

Axel & Associates, Inc.

MANAGEMENT CONSULTANTS

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

by electronic mail & FedEx

March 6, 2020

Mr. Michael Constantino
c/o Illinois Health Facilities and
Services Review Board
525 West Jefferson
Springfield, IL 62761

RE: Project 20-001
University of Illinois Medical Center
at Chicago
Requested Information

Dear Mike:

Please accept this letter and its attachments in response to your February 24, 2020 information request.

Department of Corrections

UIMCC is the leading provider of specialty care for inmates of the Illinois Department of Corrections. The 1,764 dgsf is provided on the lower level of the building as a holding and staging area for IDOC inmates being seen as outpatients at the hospital. Prisoners are brought in a group to the hospital, entering through the loading dock, and held in this area until they are to be seen in one of the hospital's clinical areas, at which point they are escorted by Department of Corrections personnel to that area via a dedicated elevator to the examination or treatment site.

Shell Space

The project does not include any shell space.

Ground Lease

The ground lease will be for a term in excess of the maturity of the bond financing (estimated to be about 30 years) and will contain provisions requiring the project to be constructed and maintained in accordance with campus standards. Under the ground lease, the ground will, at all times, remain owned by the University, and the borrower will own the improvements for the term of the bonds. At the end of the financing term, or upon earlier payment of the bonds, ownership of improvements will automatically transfer to the University. Rent under the ground

lease is nominal consideration of \$1/year. The University will sublease the project from the borrower for the same term as the ground lease.

Purpose of the Project/Page 37

A revised ATTACHMENT 12 is attached.

ASTC Alternative

Approximately 13% of the proposed project's square footage is dedicated to outpatient surgery, and the alternative of constructing an ASTC outside of the hospital, proper, would reduce the project's capital cost. This alternative however, was dismissed both for physical as well as programmatic reasons. Physically, appropriate and usable space, that being of sufficient square footage and condition, and not being designated for another usage, is not available on the hospital's campus for the construction of a freestanding ASTC (therein requiring the acquisition of land to house the ASTC); and programmatically, the travel-related issues associated with the use of an off-site location would be very difficult, given the hospital's position as a teaching institution, with students, residents and surgical fellows training in the ORs. If this alternative were to be implemented, the quality of care provided would be identical to that associated with the proposed project, staffing and operating costs would be very similar, and depending on the site selected, patient access would likely be very similar, though staff accessibility would be compromised.

While conceptually, the possibility exists to license the perioperative area as an ASTC, doing so is not permitted by IDPH.

The construction of space, easily accessible by surgical staff from the hospital's main surgery suite, is viewed as the most reasonable approach to the providing of additional outpatient surgical capacity.

Use of Public-Private Financing

The University is using a public-private partnership (P3) delivery method for this project because delivery can be accelerated over traditional delivery methods, with financing rates competitive with the University directly borrowing the funds. The collaborative design approach of a P3, involving the developer, the architect, the contractor, and the user, yields a more satisfactory product for the stakeholders, and a guaranteed price and by a guaranteed delivery date. The secondary benefit of using the proposed P3 financing is that doing so reserves cash on hand that can be leveraged to support other strategic growth initiatives for the hospital.

Location of Perioperative Services, Multi-Specialty Procedure Area, and Imaging

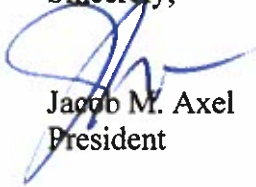
The perioperative services will be located on the third floor, and the multi-specialty procedure area will be located on the fourth floor, , with pre- and post-operative stations located on each of these two floors. The imaging services will be located on the first floor.

Location of the Specialty Clinics

The transplant, pre-operative anesthesia, and urology clinics will be located on the second floor. The gastroenterology clinic will be located on the fourth floor. The ophthalmology clinic will be located on the fifth and sixth floors. The otolaryngology clinic will be located on the sixth floor.

Should any additional information be needed for the review of this project, please don't hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Axel', with a large loop at the end.

Jacob M. Axel
President

attachments

PURPOSE

The purpose of the proposed project is to increase the ability of the applicant hospital to provide selected outpatient services in a more efficient manner than is currently possible, given the hospital's space constraints. Among the specific problems and issues addressed by the proposed project are: the desire to improve access to the hospital's ophthalmology ENT, and transplant clinics (currently located outside of the hospital, proper), the need to provide additional surgical capacity (the hospital currently operates far in excess of the HFSRB's standard for hours/OR), the desire to consolidate the urology clinic in one site, the desire to improve access to outpatient pharmacy services, and the general desire to improve patients and staff flow, as well as operating efficiencies. This goal will be accomplished through the construction of an addition to the hospital to house selected outpatient services, including but not limited to outpatient perioperative services and outpatient clinics. As a result, the health care and well-being of the market area population to be served will be improved.

University of Illinois Medical Center at Chicago ("UIMCC"), because of both the broad scope of primary, secondary and tertiary services it provides, and because of its unique role as a community provider of health care services, attracts patients from a wide area, while at the same time serving as a primary site of care for residents in the neighborhoods and communities surrounding the hospital. As a result, a majority of the patients treated at the hospital reside in the neighborhoods and communities surrounding the hospital. Consistent with HFSRB policy, the hospital's geographic service area ("GSA") includes those ZIP Code areas located within ten miles of the hospital. Per *Searchbug*, there are 108 ZIP Code areas in the GSA, and a listing of those ZIP Code areas is attached.

During 2018, UIMCC provided nearly 127,000 outpatient examinations and procedures (encounters), and below is an identification of the outpatient utilization of UIMCC by residents of those ZIP Code areas accounting for a minimum of 0.5% of the total outpatient encounters. Based on this analysis, a minimum of 59.81% of the 2018 outpatient encounters involved residents of the GSA, with the total percentage of outpatients residing in the GSA certainly being

higher, when those ZIP Code areas contributing less than 0.5% of the outpatient encounters are added.

Zip Code	City	2018 Outpatient Origin		
		Outpt. Encounters	%	Cumulative %
60608	Chicago	7,062	5.60%	5.60%
60623	Chicago	4,936	3.90%	9.50%
60632	Chicago	4,459	3.50%	13.00%
60629	Chicago	4,423	3.50%	16.50%
60609	Chicago	4,134	3.30%	19.80%
60612	Chicago	3,946	3.10%	22.90%
60624	Chicago	3,116	2.50%	25.40%
60644	Chicago	3,017	2.40%	27.80%
60651	Chicago	2,945	2.30%	30.10%
60620	Chicago	2,594	2.00%	32.10%
60607	Chicago	2,500	2.00%	34.10%
60616	Chicago	2,489	2.00%	36.10%
60804	Cicero	2,322	1.80%	37.90%
60639	Chicago	2,304	1.80%	39.70%
60649	Chicago	2,253	1.80%	41.50%
60647	Chicago	1,861	1.50%	43.00%
60637	Chicago	1,736	1.40%	44.40%
60636	Chicago	1,654	1.30%	45.70%
60638	Chicago	1,513	1.20%	46.90%
60402	Chicago	1,439	1.10%	48.00%
60615	Chicago	1,431	1.10%	49.10%
60653	Chicago	1,396	1.10%	50.20%
60621	Chicago	1,367	1.10%	51.30%
60622	Chicago	1,367	1.10%	52.40%
60652	Chicago	1,275	1.00%	53.40%
60618	Chicago	1,182	0.90%	54.30%
60641	Chicago	1,067	0.80%	55.10%
60640	Chicago	925	0.70%	55.80%
60605	Chicago	905	0.70%	56.50%
60411	Chicago	871	0.70%	57.20%
60625	Chicago	799	0.60%	57.80%
60302	Oak Park	691	0.50%	58.30%
60614	Chicago	652	0.50%	58.80%
60626	Chicago	647	0.51%	59.31%
60616	Chicago	641	0.50%	59.81%
ZIP Code area with <0.5%		<u>51,016</u>	40.19%	100.00%
TOTAL		126,935		

Upon the completion of the proposed project, the hospital fully anticipates that the outpatient services addressed through the project will be provided in a more efficient manner.

Below is a listing of all ZIP Code areas located within UIMCC's geographic service area.

60612	CHICAGO	60639	CHICAGO
60622	CHICAGO	60618	CHICAGO
60674	CHICAGO	60804	CICERO
60624	CHICAGO	60632	CHICAGO
60607	CHICAGO	60609	CHICAGO
60642	CHICAGO	60303	OAK PARK
60661	CHICAGO	60613	CHICAGO
60608	CHICAGO	60304	OAK PARK
60701	CHICAGO	60302	OAK PARK
60606	CHICAGO	60641	CHICAGO
60654	CHICAGO	60301	OAK PARK
60623	CHICAGO	60653	CHICAGO
60664	CHICAGO	60640	CHICAGO
60668	CHICAGO	60625	CHICAGO
60669	CHICAGO	60402	BERWYN
60670	CHICAGO	60682	CHICAGO
60673	CHICAGO	60130	FOREST PARK
60675	CHICAGO	60305	RIVER FOREST
60677	CHICAGO	60707	ELMWOOD PARK
60678	CHICAGO	60615	CHICAGO
60680	CHICAGO	60636	CHICAGO
60681	CHICAGO	60630	CHICAGO
60684	CHICAGO	60659	CHICAGO
60685	CHICAGO	60629	CHICAGO
60686	CHICAGO	60621	CHICAGO
60687	CHICAGO	60141	HINES
60688	CHICAGO	60660	CHICAGO
60690	CHICAGO	60634	CHICAGO
60691	CHICAGO	60638	CHICAGO
60693	CHICAGO	60546	RIVERSIDE
60694	CHICAGO	60153	MAYWOOD
60696	CHICAGO	60637	CHICAGO
60697	CHICAGO	60534	LYONS
60699	CHICAGO	60171	RIVER GROVE
60695	CHICAGO	60706	HARWOOD HEIGHTS
60647	CHICAGO	60645	CHICAGO
60610	CHICAGO	60161	MELROSE PARK
60689	CHICAGO	60155	BROADVIEW
60602	CHICAGO	60646	CHICAGO

<u>60603</u>	CHICAGO
<u>60651</u>	CHICAGO
<u>60604</u>	CHICAGO
<u>60601</u>	CHICAGO
<u>60614</u>	CHICAGO
<u>60605</u>	CHICAGO
<u>60644</u>	CHICAGO
<u>60611</u>	CHICAGO
<u>60616</u>	CHICAGO
<u>60657</u>	CHICAGO

<u>60626</u>	CHICAGO
<u>60712</u>	LINCOLNWOOD
<u>60513</u>	BROOKFIELD
<u>60499</u>	BEDFORD PARK
<u>60160</u>	MELROSE PARK
<u>60656</u>	CHICAGO
<u>60652</u>	CHICAGO
<u>60620</u>	CHICAGO
<u>60104</u>	BELLWOOD
<u>60165</u>	STONE PARK



UIH-OSCSC
SCHEMATIC DESIGN 12.20.19
VIEW FROM NORTHWEST
ZGF / SHIVE-HATTERY

