: Search By Address

Navigation

Search

Languages

MSC Home (/portal/)

MSC Search by Address  
(/portal/search)

MSC Search All Products  
(/portal/advanceSearch)

▼ MSC Products and Tools  
(/portal/resources/productsandtools)

Hazus  
(/portal/resources/hazus)

LOMC Batch Files  
(/portal/resources/lomc)

Product Availability  
(/portal/productAvailability)

MSC Frequently Asked  
Questions (FAQs)  
(/portal/resources/faq)

MSC Email Subscriptions  
(/portal/subscriptionHome)

Contact MSC Help  
(/portal/resource/contact)

Enter an address, place, or coordinates: ?

729 insight ave. ofallon, il 62269

Search

Whether you are in a high risk zone or not, you may need [flood insurance \(https://www.fema.gov/national-flood-insurance-program\)](https://www.fema.gov/national-flood-insurance-program) because most homeowners insurance doesn't cover flood damage. If you live in an area with low or moderate flood risk, you are 5 times more likely to experience flood than a fire in your home over the next 30 years. For many, a National Flood Insurance Program's flood insurance policy could cost less than \$400 per year. Call your insurance agent today and protect what you've built.

Learn more about [steps you can take \(https://www.fema.gov/what.mitigation\)](https://www.fema.gov/what.mitigation) to reduce flood risk damage.

### Search Results—Products for O'FALLON, CITY OF

Show ALL Products » (https://

The flood map for the selected area is number **17163C0210D**, effective on **11/05/2003** ?

#### MAP IMAGE



([https://msc.fema.gov/portal/viewProduct?](https://msc.fema.gov/portal/viewProduct?filepath=/17/P/Firm/17163C0210D.tif&productID=17163C0210D)

[filepath=/17/P/Firm/17163C0210D.tif&productID=17163C0210D\)](https://msc.fema.gov/portal/viewProduct?filepath=/17/P/Firm/17163C0210D.tif&productID=17163C0210D)



([https://msc.fema.gov/portal/downloadProduct?](https://msc.fema.gov/portal/downloadProduct?filepath=/17/P/Firm/17163C0210D.tif&productTypeID=FINAL_PRODUCT&productSu)

[filepath=/17/P/Firm/17163C0210D.tif&productTypeID=FINAL\\_PRODUCT&productSu](https://msc.fema.gov/portal/downloadProduct?filepath=/17/P/Firm/17163C0210D.tif&productTypeID=FINAL_PRODUCT&productSu)

#### Changes to this FIRM ?

Revisions (4)  
Amendments (52)  
Revalidations (0)

You can choose a new flood map or move the location pin by selecting a different location on the locator map below or by entering a new location in the search field above. It may take a minute or more during peak hours to generate a dynamic FIRMeite.



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<https://www.oig.dhs.gov/hotline>

 Official website of the Department of Homeland Security

## **Historic Resources Preservation Act Requirements**

The Applicant has requested a Historic Preservation Act determination from the Illinois Historic Preservation Agency. Documentation that no historic, architectural or archaeological sites exist within the project site will be submitted under separate cover upon receipt.

Project Costs			
Use of Funds	Clinical	Non-Clinical	Total
<b>Preplanning Costs</b>	\$0	\$0	\$0
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
<b>New Construction Costs</b>	<b>\$392,982</b>	<b>\$107,018</b>	<b>\$500,000</b>
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$29,002	\$7,898	\$36,900
Architectural/Engineering Fees	\$41,735	\$11,365	\$53,100
Consulting and Other Fees	\$0	\$0	\$0
<b>Movable and Other Equipment (not in construction contracts)</b>	<b>\$175,000</b>	<b>\$25,000</b>	<b>\$200,000</b>
Equipment & Instruments	\$175,000	\$0	\$175,000
Furniture	\$0	\$25,000	\$25,000
<b>Bond Issuance Expense (Project related)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Interest Expense During Construction (Project related)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Fair Market Value of Leased Space or Equipment</b>	<b>\$443,520</b>	<b>\$120,780</b>	<b>\$564,300</b>
FMV of Building*	\$443,520	\$120,780	\$564,300
<b>Other Costs to be Capitalized</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Acquisition of Building or Other Property (Excluding land)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Uses of Funds</b>	<b>\$1,082,239</b>	<b>\$272,061</b>	<b>\$1,354,300</b>

\*The value of the building to be built by a third party is \$564,300. Haris Assets, LLC intends to purchase the building if Physicians' Surgical Center is issued a CON permit for the location.

## **Active CON Permits**

Ahmed 15, LLC does not have any active permits.



## Cost Space Requirements

The Applicant seeks to relocate its Existing ASTC.

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Clinical							
Operating Room	\$708,609	0	2,200	2,200	0	0	0
Recovery Rooms	\$373,630		1,160	1,160			
Total Clinical	\$1,082,239	0	3,360	3,360	0	0	0
Non-Clinical							
Mechanical & Other Building Systems, Administrative, Other Non-clinical	\$272,061	0	915	915	0	0	0
Total Non-Clinical	\$272,061	0	915	915	0	0	0
Total	\$1,354,300	0	4,275	4,275	0	0	0

## **Section II, Discontinuation**

### **Criterion 1110.130(a), General**

**1. Identify the categories of service and the number of beds, if any that is to be discontinued.**

The Applicant seeks authority from the Health Facilities and Services Review Board (the "State Board") to discontinue, in its entirety the existing one operating room and one procedure room ASTC located 311 West Lincoln Belleville, IL 62220 (the "Existing ASTC") and to establish a new ASTC with one operating room to be located at 729 Insight Ave. O'Fallon, IL. (the "Replacement ASTC").

**2. Identify all of the other clinical services that are to be discontinued.**

No other clinical services will be discontinued as a result of this project.

**3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.**

Anticipated discontinuation date: June 30, 2020

**4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.**

The Applicant is currently leasing the Existing ASTC. If the CON permit application to move operations to O'Fallon is approved, the lease will expire at the time of relocation. If any moveable equipment remains viable for the operation of a surgery center, it will be either be moved to Metroeast Endoscopic Surgery Center or to the Replacement ASTC.

**5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.**

The prior operator has maintained its medical records. Those medical records created after the transaction shall be maintained in the new location in electronic or paper format.

**6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 60 days following the date of discontinuation.**

This project is a relocation of the Existing ASTC and not a true discontinuation. The current operator will continue to submit all questionnaires and data required by HFSRB and IDPH going forward.

### **Criterion 1110.130(b), Reasons for Discontinuation**

This discontinuation is necessary to establish a new Replacement ASTC to be located approximately 6.3 miles away from the existing ASTC. As described in detail throughout this application, there are several benefits to doing so:

- Address the physical plant limitations of the current space.
- Improve accessibility for safety net patients and other patients living in the Metro East St. Louis Region of Illinois.
- Improve colorectal screening rates and reduce colorectal cancer morbidity and mortality.

### **Criterion 1110.130(c), Impact on Access**

**1. Document that the discontinuation of each service or of the entire facility will not have an adverse effect upon access to care for residents of the facility's market area.**

The discontinuation of the Existing ASTC will not negatively impact access to care. To the contrary, it will improve access to high quality surgical procedures in a modern ASTC. As set forth above,

the proposed project is for the discontinuation of an Existing ASTC and the establishment of a Replacement ASTC. No true discontinuation will occur as a result of the proposed project.

Richard Sewell, Vice Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

**RE: Attachment 11 - Background of Applicant**

Dear Vice Chair Sewell:

The following information addresses the four points of the subject criterion 1110.230:

1. The healthcare facility owned by Ahmed 15, LLC is:

**Physicians' Surgical Center**  
License Identification Number: 7003229

Shakeel Ahmed, MD also owns:

**Metroeast Endoscopic Surgery Center**  
License Identification Number: 7003185  
Accreditation Identification Number: TJC 508160

2. Proof of current licensure and accreditation for Metroeast Endoscopic Surgery Center is attached. Physicians' Surgical Center does not have an active Medicare number nor is it accredited; however, the Applicant is currently applying for both.
3. There have been no adverse actions taken against the health care facilities owned or operated by the applicant during the three years prior to the filing of this application.
4. This letter serves as authorization permitting the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information which the State Board or Agency finds pertinent to this subsection.

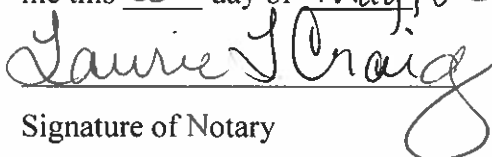
Sincerely,



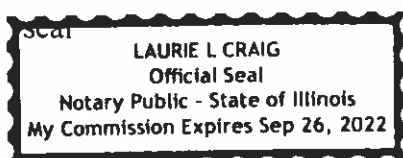
Shakeel Ahmed, MD  
Sole Member of Ahmed 15, LLC and Haris Assets, LLC

Attachments

Notarization:  
Subscribed and sworn to before  
me this 30<sup>th</sup> day of May, 2019.



Signature of Notary



Attachment-11

← DISPLAY THIS PART IN A  
CONSPICUOUS PLACE

**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.

**Ngozi O. Ezike, M.D.**  
**Director**

Issued under the authority of  
the Illinois Department of  
Public Health

EXPIRATION DATE	CATEGORY	LOG NUMBER
4/7/2020		7003229
<b>Ambulatory Surgery Treatment Center</b>		
<b>Effective: 04/08/2019</b>		

**Ahmed 15, LLC**  
**dba Physicians' Surgical Center**  
**311 W Lincoln St Ste 300**  
**Belleville, IL 62220**

The face of a license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-422-001 10M 9/18

Exp. Date 4/7/2020

Lic Number 7003229

Date Printed 4/11/2019

Validation Num 30931

Ahmed 15, LLC  
dba Physicians' Surgical Center  
311 W Lincoln St Ste 300  
Belleville, IL 62220-1802

FEE RECEIPT NO.



# Illinois Department of PUBLIC HEALTH

HF 117463

## 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

3/9/2020

CATEGORY

1. CATEGORY

7003186

**Ambulatory Surgery Treatment Center**

**Effective: 03/10/2019**

**Metroeast Endoscopic Surgery Center  
6023 N Illinois St  
Fairview Heights, IL 62208**

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. 840240 GSA 15718



**The Joint Commission**

November 16, 2017

Re: # 508160

CCN: #14C0001160

Program: Ambulatory Surgical Center

Accreditation Expiration Date: August 23, 2020

Shakeel Ahmed  
Owner, MD  
Metroeast Endoscopic Surgery Center  
5023 North Illinois Street  
Fairview Heights, Illinois 62208

Dear Dr. Ahmed:

This letter confirms that your August 21, 2017 - August 22, 2017 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for ambulatory surgical centers through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on October 23, 2017, The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of August 23, 2017.

The Joint Commission is also recommending your organization for continued Medicare certification effective August 23, 2017. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency. This recommendation applies to the following location(s):

Metroeast Endoscopic Surgery Center, LLC 5023 N Illinois, Suite 3, Fairview Heights, IL, 62208

Please be assured that The Joint Commission will keep the report confidential, except as required by law or court order. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS  
Chief Operating Officer  
Division of Accreditation and Certification Operations

[www.jointcommission.org](http://www.jointcommission.org)

Headquarters  
One Renaissance Boulevard  
Oakbrook Terrace, IL 60181  
630 792 5000 Voice



**The Joint Commission**

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services  
CMS/Regional Office 5 /Survey and Certification Staff

**[www.jointcommission.org](http://www.jointcommission.org)**

**Headquarters**  
One Renaissance Boulevard  
Oakbrook Terrace, IL 60181  
630 792 5000 Voice



### **Section III, Purpose of the Project, and Alternatives – Information Requirements**

#### **Purpose of Project**

1. **Document that the Project will provide health care services that improve the health care or well-being of the market area population to be served.**

The Applicant proposes to relocate its Existing ASTC.

The purpose of this Project is to reduce costs and to improve quality of care and access for residents of the geographic service area (GSA). As discussed below, the Project will improve access to ambulatory surgical care, which is one of the key areas of demand for complex, specialized health care in the area. Access to ambulatory surgical care is essential to the overall well-being of the community, particularly in light of the aging population and the comorbidities associated with that shifting age cohort.

As set forth in a letter from the ASC Advocacy Committee to Secretary Sebelius regarding implementation of a value-based purchasing system for ASTCs, ASTCs are efficient providers of surgical services. ASTCs provide high quality surgical care, excellent outcomes and a high level of patient satisfaction at lower cost than hospital outpatient departments (HOPDs). Surgical procedures performed in an ASTC are reimbursed at lower rates than HOPDs and result in lower out-of-pocket expenses to patients. In fact, based on United Healthcare's desire to cover certain procedures only in the ASTC setting due to the fact that a hospital is most often an unnecessary higher cost setting for simple elective surgical procedures, the payor has implemented prior authorization requirements in O'Fallon/Shiloh, where many healthcare services have recently migrated but without an ASTC option, for certain surgical procedures, including endoscopy, in outpatient hospital settings that will not apply to ASTCs. Ahmed 15, LLC expects other payors to follow suit in the near future. Accordingly, the Applicant seeks to provide a high-quality, lower cost option to residents of the GSA.

2. **Define the planning area or market area, or other, per the applicant's definition.**

The mandated service area pursuant to the State Board rules consists of those Illinois areas within 17 miles of the proposed site. A map of this area is included as Attachment- 12B. Distances from the Replacement ASTC to the market area borders are as follows:

- East: Clinton County, Illinois (17 miles)
- South: Prairie Du Long, Illinois (17 miles)
- West: Eastern Missouri (17 miles)
- North: Edwardsville, Illinois (17 miles)

As shown in Table 1110.235(c)(2)(B)(ii), which is included in Attachment- 12A, 100% of the cases projected to be performed at the Replacement ASTC within the first year after project completion are from patients residing within 17 miles of the ASTC.

**3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the Project.**

The Project would achieve the following:

**A. Address physical plant limitations of the current space**

The Existing ASTC is several decades old and was built under a different life safety code. Accordingly, there are significant issues with the physical plant described in further detail in Attachment- 13 that would be addressed by the Project. For example, the Existing ASTC is located adjacent to the former St. Elizabeth's Hospital and medical campus in Belleville, Illinois. Twenty-two acres, including the hospital building, heart institute, parking garage and elevated walkway have been demolished. It is inappropriate and unreasonable for the Existing ASTC to operate within the wreck left behind by the hospital demolition. Staying in the current location will negatively impact patient perception of the quality of the Existing ASTC services due to the blighted property now surrounding it. Further, it leads to patient confusion and wayfinding difficulties. Please see Attachment- 12c for current photographs of the demolition occurring next to Physicians' Surgical Center (PSC).

**B. Improve access by better distributing the surgery centers that serve the Metro East communities in Illinois**

In recent years, there have been some demographic changes in the Metro East St. Louis Region of Illinois. Specifically, based on data from the US Census Bureau, the Existing ASTC's 62220 zip code in Belleville saw a 3.7% decrease in population from 2000 to 2017, and the Belleville population as a whole has been flat over the last 40 years. Meanwhile, the proposed location (62269 zip code) saw a 20.7% growth rate from 2010 to 2017. From 1990 to 2017, the O'Fallon population has nearly doubled and nearby Shiloh has quadrupled its population in that time. Consistent with these trends, the two primary healthcare services providers in the area, BJC HealthCare and Hospital Sisters Health System, have updated their facilities and moved them eastward to these communities. In fact, the Existing ASTC is on the otherwise demolished campus of the former St. Elizabeth's Hospital.

The Project would better distribute the surgery centers in the GSA by relocating PSC in closer proximity to a larger and growing population of patients, while ensuring that residents of Belleville and surrounding areas continue to have access to lower cost surgical services. One such option for Belleville area residents is Bel-Clair Ambulatory Surgical Treatment Center, which is located in the vicinity of the Existing ASTC and offers gastroenterology services. Similarly, Metroeast Endoscopic Surgery Center (MESC), which is a sister provider to PSC, is located in Fairview Heights, less than five miles away from the Existing ASTC. Following the planned relocation, PSC and MESC will both offer endoscopy services, and MESC will soon offer additional surgical specialties. Since a significant volume of MESC's patients reside near the Existing ASTC as documented in the physician referral letter in Appendix 1, the Project would allow the Applicant to continue to serve patients in Belleville and surrounding areas while also improving access for residents of O'Fallon and surrounding areas. The Applicant anticipates that, following the proposed relocation, Belleville residents will utilize MESC as well as PSC. Additionally, many patients in the eastern portion of MESC's service area are expected to seek care at the Replacement ASTC, as are patients who travel via the heavily trafficked Interstate 64. Accordingly, by relocating

PSC to O'Fallon, Illinois where there is not an ASTC, the Project will extend access to surgical services in the lower cost ASTC setting by better distributing the surgery centers throughout the GSA.

### **C. Improve access to safety net services**

During Calendar Year 2017, Metroeast Endoscopic Surgery Center, which is a sister provider to PSC, and PSC were the only ASTCs in the GSA for which Medicaid patients constituted a material portion of their total patients. Upon relocating and reopening, PSC will be actively enrolled in the Medicaid program and will welcome Medicaid patients. In 2017, MESC saw 1,133 Medicaid patients (27% of patients) and in 2018 it saw 823 Medicaid patients (22% of patients). As the principal of MESC is the same as that of the Applicant, the Applicant anticipates that a similar percentage of Medicaid patients will utilize the Replacement ASTC. It is imperative for patients to be able to obtain safety net services in the ambulatory surgery center setting particularly in light of the State of Illinois' budgetary crisis.

### **D. Improve colorectal cancer screening rates and reduce colorectal cancer morbidity and mortality**

Visualization of the GI tract with endoscopy is a critical tool for GI physicians and a material part of any gastroenterologist's practice. As the field of medicine and gastroenterology has evolved and particularly with regard to screening and early detection of pre-cancerous polyps, access to colonoscopy has become a critical part of preventative healthcare for patients aged 50-75.

According to the National Cancer Institute, more than 145,000 new cases of colorectal cancer will be diagnosed in the United States this year with over 50,000 estimated deaths attributed to colorectal cancer (or 8.4% of all cancer deaths). With improved screening and treatment of colorectal cancer (CRC), the U.S. Incidence of CRC has dropped 40% since 1976. Yet, CRC is still the second leading cause of cancer death in the U.S. It does not have to be. Screening saves lives. The Centers for Disease Control and Prevention (CDC) estimates that up to 13 million colonoscopies will need to be performed annually to meet the screening goal of 80% of people between the ages of 50 and 75 years of age.

According to the St. Clair County Community Health Improvement Plan published in December 2017, cancer is the leading cause of premature death in St. Clair County, constituting 79.9 deaths per 100,000 people. CRC alone is responsible for 7.1 deaths per 100,000 people. Meanwhile, data from the CDC shows that CRC screening rates in St. Clair County were among the lowest in Illinois and were far below the 80% target during the last measured period, 2014, when they were in the 40.1% to 61.2% range.

Access to adequate screening is essential to reducing the CRC rate in St. Clair County. Ninety percent (90%) of CRC cases can be cured at a relatively low cost when found and treated at an early stage. Screenings should start at age 50- if not before. People who have a risk of CRC may need to start screenings at an earlier age. Without early detection, mortality from CRC is significant and the costs for treatment are high. The U.S. spends approximately \$12.2 billion on CRC treatment each year and the cost of treatment for a single advanced case of CRC can exceed \$300,000. With early screening and treatment, these costs are largely avoidable. The cost of polyp removal which is completed during colonoscopy is just a small

amount more than the screening itself. Routine screening can identify colorectal cancer at the early stages when it is easiest and least expensive to treat and the possibility of cure is the greatest. Yet, the screening rate for those most at risk is far too low.

4. **Cite the sources of the information provided as documentation.**

Letter from ASC Advocacy Committee to Secretary Sebelius *available at* <http://wasca.net/wp-content/uploads/2010/10/Final-ASCAC-ASCA-VBP-letter-to-Sebelius.pdf> (last visited May 23, 2019).

United Healthcare's prior authorization requirements for HOPDs *available at* [https://www.uhcprovider.com/content/dam/provider/docs/public/policies/protocols/Prior Authorization Outpatient Surgical Procedures FAQ.pdf](https://www.uhcprovider.com/content/dam/provider/docs/public/policies/protocols/Prior%20Authorization%20Outpatient%20Surgical%20Procedures%20FAQ.pdf) (last visited May 23, 2019).

National Cancer Institute figures *available at* <https://seer.cancer.gov/statfacts/html/common.html> (last visited May 29, 2019).

St. Clair County Community Health Improvement Plan *available at* <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwjRzazKrsHiAhUGOK0KHqLxB1AQFjAAegQIABAC&url=http%3A%2F%2Fwww.health.co.st-clair.il.us%2Fabout%2FDocuments%2FSCCHD%25202017%2520IPLAN.pdf&usq=AOvVaw0XeYfQGyCG2aOWQd4Cfdjd> (last visited May 29, 2019).

St. Clair County CRC Screening rates *available at* <https://www.cdc.gov/cancer/ncccp/screening-rates/index.htm> (last visited May 29, 2019).

5. **Detail how the Project will address or improve the previously referenced issues as well as the population's health status and well-being.**

As discussed in greater detail above, modernizing and relocating PSC will allow the Applicant to improve quality and safety by aligning the facility with contemporary standards. It will also improve access to safety net services in the high-quality, lower cost ASTC setting for residents of the GSA. Finally, it will improve colorectal cancer screening rates and reduce colorectal cancer morbidity and mortality.

6. **Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.**

Ahmed 15, LLC's prevailing objectives are to improve access to ambulatory surgical care for patients and to improve the quality and operational efficiency of these services. Specifically, the goals of the Project are:

- To improve quality and safety by aligning the facility with contemporary standards.
- To improve access to safety net services for residents of the GSA.
- To improve colorectal screening rates.
- To reduce colorectal cancer morbidity and mortality.

These goals can be addressed at the time of project completion.

ATTACHMENT- 12a

The table below lists the patient origin by zip code for all cases projected to be performed at the Replacement ASTC within the first year after project completion. As documented in Attachment- 24, 1,209 (or 100%) of the cases are from patients residing in the GSA.

<b>Table 1110.235(c)(2)(B)(ii)</b>	
<b>Zip Code</b>	<b>2018 Volume</b>
62001	0
62025	59
62061	0
62214	5
62221	308
62225	10
62243	32
62249	29
62254	69
62258	122
62264	29
62265	0
62269	448
62281	19
62293	31
62294	48

ATTACHMENT- 12b

**17-Mile Radius from Replacement ASTC**



The GSA was limited to only the Illinois zip codes within a 17-mile radius of the Replacement ASTC. The following Missouri zip codes were excluded from the GSA: 63101, 63102, 63103, 63104, 63106, 63107, 63111, 63113, 63115, 63118, 63147. While the GSA and the projected volumes in Attachment- 15 exclude Missouri residents, Dr. Ahmed regularly see patients from Missouri, and they will have the option of obtaining care at PSC in O'Fallon.



ATTACHMENT- 12c





ATTACHMENT- 12c



## **Alternatives to the Proposed Project**

The Applicant proposes to relocate its Existing ASTC. The Applicant believes that the proposed project is the most effective and least costly alternative to the other alternatives considered when balancing access and quality with costs. The following narrative consists of a comparison of the proposed project to alternative options.

The Applicant has considered the following alternatives:

### **A) Project of Lesser Scope: Do Nothing (\$0)**

Ahmed 15, LLC has only recently become the owner of Physicians' Surgical Center. It is the Applicant's understanding that the Existing ASTC has been operational at its current location for several decades and that the building was constructed well before that. As a result of its age, there are several shortcomings with the facility. For example, the Existing ASTC is on the second floor of its building. The facility's small elevator has the potential for impeding the safe egress of patients in case of emergency for those patients who have been anesthetized for their surgical procedure. There is a stairway, but at the Replacement ASTC, services will be provided on the ground floor, so the issue of transporting patients down to the ground floor from a higher floor will be eliminated.

Further, though the Existing ASTC was once part of a medical campus and adjacent to the former St. Elizabeth's Hospital, that hospital and much of the campus has recently been demolished. While the blighted hospital building has been razed, the result is that the Existing ASTC building sits amidst large piles of dirt and rubble and is completely isolated from other facilities and services. See photos attached at Attachment- 12c. There is nothing surrounding this decrepit old building, and it will be a strange experience, to say the least, for patients to utilize services at the destitute Existing ASTC location.

Inside the surgery center itself, space is limited. While the space is compliant with life safety code and other legal requirements, it is still a very tight space. There is no easily accessible staff break room. The toilet is shared with patients. There are no male and female locker rooms. The surgical center itself is very tight with small spaces assigned to the clean and dirty rooms.

In the future, the Existing ASTC may not be able to maintain its compliance with the requirements of accreditation agencies, both federal and at the state level. In addition, it is a rented space and demolishing it or reconstructing it from the outside or from within would not be an option. It is owned by Saint Elizabeth's Hospital, which has expressed an interest in taking back the building.

Doing nothing would not address the physical plant constraints described above, which impact patient safety, operational efficiency and patient satisfaction.

### **B) Renovate Existing ASTC (\$1,000,000+)**

To renovate in place, the Applicant would have to invest significant financial resources to achieve suboptimal results. The cost of a major renovation in today's construction dollars is often equal to or greater than that of new construction and cannot address the shifting population.

## **Alternatives to the Proposed Project**

Further, even a significant modernization project would not address all of the physical plant issues described above, including proximity to the demolished site, size constraints and the second floor location. Modernization would also not improve access by better distributing the surgery centers that serve the Metro East St. Louis communities in Illinois as described in Attachment- 12.

Under this option, patient safety, operational efficiency and access would be adversely affected and costs would not be significantly reduced. For these reasons, this alternative was rejected.

### **C) Relocate and modernize ASTC (Proposed). (\$1,354,300)**

The Applicant ultimately decided to relocate and modernize its ASTC. The chosen option will improve quality of care by providing a state of the art facility that promotes patient satisfaction and operational efficiency through improved patient flow from pre-op through recovery. It will also improve the facility's location to allow for easier access by patients and staff.

For all of these reasons, this option is the one chosen for the proposed project.

## Size of Project

The Applicant proposes to establish an ASTC with one operating room, two Phase 1 recovery stations and two Phase 2 recovery stations. Pursuant to Section 1110 of the Administrative Code, the state standard is 2,075 gsf – 2,750 gsf per operating room. The gross square footage of the proposed operating room is 2,200 gsf. Accordingly, the size of the ASTC meets the State standard.

SIZE OF PROJECT				
DEPARTMENT / SERVICE	PROPOSED BGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ASTC	2,200 gsf	2,075 – 2,750 gsf	n/a	Yes

## Project Services Utilization

Section 1100, Appendix B of the Administrative Code documents the established standards for non-hospital based ASTCs.

By the second year after project completion, the ASTC's annual utilization shall meet or exceed HFSRB's utilization standards. Historically, Dr. Ahmed performed 3,752 outpatient procedures at Metroeast Endoscopic Surgery Center. As documented in the physician letter attached at Appendix 1, approximately 1,209 procedures will be performed at the Replacement ASTC within the first year after project completion. As a result, 907 surgical hours are projected for the first year after project completion, which is sufficient to support the need for one operating room.

Table 1110.235(c)(5)(A) Projected Utilization				
Year	Dept/Service	Projected Utilization	State Standard	Met Standard?
2018	ASTC	907 hours	n/a	Yes

Physician Name	Specialty	Projected Cases at Physicians' Surgical Center (for each of the first two years after relocation)	Average Case Time	Surgery Hours of Projected Cases
Ahmed, Shakeel	Gastroenterology	1,209	X 0.75 hours =	907

## **Unfinished or Shell Space**

The proposed project does not entail unfinished or shell space, so this section is not applicable.

## **Section VII Service Specific Review Criteria**

This project does not involve any of the following services. Therefore the associated sections are not applicable.

- Medical/Surgical, Obstetric, Pediatric and Intensive Care
- Comprehensive Physical Rehabilitation
- Acute Mental Illness and Chronic Mental Illness
- Open Heart Surgery
- Cardiac Catheterization
- In-Center Hemodialysis
- Selected Organ Transplantation
- Kidney Transplantation
- Subacute Care Hospital Model
- Community-Based Residential Rehabilitation Center
- Long Term Acute Care Hospital
- Clinical Service Areas Other than Categories of Service
- Freestanding Emergency Center Medical Services
- Birth Center

**Section VII, Service Specific Review Criteria**  
**Non-Hospital Based Ambulatory Surgery**  
**Criterion 1110.1540(c) – Service to Geographic Area Residents**

1. Attached as Attachment- 24a is a map outlining the intended geographic service area (GSA) for the Replacement ASTC. As set forth in Criterion 1110.235, Physicians' Surgical Center (PSC) will serve residents of O'Fallon and surrounding communities within 17 miles of the proposed site. Accordingly, the intended GSA consists of those areas within 17 miles of the proposed site.
2. Table 1110.235(c)(2)(B)(i) below lists the zip codes that comprise the GSA of the Replacement ASTC as well as the corresponding populations.

<b>Table 1110.235(c)(2)(B)(i)</b>		
<b>ZIP</b>	<b>City</b>	<b>2017 Population</b>
62001	Alhambra	1,557
62025	Edwardsville	32,008
62026	Edwardsville	2,757
62034	Glen Carbon	13,217
62040	Granite City	42,517
62048	Hartford	1,671
62059	Lovejoy	582
62060	Madison	4,763
62061	Marine	1,667
62062	Maryville	7,624
62084	Roxana	1,773
62087	South Roxana	2,247
62090	Venice	1,267
62201	East Saint Louis	8,199
62203	East Saint Louis	7,674
62204	East Saint Louis	8,364
62205	East Saint Louis	8,276
62206	East Saint Louis	15,233
62207	East Saint Louis	8,327
62208	Fairview Heights	16,822
62214	Addieville	1,142
62215	Albers	1,555
62216	Aviston	2,854
62220	Belleville	19,510
62221	Belleville	28,460
62223	Belleville	17,204
62225	Scott Air Force Base	3,702
62226	Belleville	28,550



62232	Caseyville	6,942
62234	Collinsville	32,496
62236	Columbia	13,573
62239	Dupo	4,908
62240	East Carondelet	1,782
62243	Freeburg	5,587
62245	Germantown	1,967
62249	Highland	15,705
62254	Lebanon	5,953
62257	Marissa	2,623
62258	Mascoutah	9,452
62260	Millstadt	7,226
62264	New Athens	3,534
62265	New Baden	4,558
62269	O Fallon	33,265
62281	Saint Jacob	2,640
62285	Smithton	4,484
62293	Trenton	4,434
62294	Troy	14,322
62298	Waterloo	16,604

Source: 2017 American Community Survey

3. Table 1110.235(c)(2)(B)(ii) below lists the patient origin by zip code for all cases projected to be performed at the Replacement ASTC within the first year after project completion. As documented in Table 1110.235(c)(2)(B)(ii) 1,209 (or 100%) of the cases are from patients residing in the GSA.

<b>Table 1110.235(c)(2)(B)(ii)</b>	
<b>Zip Code</b>	<b>2018 Volume</b>
62001	0
62025	59
62061	0
62214	5
62221	308
62225	10
62243	32
62249	29
62254	69
62258	122
62264	29
62265	0
62269	448
62281	19

62293	31
62294	48

**Section VII, Service Specific Review Criteria**  
**Non-Hospital Based Ambulatory Surgery**  
**Criterion 1110.235(c)(3) – Service Demand**

A letter from Dr. Ahmed providing historical utilization data and anticipated case volumes is attached at Appendix- 1. Zip code data for historical patients is also included with the letter. As documented in Attachment- 15, Dr. Ahmed projects to perform 907 hours of surgical procedures in the first year after project completion. Accordingly, one operating room is necessary to service the projected patient volume.

**Section VII, Service Specific Review Criteria**  
**Non-Hospital Based Ambulatory Surgery**  
**Criterion 1110.235 (c)(5) – Treatment Room Need Assessment**

The Applicant proposes to relocate and modernize its Existing ASTC containing one operating room and one procedure room. In doing so, the Applicant will reduce the number of key rooms to one operating room and zero procedure rooms. As documented in attachment- 15, 907 hours of surgical procedures are projected at the Replacement ASTC. Accordingly, the proposed one operating room is necessary to service the projected patient volume.

- a. The estimated time per procedure including clean-up and set-up time is 0.75 hours. While endoscopy has historically taken longer based on 2017 PSC data, Dr. Ahmed believes he can provide the service more time efficiently. Accordingly, the estimated time was reduced to 45 minutes per case, which is more in line with the state average.

**Section VII, Service Specific Review Criteria**  
**Non-Hospital Based Ambulatory Surgery**  
**Criterion 1110.235(c)(6) – Service Accessibility**

The Applicant seeks to relocate and modernize its ASTC to address physical plant limitations, improve access to safety net services and reduce colorectal cancer morbidity and mortality as described in Attachment- 12.

The group that will be referring endoscopy cases to the Replacement ASTC is the Center for Gastrointestinal Health (the "Practice"). The Practice is committed to preventive medicine. In gastroenterology, these practices are life-saving and life prolonging significantly reducing morbidity and mortality with a significant reduction in costs to private and government payors, employers and patients. Unfortunately, as reflected in publicly available data, the area hospitals do not provide the same meaningful endoscopy access for safety net patients as MESCC and the Practice does. The Practice has been operating in the Metro East St. Louis Region of Illinois area for over 15 years. Owing to an otherwise lack of low-cost and high-efficiency gastroenterology providers and due to progress in primary care interventions to improve colorectal cancer screening, the Center for Gastrointestinal Health has seen

significant growth both in volume and presence. In the last 3 to 5 years, Metroeast Endoscopic Surgery Center (MESC) has been the only endoscopy provider for outpatient services to low income patients and Medicaid patient population in this area. Metroeast Endoscopic Surgery Center (MESC), which is a sister provider to PSC, has a substantial track record of being a safety net provider. In 2017, MESC and PSC were the only two ASTCs in the GSA for which Medicaid patients constituted a substantial part of total patients. Most notably, in 2017, MESC treated 1,133 Medicaid patients (27% of patients) and in 2018 it treated 823 Medicaid patients (22% of patients). As the Replacement ASTC will accept all St. Clair and Madison County Medicaid managed care plans, just as MESC does, the Applicant anticipates that a similar percentage of Medicaid patients will utilize the Replacement ASTC. Compare this to the payor mix of area hospitals, which is about 3% Medicaid.

Through the Practice and MESC, the Practice's patients are provided access to procedures that would cost at least 3 to 4 times more at local hospitals. Accordingly, it is imperative that PSC develops a modern, state-of-the-art center where it is able to extend access to a larger and growing population. As discussed in Attachment- 12, ASTCs provide high quality surgical care at a lower cost and in a more convenient setting than hospital outpatient departments.

Based on the foregoing, this project will improve access to care in the ASTC setting for the residents of the GSA, including safety net patients.

## **Section VII, Service Specific Review Criteria**

### **Non-Hospital Based Ambulatory Surgery**

#### **Criterion 1110.235(c)(7) – Unnecessary Duplication/Maldistribution**

##### **1. Unnecessary Duplication of Services**

- a. PSC will be relocated to 729 Insight Ave. O'Fallon, IL 62269. A map of the proposed facility's market area is included as Attachment- 24a. A list of the Illinois zip codes located, in total or in part, within 17 miles of the site of the relocated facility as well as 2017 population estimates for each zip code is provided in Table 1110.235(c)(7)(A).

<b>Table 1110.235(c)(7)(A)</b>		
<b>ZIP</b>	<b>City</b>	<b>2017 Population</b>
62001	Alhambra	1,557
62025	Edwardsville	32,008
62026	Edwardsville	2,757
62034	Glen Carbon	13,217
62040	Granite City	42,517
62048	Hartford	1,671
62059	Lovejoy	582
62060	Madison	4,763
62061	Marine	1,667

62062	Maryville	7,624
62084	Roxana	1,773
62087	South Roxana	2,247
62090	Venice	1,267
62201	East Saint Louis	8,199
62203	East Saint Louis	7,674
62204	East Saint Louis	8,364
62205	East Saint Louis	8,276
62206	East Saint Louis	15,233
62207	East Saint Louis	8,327
62208	Fairview Heights	16,822
62214	Addieville	1,142
62215	Albers	1,555
62216	Aviston	2,854
62220	Belleville	19,510
62221	Belleville	28,460
62223	Belleville	17,204
62225	Scott Air Force Base	3,702
62226	Belleville	28,550
62232	Caseyville	6,942
62234	Collinsville	32,496
62236	Columbia	13,573
62239	Dupo	4,908
62240	East Carondelet	1,782
62243	Freeburg	5,587
62245	Germantown	1,967
62249	Highland	15,705
62254	Lebanon	5,953
62257	Marissa	2,623
62258	Mascoutah	9,452
62260	Millstadt	7,226
62264	New Athens	3,534
62265	New Baden	4,558
62269	O Fallon	33,265
62281	Saint Jacob	2,640
62285	Smithton	4,484
62293	Trenton	4,434
62294	Troy	14,322
62298	Waterloo	16,604

Source: 2017 American Community Survey

- b. A list of all existing and approved health care facilities located within the GSA that provide surgical services proposed by the Project is attached at Attachment- 24b.

## 2. Maldistribution of Services

### Ratio of Stations to Population

As shown in Table 1110.235(c)(7)(B), the ratio of rooms to population is below the state average. Since access to operating rooms is more limited than in other parts of the state, it is important that PSC is able to establish the Replacement ASTC. This is particularly true because there are far more operating rooms in the hospital setting than in the lower cost ASTC setting which is the more appropriate setting for simple, elective surgical procedures. Specifically, as there will be 74 surgical suite rooms in the GSA including the one in the Replacement ASTC if it is approved, 95% of those rooms will be operated under a hospital license with a much higher cost to patients, the government, employers and private payors.

Table 1110.235(c)(7)(B)			
Ratio of Stations to Population			
	Population	Operating & Procedure Rooms	Rooms to Population
Geographic Service Area	481,577	102	1 : 4,721
State	12,854,526	2,778	1 : 4,627

Sources: 2017 American Community Survey, Illinois HFSRB Hospital and ASTC Profiles

## 3. Impact to Other Providers

- a. The Project will not have an adverse impact on existing facilities in the GSA or lower utilization of other area providers that are operating below the occupancy standards. The anticipated volumes in Attachment- 15 are based solely on historical volumes at PSC's sister provider, MESCC.

## Section VII, Service Specific Review Criteria

### Non-Hospital Based Ambulatory Surgery

#### Criterion 1110.235(c)(8) – Staffing

The Applicant does not anticipate issues with hiring Registered Nurses and Certified Surgical Technologists as needed. Dr. Ahmed routinely recruits for various clinical staff and offers fair wages and if necessary, sign-on and referral bonuses for newly hired clinical employees.

The Applicant anticipates that PSC's current Medical Director, Dr. Shakeel Ahmed, will continue to function as Medical Director. Dr. Ahmed's CV can be found at Attachment- 24d.

**Section VII, Service Specific Review Criteria**  
**Non-Hospital Based Ambulatory Surgery**  
**Criterion 1110.235(c)(9) – Charge Commitment**

<b>Table 1110.1540(c)(9)</b>	
<b>Primary CPT</b>	<b>Max Charge</b>
G0105	\$2,500
G0121	\$2,500
43229	\$2,500
43235	\$2,500
43259	\$2,500
43260	\$2,500
43239	\$2,500
44361	\$2,500
45378	\$2,500
45380	\$2,500
45385	\$2,500
46946	\$2,500

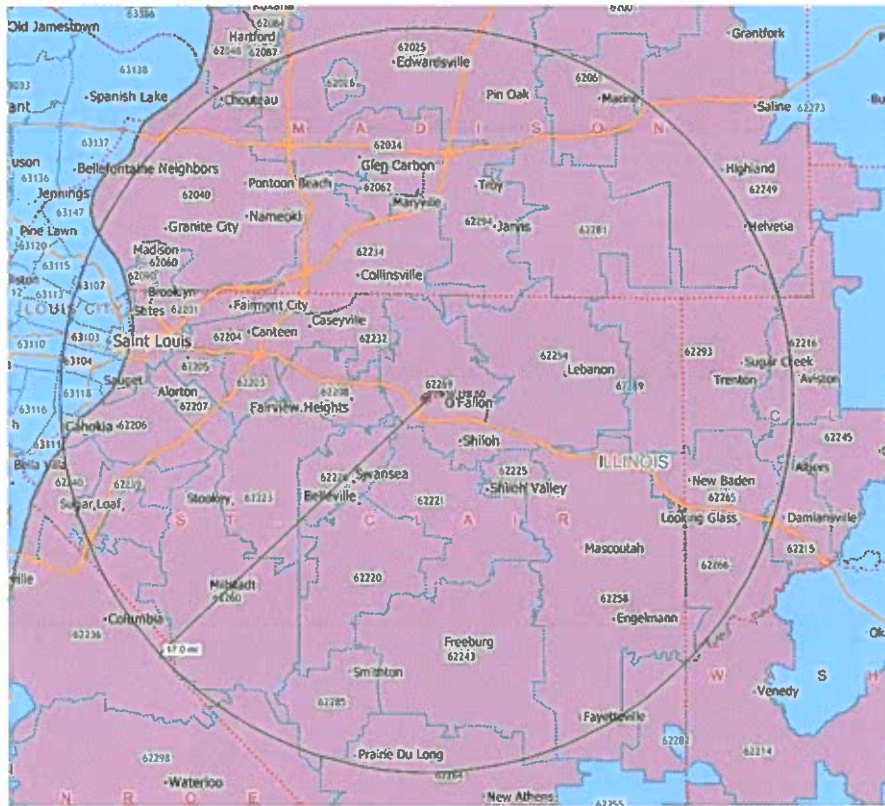
Table 1110.235(c)(9) above illustrates the procedures by primary CPT code that will be typically performed at the Replacement facility. Each line shows anticipated maximum charges for two years for a surgical case with the primary CPT code shown.

**Section VII, Service Specific Review Criteria**  
**Non-Hospital Based Ambulatory Surgery**  
**Criterion 1110.235(c)(10) – Assurances**

Attached as Attachment- 24c is a letter from the Applicant that contains assurances as outlined in 1110.235(c)(10).

**ATTACHMENT- 24a**

### 17-Mile Radius from Replacement ASTC



The GSA was limited to only the Illinois zip codes within a 17-mile radius of the Replacement ASTC. The following Missouri zip codes were excluded from the GSA: 63101, 63102, 63103, 63104, 63106, 63107, 63111, 63113, 63115, 63118, 63147. While the GSA and the projected volumes in Attachment- 15 exclude Missouri residents, Dr. Ahmed regularly see patients from Missouri, and they will have the option of obtaining care at PSC.



ATTACHMENT- 24b

Facility Name	Address	City	County	Zip	Travel Distance (Miles)	Travel Time (Minutes)
St. Elizabeth's Hospital	1 St. Elizabeth's Boulevard	O'Fallon	St. Clair	62269	0.6	3
Memorial Hospital - East	1404 Cross St.	Shiloh	St. Clair	62226	2.0	5
Metroeast Endoscopic Surgery Center	5023 N. Illinois St.	Fairview Heights	St. Clair	62208	5.2	10
Memorial Hospital Belleville	4500 Memorial Dr.	Belleville	St. Clair	62226	8.1	17
Touchette Regional Hospital	5900 Bond Ave.	Centreville	St. Clair	62207	13.5	18
Bel-Clair Ambulatory Surgical Treatment Center, Lt	325 W. Lincoln	Belleville	St. Clair	62220	7.6	18
Anderson Hospital	6800 State Route 162	Maryville	Madison	62062	14.4	23
Gateway Regional Medical Center	2100 Madison Ave.	Granite City	Madison	62040	18.5	23
Edwardsville Ambulatory Surgery Center, LLC.	12 Ginger Creek Parkway	Glen Carbon	Madison	62034	21.8	27
St. Joseph's Hospital	12866 Troxler Ave.	Highland	Madison	62249	23.7	32
Monroe County Surgical Center	501 Hamacher	Waterloo	Monroe	62298	26.3	41

Richard Sewell, Vice Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

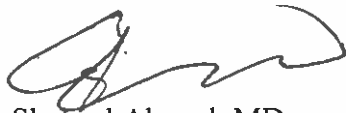
**RE: Non-Hospital Based Ambulatory Surgical Treatment Center Assurances**

Dear Vice Chair Sewell:

Pursuant to 77 Ill. Admin. Code § 1110.235(c)(10), I hereby certify the following:

- Physicians' Surgical Center will have a peer review program that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for surgical services. If outcomes do not meet or exceed those standards, a quality improvement plan will be initiated.
- By the second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms at Physicians Surgical Center will meet or exceed the utilization standard specified in 77 Ill. Admin. Code 1100.

Sincerely,

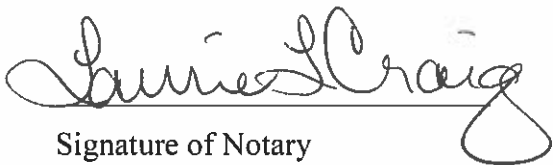


Shakeel Ahmed, MD  
Ahmed 15, LLC

Notarization:

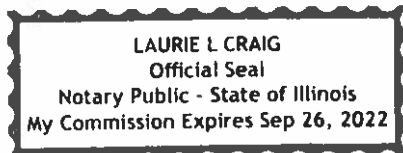
Subscribed and sworn to before

me this 30th day of May, 2019



Signature of Notary

seal



# SHAKEEL AHMED, M.D., FACP, FACG

5023 North Illinois Street, Fairview Heights, IL 62208-0678 618-239-0678 shakeelahmedgi@gmail.com

## INTERVENTIONAL GASTROENTEROLOGIST/HEPATOLOGIST

Board Certified Physician affiliated with multiple Illinois and St. Louis area hospitals. Expert medical specialist skilled in cultivating rapport with patients and building strong working relationships with referring physicians.

### EDUCATION

Dow Medical College – Karachi, Pakistan 1995  
Medical Doctor – MB, BS

### MEDICAL TRAINING

University of Montreal – Montreal, Canada 2002  
Advanced Training in Endoscopic Ultrasonography

University of Louisville – Louisville, KY 2000-2002  
Fellow – Interventional Gastroenterology

University of Louisville – Louisville, KY 1999-2000  
Fellow – Transplant Hepatology

Flushing Hospital, Affiliate of Cornell University Medical Center – Queens, NY 1996-1999  
Resident – Internal Medicine

### CERTIFICATION

#### BOARD CERTIFICATION

Diplomat – American Board of Gastroenterology/Hepatology, 2002  
Diplomat – American Board of Internal Medicine, 1999  
Diplomat – American Board of Aesthetic Medicine, 2018

#### CLINICAL CERTIFICATION

Certified in Endoluminal Gastroplication (ELGP), 2003

### PROFESSIONAL EXPERIENCE

Center for Gastrointestinal Health – Fairview Heights, IL 2004 – Present  
Interventional Gastroenterologist/Hepatologist

- Founded and operates practice specializing in advanced therapeutic endoscopy and interventional pancreato-biliary endosonography.
- Consult with and treat patients referred from general practice physicians and primary gastroenterologists for complicated pancreato-biliary disorders

Apollo Ambulatory Surgery Center – St. Louis, MO 2018-Present  
Medical Director and Endoscopist

Founded and operates a multi speciality Surgery Center specializing in all branches of surgery.

<b><u>Metroeast Endoscopic Surgery Center</u></b> – Fairview Heights, IL	<b>2010-Present</b>
<b>Medical Director and Endoscopist</b>	
<ul style="list-style-type: none"> <li>▪ Founded and operates a Joint Commission accredited surgery center specializing in gastrointestinal endoscopic procedures and therapeutic endoscopy.</li> <li>▪ Endoscopic management of complicated pancreato-biliary disorders performed at the center, with referral base extending over 4 states.</li> <li>▪ Center performing the highest volume of gastric balloon placements for obesity in the Midwest.</li> </ul>	

<b><u>University Digestive Disease Center</u></b> – Chicago, IL	<b>2002-2003</b>
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#### LEADERSHIP & TEACHING APPOINTMENTS

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<b><u>Apollo Ambulatory Surgery Center</u></b> – St. Louis, MO	<b>2018-Present</b>
<b>Medical Director</b>	

<b><u>Metroeast Endoscopic Surgery Center</u></b> – Fairview Heights, Illinois
<b>2010-Present</b>
<b>Medical Director</b>

<b><u>Physician's Surgical Centre</u></b> – Belleville, Illinois	<b>2010-2011</b>
<b>Medical Director</b>	

<b><u>St. Louis University</u></b> – St. Louis, Missouri	<b>1995-Present</b>
<b>Assistant Clinical Professor of Medicine</b>	

<b><u>Committee of Interns and Residents (CIR)</u></b> – New York, New York	<b>1998-1999</b>
<b>Elected Representative</b>	

<b><u>Civil Hospital, Department of Vascular Surgery</u></b> – Karachi, Pakistan	<b>1995-1996</b>
<b>Resident House Officer</b>	

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#### HONORS

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Dow Medical College – Merit No. 3 in Final Professional MB, BS with Gold Medal for Academic Excellence, Grade A, and Distinctions in Gynecological/Obstetrics and ENT.

Dow Medical College—Merit No. 2 in Third Professional MB, BS with Gold Medal for Academic Excellence, Grade A, and Distinctions in Pathology, 1993.

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#### RESEARCH

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Ahmed, S. "ORBERA Post-Approval Study: A prospective, multicenter, open-label, post-approval study of the safety and effectiveness of ORBERA™ as an adjunct to weight reduction for obese adults; sponsored by Apollo Endosurgery, Inc., Principal Investigator: June 2017-Present.

Ahmed, S. and Wright, R. – Chief of GI, University of Louisville. "A randomized clinical trial (120 patients comparing rabeprazole with lansoprazole in patients with erosive GERD." 2000.

Ahmed, S. "Cardiac findings in a patient with Klinefelters Syndrome." Case report, 1997.

Ahmed, S. "Incidence of carotid stenosis in patients with hypertension." 1996.

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**AFFILIATIONS**

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American College of Gastroenterology (ACG)  
American Society of Gastrointestinal Endoscopy (ASGE)  
American Gastroenterological Association (AGA)  
American College of Physicians (ACP)  
International Anesthesia Research Society (IARS)  
Ambulatory Surgery Center Association (ASCA)

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**NON-CLINICAL RECOGNITION**

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Member – American MENSA  
Black Belt in Chinese Kenpo  
Assistant Manager – American Red Cross; Levittown, PA (1996)

### **Section 1120.120 Availability of Funds**

The Project will be funded by cash on hand and an operating lease. Because Physicians' Surgical Center is owned 100% by a single owner, there are no audited financial statements available. To support the fact that there are sufficient funds to cover the cost of the proposed project, the Applicant provides the enclosed letter from Mr. Aaron Vickar from Buckingham Strategic Wealth noting the sufficiency of cash available for the Project.



**BUCKINGHAM  
STRATEGIC WEALTH**

8182 Maryland Ave.  
Suite 500  
St. Louis, MO 63105

800.711.2027  
314.725.0455

May 29, 2019

To Whom It May Concern:

My name is Aaron Vickar and I serve as the Wealth Advisor for Dr. Shakeel Ahmed. I can confirm that he has well in excess of \$1,000,000 available that can be accessed, in cash, within 24 hours.

If you have any questions please let me know.

Thank you.

Aaron Vickar  
314-743-2241

Aaron Vickar  
Wealth Advisor  
**BUCKINGHAM STRATEGIC WEALTH**  
[avickar@bamadvisor.com](mailto:avickar@bamadvisor.com) | 314.743.2241 (direct) | 800.711.2027, ext. 241  
8182 Maryland Ave. Suite 500, St. Louis, MO 63105

**Section VII, 1120.130 Financial Viability**  
**Financial Viability Waiver**

The Project will be funded through internal resources (cash on hand and an operating lease). Therefore, the project qualifies for a financial viability waiver and financial viability ratios are not required to be computed or provided.



**Section VII, 1120.140 Financial Viability**  
**Financial Viability Waiver**

This project will be funded entirely with cash and an operating lease. A copy of a letter from Aaron Vickar evidencing sufficient funds to finance the proposed project is attached as Attachment- 35a.



**BUCKINGHAM  
STRATEGIC WEALTH**

8182 Maryland Ave.  
Suite 500  
St. Louis, MO 63105

800.711.2027  
314.725.0455

May 29, 2019

To Whom It May Concern:

My name is Aaron Vickar and I serve as the Wealth Advisor for Dr. Shakeel Ahmed. I can confirm that he has well in excess of \$1,000,000 available that can be accessed, in cash, within 24 hours.

If you have any questions please let me know.

Thank you.

Aaron Vickar  
314-743-2241

Aaron Vickar  
Wealth Advisor

**BUCKINGHAM STRATEGIC WEALTH**

[avickar@bamadvisor.com](mailto:avickar@bamadvisor.com) | 314.743.2241 (direct) | 800.711.2027, ext. 241  
8182 Maryland Ave. Suite 500, St. Louis, MO 63105

**Section 1120.140 Economic Feasibility**  
**A. Reasonableness of Financing Arrangements**

Attached at Attachment- 36A is a letter from the Applicant attesting that the total estimated project costs will be funded entirely with cash and an operating lease.

Richard Sewell, Vice Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

**Reasonableness of Financing Arrangements**

Dear Vice Chair Sewell:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that there will be no long term debt associated with the project and all project costs and related costs will be funded in total with cash on hand and an operating lease (real estate lease).

Sincerely,

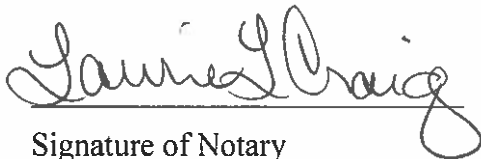


Shakeel Ahmed, MD

Ahmed 15, LLC

Notarization:

Subscribed and sworn to before  
me this 30th day of May, 2019



Signature of Notary



**Section VIII, Economic Feasibility Review Criteria**  
**Criterion 1120.140(B), Conditions of Debt Financing**

The Project will be funded in total with cash and an operating lease. Accordingly, this criterion is not applicable.

## 1120.140 Economic Feasibility

### C. Reasonableness of Project and Related Costs

The Applicant seeks to relocate and modernize its Existing ASTC.

The table below shows the cost and gross square foot allocation for all clinical departments impacted by the proposed project.

Cost and Gross Square Feet by Department of Service									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost / sf		Gross sf		Gross sf		Const \$ (A x C)	Mod \$ (B x E)	
	New	Mod	New	Circ	Mod	Circ			
Operating Rooms	\$322		2,200				\$708,609		\$708,609
Recovery Rooms	\$322		1,160				\$373,630		\$373,630
Total Clinical	\$322		3,360				\$1,082,239		\$1,082,239

The values in column C reflect the total gross square footage

Circulation is 23.1% of the gross square footage.

The following is documentation regarding whether the estimated project costs are reasonable and in compliance with the state standards, as defined in Section 1120.140 (C) of the Administrative Code:

1. Preplanning costs are 0% of the sum of new construction, modernization, contingency, and equipment costs, which is under the state standard of 1.8%. Therefore this item is compliant with the state standard.
2. Site survey, soil investigation, or site preparation costs are 0% of construction and contingency costs, which is under the state standard of 5.0%. Therefore this item is compliant with the state standard.
3. Off-site work costs total \$0. There is no state standard for off-site work.
4. New construction and contingency costs are \$322 per gsf, compared with the ASTC standard of \$414.90/gsf. Therefore, this item is compliant with the state standard.
5. There are no modernization contracts associated with this project. Therefore, this item is not applicable.
6. The new construction contingency is 7.4% of new construction contracts, compared with the state standard of 10% for projects in the schematics stage. Therefore, this item is compliant with the state standard.
7. Architectural and Engineering Fees for new construction are 9.9% of the sum of new construction contracts and the new construction contingency budget. This is

## **1120.140 Economic Feasibility**

### **C. Reasonableness of Project and Related Costs**

within the state standard of a range of 8.65% - 12.99% for a new construction budget under \$500,000. Therefore, this item is compliant with the state standard.

8. Consulting and Other Fees total \$0. There is no state standard for Consulting and Other Fees.
9. Movable or Other Equipment (Not in Construction Contracts) costs total \$175,000 or \$175,000 per room. This is under the state standard of \$489,755.
10. Bond issuance expense totals \$0. There is no applicable state standard for bond issuance expense.
11. Net Interest Expense during Construction totals \$0. There is no applicable state standard for Net Interest Expense.
12. The Fair Market Value of Leased Space or Equipment is \$443,520. There is no applicable state standard for Fair Market Value of Leased Space or Equipment.
13. Other Costs to Be Capitalized are \$0. There is no state standard for Other Costs to Be Capitalized.
14. There is no Acquisition of Building or Other Property cost associated with the proposed project. Therefore, this item is not applicable.

**Section 1120.140 Economic Feasibility**  
**D. Projected Operating Costs**  
**E. Total Effect of the Project on Capital Costs**

The Applicant seeks to relocate the Existing ASTC.

The table below provides information regarding costs as they relate to 1,209 units of service.

Line 5 of the table addresses criterion 1120.140(d), Projected Operating Costs.

Line 4 of the table addresses criterion 1120.140(e), Total Effect of the Project on Capital Costs.

<b>Review Criteria Relating to Economic Feasibility</b>		
1	Units of Service (2020 Projected)	1,209
2	Total Capital Cost (2020 Projected)	\$67,038
3	Total Operating Cost (2020 Projected)	\$696,422
4	Capital Cost per Unit of Service	\$55.45
5	Operating Cost per Unit of Service	\$576.03



## **Safety Net Impact Statement**

The Applicant seeks to relocate its Existing ASTC. No services are being eliminated. The Project will enhance the delivery of care to safety net patients at Physicians' Surgical Center (PSC), and will not have any adverse impact on safety net services in the community or on the ability of any other health care provider to deliver services.

This Safety Net Impact Statement addresses the following requirements:

- 1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.**

The relocation of PSC will improve access to essential safety net services by better distributing the surgery centers in the GSA. As documented in further detail in Attachment- 12, the Project will relocate PSC in closer proximity to a larger and growing population of patients while ensuring that residents of Belleville, including safety net patients, continue to have access to lower cost surgical care. The Applicant believes that by relocating PSC to O'Fallon, the three area surgery centers providing endoscopy, PSC, Bel-Clair ASTC located in Belleville and Metroeast Endoscopic Surgery Center (MESC) located in Fairview Heights, will be better distributed to provide gastroenterology services in the ASTC setting to a larger population, including safety net patients. MESC and PSC will continue to serve many Medicaid patients, as MESC has historically done and at a far higher rate than other area providers.

- 2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.**

The relocation of the ASTC will not adversely impact the ability of other providers or health care systems to serve patients seeking safety net services. As documented in the physician referral letter attached in Appendix 1, all cases projected to be performed at the Replacement ASTC are currently performed at MESC, which is a sister provider to PSC. No procedures will be transferred from other existing hospitals or surgery centers to the Replacement ASTC. Furthermore, the Project will reduce the number of operating and procedure rooms within the GSA, as it involves a reduction from one operating room and one procedure room to one operating room and zero procedure rooms.

- 3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.**

The Project is a relocation of the Existing ASTC and not a true discontinuation. As a result, an analysis regarding how reduced services will impact the community is not applicable.

**Safety Net Impact Statements shall also include:**

- 1. For the three fiscal years prior to the application, the applicant must also provide certification describing the amount of charity care provided by the applicant;**

## Safety Net Impact Statement

2. For the three fiscal years prior to the application, a certification of the amount of charity care provided to Medicaid patients;
3. Any information the applicant believes is directly relevant to safety net services.

### 1. Physicians' Surgical Center Charity Care Information

There is no charity care history at PSC under the Applicant, as a change of ownership occurred in 2019. Below is charity care information under the previous ownership:

Charity Care (# of patients)	FY 16	FY 17	FY 18
Outpatient	0	0	0
Charity Care (cost in dollars)	FY 16	FY 17	FY 18
Outpatient	\$0	\$0	\$0

### 2. Physicians' Surgical Center Medicaid Information

There is no Medicaid history at PSC under the Applicant, as a change of ownership occurred in 2019. Below is Medicaid information under the previous ownership:

Medicaid (# of patients)	FY 16	FY 17	FY 18
Outpatient	0	252	167
Medicaid (Revenue)	FY 16	FY 17	FY 18
Outpatient	\$0	\$728,271	\$56,490

### 3. Additional Information Relevant to Safety Net Services

Over the last three years (2016 to 2018), Metroeast Endoscopic Surgery Center, the sister provider of PSC, provided endoscopy services in 3,371 encounters out of a total of 12,796 procedures which is 26.3% of the cases in that three year period. As the Replacement ASTC will accept all St. Clair and Madison County Medicaid managed care plans, just as MESC does, the Applicant anticipates that a similar percentage of Medicaid patients will utilize the Replacement ASTC. Compare this to the payor mix of area hospitals, which is about 3% Medicaid.

## Charity Care Information

Charity care figures for Physicians' Surgical Center for the latest three audited fiscal years are provided in the table below:

### Physicians' Surgical Center

There is no charity care history at PSC under the Applicant, as a change of ownership occurred in 2019. Below is charity care information under the previous ownership:

Charity Care				
		2016	2017	2018
1	Net Patient Revenue	\$20,308,619	\$5,664,920	\$845,302
2	Amount of Charity Care (charges)	\$0	\$0	\$0
3	Cost of Charity Care	\$0	\$0	\$0
4	Ratio of the cost of Charity Care to Net Patient Revenue	0%	0%	0%

### **Physician Letter**

Required documentation of anticipated physician referrals is found in the Appendix of this application. It demonstrates Dr. Ahmed's commitment to send cases to Physicians' Surgical Center based on historical volumes at Metroeast Endoscopic Surgery Center.

Courtney Avery, Administrator  
IL Health Facilities & Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

Dear Ms. Avery:

I am a gastroenterologist writing in support of the proposed relocation of Physicians' Surgical Center.

I anticipate referring patients to Physicians' Surgical Center in the first year after project completion as shown in the table below. Projected case volume will come from the proposed geographic service area of Physicians' Surgical Center. Over the past twelve months, I performed a total of 3,752 outpatient procedures at Metroeast Endoscopic Surgery Center. Patient origin by zip code of residence for patient referrals over the past year is provided in Attachment A.

Name and Location of Licensed Facility	Cases (2018)	Projected Referrals to Physicians' Surgical Center (Cases)
Metroeast Endoscopic Surgery Center (Fairview Heights)	3,752	1,209

These patient referrals have not been used to support another pending or approved CON application.

The information in this letter is true and correct to the best of my knowledge.

I support the proposed relocation of Physicians' Surgical Center.

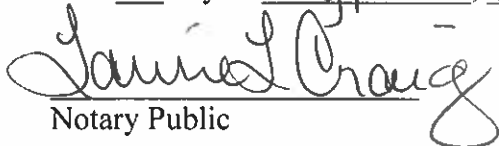
Sincerely,



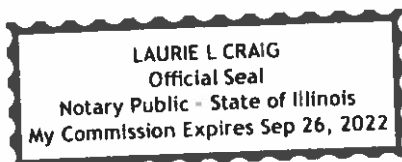
Shakeel Ahmed, M.D.

Subscribed and sworn to me

This 30<sup>th</sup> day of May, 2019



Notary Public



**ATTACHMENT A**

<b>Zip Code</b>	<b>Historical Cases (2018)</b>
23608	1
23665	1
29412	2
38016	1
38316	2
39772	2
46311	2
60202	1
60439	1
60560	1
61550	1
62002	18
62010	1
62012	1
62016	1
62018	3
62024	3
62025	59
62034	33
62035	3
62040	205
62046	3
62052	6
62059	6
62060	43
62062	25
62084	4
62088	11
62090	6
62095	9
62097	1
62201	41
62202	3
62203	75
62204	76
62205	79

62206	90
62207	50
62208	278
62214	5
62215	8
66216	10
62217	1
62220	139
62221	308
62222	8
62223	159
62225	10
62226	311
62230	25
62231	22
62232	88
62234	209
62236	16
62237	7
62239	19
62240	11
62241	2
62243	32
62244	2
62245	8
62246	7
62248	3
62249	29
62253	1
62254	69
62255	5
62256	2
62257	12
62258	122
62260	50
62263	7
62264	29
62255	34
62269	448

62271	15
62272	4
62273	1
62274	2
62275	6
62277	1
62278	21
62281	19
62282	4
62285	33
62286	12
62288	6
62289	5
62292	8
62293	31
62294	48
62295	1
62298	39
62401	1
62414	2
62454	1
62471	1
62553	2
62612	1
62704	1
62801	6
62810	1
62828	2
62832	2
62837	1
62838	1
62846	1
62848	1
62853	2
62859	1
62864	6
62881	6
62882	3
62888	2



62891	4
62896	1
62907	4
62924	1
162932	1
62966	7
63005	2
63021	2
63025	1
63026	4
63031	3
63034	1
63038	2
63080	2
63088	2
63090	1
63102	2
63104	1
63105	2
63106	1
63108	2
63111	2
63112	1
63115	1
63116	3
63118	2
63119	2
63121	3
63125	2
63128	2
63129	4
63130	2
63138	2
63146	2
63301	4
63303	4
63368	2
63376	2



Kara Friedman  
Polsinelli PC  
312-873-3639  
[kfriedman@polsinelli.com](mailto:kfriedman@polsinelli.com)

Mr. Michael Constantino  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street  
Springfield, Illinois 62761

**Re: Certificate of Need Application**

Dear Mr. Constantino:

Ahmed 15, LLC hereby submits the attached Certificate of Need application to relocate Physicians' Surgical Center to 729 Insight Ave. O'Fallon, IL 62269. As the planned landlord, Haris Assets, LLC, is an affiliate of the PSC owner, we have included basic co-applicant information for that entity as well. As documented in the evidence of legal site ownership attachment, Haris Assets, LLC currently has a land contract (that it can cancel if the CON permit is not granted) to purchase the land and building (the core and shell of which will soon be constructed by an unaffiliated, non-provider land owner).

For your review, I have attached an original and one copy of the following documents:

1. Check for \$2,500 for the application processing fee
2. Completed Application for Permit

Please note that Dr. Ahmed inadvertently signed each of the certification pages (pages 10 and 11) twice.

Thank you for your time and consideration of the Applicants' application for permit. If you have any questions or need any additional information to complete your review of the application for permit, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Kara Friedman".

Kara Friedman  
Attorney, Polsinelli PC