

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: Advantage Healthcare, Ltd.			
Street Address: 203 East Irving Park Road			
City and Zip Code: Wood Dale, Illinois 60191			
County: DuPage	Health Service Area: 007	Health Planning Area: 043	

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

Exact Legal Name: Advantage Healthcare, Ltd.	
Street Address: 203 East Irving Park Road	
City and Zip Code: Wood Dale, Illinois 60191	
Name of Registered Agent: State Registry Ltd.	
Registered Agent Street Address: 3 Golf Center Road 356	
Registered Agent City and Zip Code: Hoffman Estates, Illinois 60169	
Name of Chief Executive Officer: Vera Schmidt	
CEO Street Address: 1640 North Arlington Heights Road, Suite 110	
CEO City and Zip Code: Arlington Heights, Illinois 60004	
CEO Telephone Number: 847-255-7400	

Type of Ownership of Applicants

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

- 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: Vera Schmidt
Title: Chief Executive Officer
Company Name: Advantage Healthcare, Ltd
Address: 1640 North Arlington Heights Road Suite, 110, Arlington Heights, Illinois 60004
Telephone Number: 847-255-7400
E-mail Address: veras@officegci.com
Fax Number:

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

Name:
Title:
Company Name:
Address:
Telephone Number:
E-mail Address:
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: Vera Schmidt
Title: Chief Executive Officer
Company Name: Advantage Healthcare, Ltd
Address: 1640 North Arlington Heights Road Suite, 110, Arlington Heights, Illinois 60004
Telephone Number: 847-255-7400
E-mail Address: veras@officegci.com
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Arizona – Illinois, L.P.
Address of Site Owner: 3 Golf Center Road, Suite 356, Hoffman Estates, Illinois 60169
Street Address or Legal Description of the Site: 203 East Irving Park Road, Wood Dale, Illinois 60191
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.

APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: Advantage Healthcare, Ltd.			
Address: 203 East Irving Park Road, Wood Dale, Illinois 60191			
<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input checked="" type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"> Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 			

APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

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

Advantage Healthcare, Ltd. ("Advantage") seeks authority from the Illinois Health Facilities and Services Review Board to add pain management and interventional radiology to its existing ambulatory surgical treatment center located at 203 East Irving Park Road, Wood Dale, Illinois 60191 (the "Surgery Center"). The Surgery Center includes two operating rooms, which are housed in approximately 3,850 gross square feet of clinical space. No construction or other alterations to the Surgery Center will be required to facilitate these specialties.

Procedures to be performed at the Surgery Center after permit issuance will include obstetrics/gynecology, pain management, interventional radiology and urology.

This project constitutes a non-substantive project because it will not result in the establishment of a 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.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees	\$175,000		\$175,000
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	\$960,774		\$960,774
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$1,135,774		\$1,135,774
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$175,000		\$175,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	\$960,774		\$960,774
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$1,135,774		\$1,135,774
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

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

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

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

- | | |
|--|--|
| <input checked="" type="checkbox"/> None or not applicable | <input type="checkbox"/> Preliminary |
| <input type="checkbox"/> Schematics | <input type="checkbox"/> Final Working |

Anticipated project completion date (refer to Part 1130.140): August 31, 2021

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):

- ☐ Purchase orders, leases or contracts pertaining to the project have been executed.
- ☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies
- ☒ Financial Commitment will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable:

- ☒ Cancer Registry
 - ☐ APORS – Not Applicable
 - ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 - ☐ All reports regarding outstanding permits – Not Applicable
- 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
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

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

Facility Bed Capacity and Utilization – NOT APPLICABLE

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**.

FACILITY NAME:		CITY:			
REPORTING PERIOD DATES:		From: to:			
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
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))					
TOTALS:					

CERTIFICATION

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

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

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


SIGNATURE

Helena Petrovic
PRINTED NAME

President
PRINTED TITLE

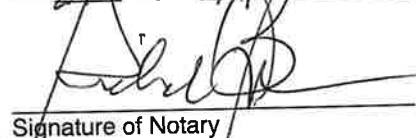

SIGNATURE

Kathleen Bustamante
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:

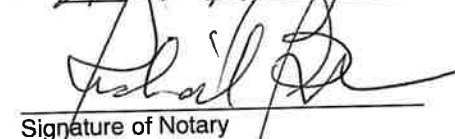
Subscribed and sworn to before me
this 29th day of April


Signature of Notary

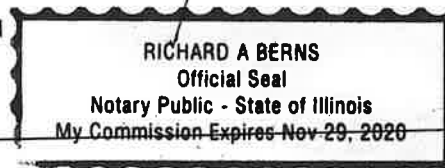
Seal

Notarization:

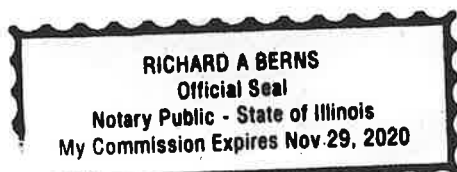
Subscribed and sworn to before me
this 29th day of April


Signature of Notary

Seal



*Insert the EXACT legal name of the applicant



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

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

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:

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:

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

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

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 type="checkbox"/> Gastroenterology
<input type="checkbox"/> Neurological Surgery
<input type="checkbox"/> Nuclear Medicine
<input checked="" type="checkbox"/> Obstetrics/Gynecology
<input type="checkbox"/> Ophthalmology
<input type="checkbox"/> Oral/Maxillofacial Surgery
<input type="checkbox"/> Orthopedic Surgery
<input type="checkbox"/> Otolaryngology
<input checked="" type="checkbox"/> Pain Management
<input type="checkbox"/> Physical Medicine and Rehabilitation
<input type="checkbox"/> Plastic Surgery
<input type="checkbox"/> Podiatric Surgery
<input checked="" type="checkbox"/> Radiology
<input type="checkbox"/> Thoracic Surgery
<input checked="" type="checkbox"/> Urology
<input type="checkbox"/> Other _____

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	

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

APPLICATION FOR PERMIT- 10/2019 Edition

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

APPEND DOCUMENTATION AS ATTACHMENT 24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

<p><u>\$175,000</u></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"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
<p>_____</p>	<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>_____</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><u>\$960,774</u> (FMV of Lease)</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"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all

	terms and conditions.
_____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$1,135,774	TOTAL FUNDS AVAILABLE
APPEND DOCUMENTATION AS <u>ATTACHMENT 33</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

SECTION VII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 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
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

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

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 the following must be submitted for **ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE 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 37.

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

Section I, Identification, General Information, and Certification
Applicants

The Illinois Certificate of Good Standing for Advantage Healthcare, Ltd. is attached at Attachment – 1.

File Number

5911-524-3



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

ADVANTAGE HEALTHCARE, LTD., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 12, 1996, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 4TH
day of MAY A.D. 2020 .***

Jesse White

SECRETARY OF STATE

Authentication #: 2012502756 verifiable until 05/04/2021
Authenticate at: <http://www.cyberdriveillinois.com>

Section I, Identification, General Information, and Certification
Site Ownership

A copy of the lease between Advantage Healthcare, Ltd. and Arizona Illinois L.P. is attached at Attachment – 2.

LEASE AGREEMENT

The lease is made between **Arizona Illinois L.P.** herein called "Lessor" and **Advantage Health Care, Ltd.** herein called the "Lessee".

Lessee hereby offers to lease space from Lessor, the premises is situated in the city of Wood Dale, County of Dupage, State of Illinois, described as **203 E Irving Park Road, Wood Dale, IL.**

1. **Terms and Rent.** Lessor shall lease the above premises for a term of twelve years commencing on **April 2, 2020**, or upon completion of purchase/transaction of the building, whichever is sooner; and terminating 15 years from the date of commencement. The annual rental of \$103,932.58 payable in equal installments of \$8,661.05 on the first day of each month for that month's rental, during the term of the lease.
2. **Use.** Lessee shall use and occupy the premises for medical use and general office use, permitted within the zoning.
3. **Care and Maintenance of Premises.** Lessee shall, at his own expense and at all times; maintain the premises in good and safe condition, normal wear and tear expected. Lessee shall be responsible for all repairs required except the roof, exterior walls & structural foundation.
4. **Utilities.** All applications and connections for necessary utility services on the demised premises shall be made in the name of the Lessee only, and Lessee shall be solely liable for utility charges as they come due, including those for electricity and telephone services.
5. **Security Deposit.** Lessee shall deposit with Lessor the sum of \$8,661.05 as security deposit.
6. **Changes to Lease.** Changes to the lease agreement can be made at any time by mutual agreement of both parties.
7. **Option to Renew.** Lessee at its sole option shall have option to renew for ten (10) three (3) year periods each commencing at the expiration of the initial lease term. All of the terms and conditions of the lease shall apply during the renewal term except that the monthly rent shall be adjusted to reflect the change in the Consumer Price Index at the beginning of each new lease term after the expiration of the initial lease term.
8. **Real Estate Taxes & CAM.** Lessee shall be responsible for Taxes, Maintenance and CAM.
9. **Default.** A notice of 15 days shall be given for any default by either party and an additional time period of 15 days shall be allowed to cure such default.
10. **Notices.** Any notice shall be sent via certified mail with return receipt requested, or any other address so notified.

To Lessor: Arizona Illinois, L.P
909 W Euclid Ave.
Arlington Heights IL 60006-1025

To Lessee: Advantage Health Care, Ltd.
203 E Irving Park Road
Wood Dale, IL 60191

Authorized Representative



Missouri Arizona Properties, Ltd
General Partner
Arizona Illinois, L.P.
Lessor

Authorized Representative



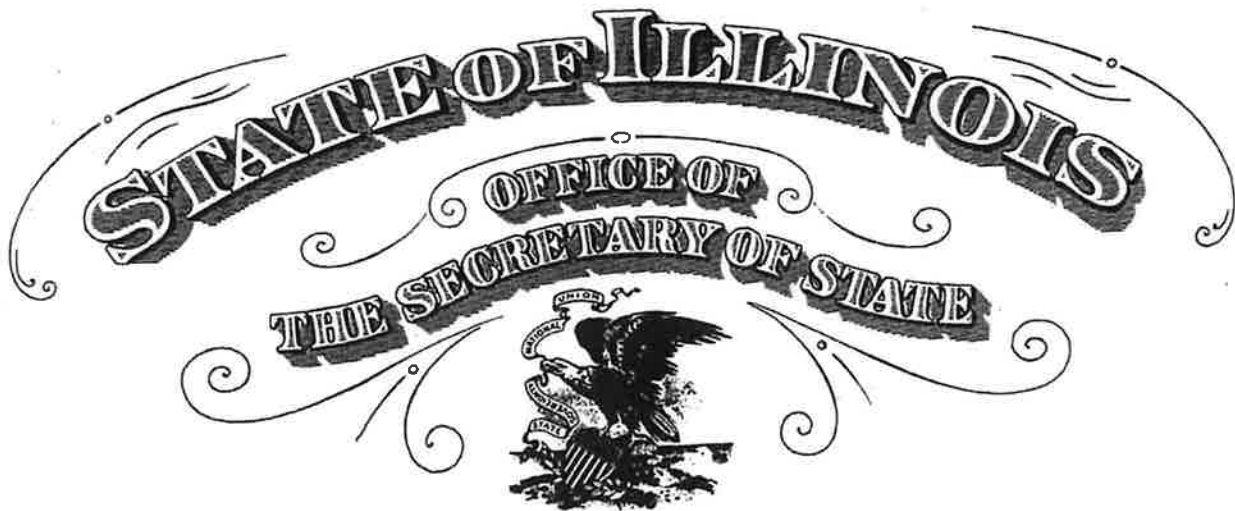
Advantage Health Care, Ltd.

Section I, Identification, General Information, and Certification
Operating Identity/Licensee

The Illinois Certificate of Good Standing for Advantage Healthcare, Ltd. is attached at Attachment – 3.

File Number

5911-524-3



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

ADVANTAGE HEALTHCARE, LTD., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 12, 1996, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 4TH
day of MAY A.D. 2020 .

Jesse White

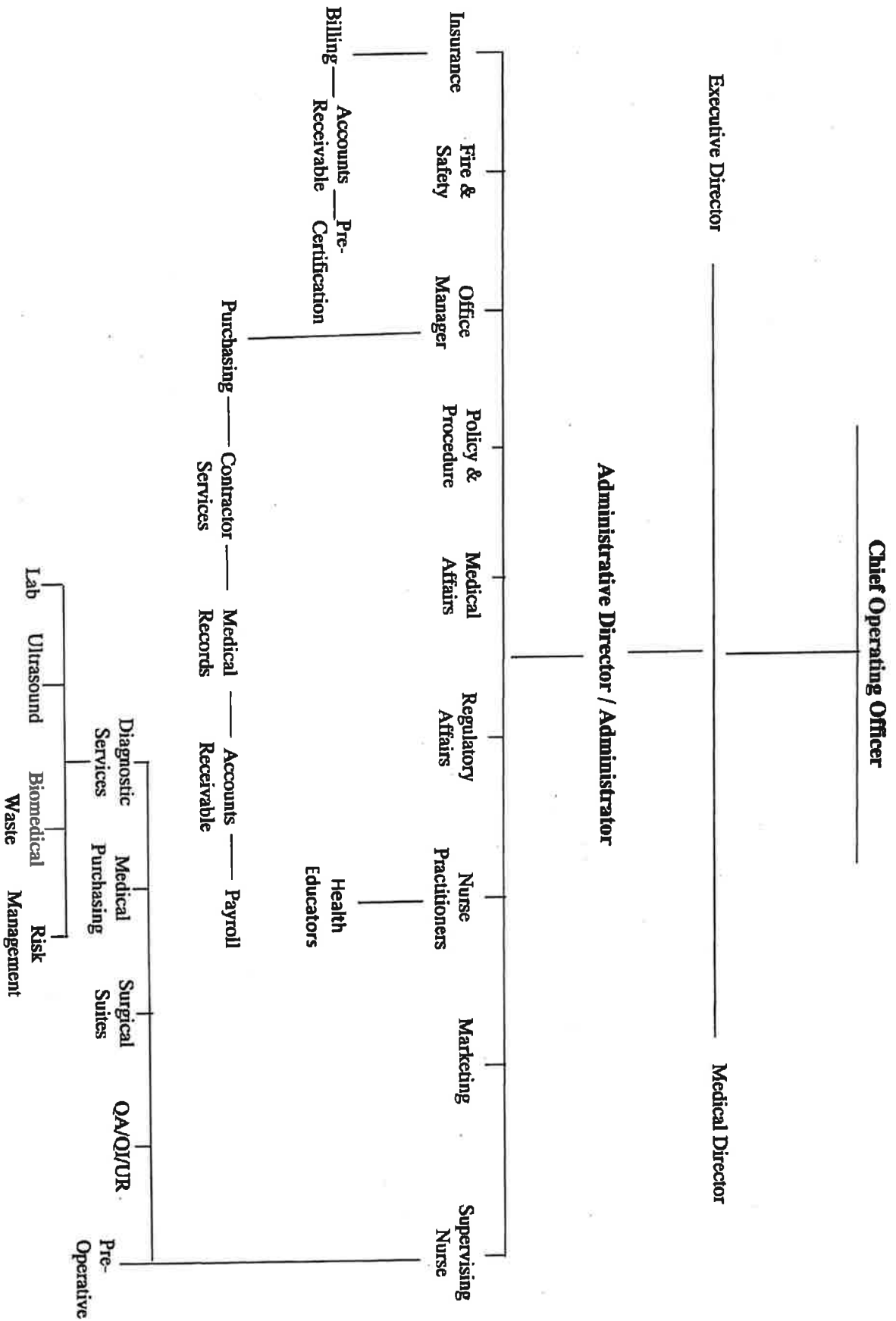
SECRETARY OF STATE

Authentication #: 2012502756 verifiable until 05/04/2021
Authenticate at: <http://www.cyberdriveillinois.com>

Section I, Identification, General Information, and Certification

Organizational Relationships

The organizational chart for Advantage Healthcare Ltd. is attached at Attachment – 4.



Section I, Identification, General Information, and Certification
Flood Plain Requirements

The proposed project is for the addition of two surgical specialties to an existing ambulatory surgical treatment center ("ASTC"). There will be no construction or modernization associated with the proposed project. Accordingly, this criterion is not applicable.

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The proposed project is for the addition of two surgical specialties to an existing ASTC. There will be no construction or modernization associated with the proposed project. Accordingly, this criterion is not applicable.

Attachment – 7


Section I, Identification, General Information, and Certification
Cost Space Requirements

Cost Space Table							
Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL							
ASTC	\$1,135,774	3,850				3,850	
Total Clinical	\$1,135,774	3,850				3,850	
NON CLINICAL							
Administration							
Total Non-clinical							
TOTAL	\$1,135,774	3,850				3,850	

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.110 (a), Project Purpose, Background and Alternatives

Background of the Applicant

1. The Applicant operates Advantage Healthcare, Ltd. Copies of the current license and accreditation are attached at Attachment – 11A.
2. A letter from Vera Schmidt, Chief of Operations, Advantage Healthcare, Ltd. certifying no adverse action has been taken against any facility owned and/or operated by the Applicant during the three years prior to filing this application is attached at Attachment – 11B.
3. An authorization permitting the State Board and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11B.
4. The Applicant has not previously submitted an application for permit during this calendar year. Accordingly, this criterion is not applicable.

 Illinois Department of PUBLIC HEALTH		HF 118661
LICENSE PERMIT CERTIFICATION REGISTRATION		
<small>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.</small>		
Ngozi O. Ezike, M.D. Director		<small>Issued under the authority of the Illinois Department of Public Health</small>
EXPIRATION DATE	CATEGORY	LD NUMBER
8/20/2020		7002140
Ambulatory Surgery Treatment Center Effective: 08/21/2019		
Advantage Health Care, Ltd. 203 E Irving Park Road Wood Dale, IL 60191		
<small>The face of this license has a colored background. Printed by Authority of the State of Illinois • PO: 619-489-001 10M 6/19</small>		

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 8/20/2020

Lic Number 7002140

Date Printed 7/31/2019

Advantage Health Care, Ltd.

203 E Irving Park Road
Wood Dale, IL 60191-2045

FEE RECEIPT NO.



ACCREDITATION
ASSOCIATION
for AMBULATORY HEALTH CARE, INC.

grants this

CERTIFICATE OF ACCREDITATION

to

AMBULATORY HEALTH AND HOSPITAL SYSTEMS, LTD. - ADVANTAGE HEALTH CENTER
203 E IRVING PARK RD
WOOD DALE, IL 60191

*In recognition of its commitment to high quality of care and substantial compliance
with the Accreditation Association for Ambulatory Health Care standards for ambulatory health care organizations.*

19945

Organization Identification Number



NOVEMBER 19, 2021

The Award of Accreditation expires on the above date

Arnaldo Valedon, MD
ARNALDO VALEDON, MD

Chair of the Board

Noel M. Adachi
NOEL ADACHI, MBA

President of AAHC



5250 OLD ORCHARD ROAD, SUITE 200 - SKOKIE, IL 60077
PHONE: 847/853-6060 • E-MAIL: INFO@AAHC.ORG • WEB SITE: WWW.AAHC.ORG

April 29, 2020

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action as defined in 77 Ill. Admin. Code § 1130.140 has been taken against any health care facility owned or operated by Advantage Healthcare, Ltd. in the State of Illinois during the three year period prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.110(a)(2)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

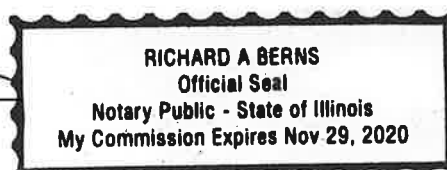


Helena Petrovic
President
Advantage Healthcare, Ltd.

Subscribed and sworn to me
This 29th day of April, 2020



Notary Public



Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.110(b), Project Purpose, Background and Alternatives

Purpose of the Project

1. The Applicant seeks authority from the Illinois Health Facilities and Services Review Board (the "State Board") to add interventional radiology and pain management to its existing surgery center. The primary purpose of this project is to improve access to these services to residents within the Applicant's geographic service area and to increase utilization at Advantage Healthcare, Ltd. ("Advantage"), which currently has capacity.

As shown in Table 1110.110(b) below, the Applicant identified 30 existing or approved health care facilities located within 10 miles of Advantage. Utilizing hospitals for procedures that can be safely performed in an outpatient surgery center is not an efficient use of scarce health care resources. A 2013 article in the *New York Times* noted the escalation in health care costs is largely attributed to high prices charged by hospitals.¹ This article highlighted that hospitals are the most powerful players in a health care system that has little or no price regulation in the private market. Prices set by hospitals are discretionary and not connected to underlying costs or market prices. Further, according to the March 2020 MedPac Report to Congress, Medicare payment rates for most ambulatory surgical procedures performed in hospital outpatient departments (HOPDs) are much higher than in surgery centers. For 2020, Medicare rates are 98% higher in HOPDs than surgery centers.²

Table 1110.110(b) Facilities within 10 Miles of Advantage Health Care			
Facility Name	Address	City	Straight-Line Distance (Miles)
Dupage Eye Surgery Center	2015 N Main St	Wheaton	8.69
DMG Surgical Center	2725 S Technology Drive	Lombard	8.65
The Oak Brook Surgical Centre	2425 W 22nd St	Oak Brook	8.07
Loyola Surgery Center	1S224 Summit	Oakbrook Terrace	5.04
OrthoTec Surgery Center	340 W Butterfield Rd	Elmhurst	6.82
Rush Oak Brook Surgery Center	2011 York Rd	Oak Brook	8.12
Elmhurst Outpatient Surgery Center	1200 S York Rd	Elmhurst	7.09
Children's Outpatient Services at Westchester	2301 Enterprise Dr	Westchester	8.70
River Forest Surgery Center	7427 W Lake Street	River Forest	9.82
Elmwood Park Same Day Surgery	1614 North Harlem Ave	Elmwood Park	9.40
Advanced Ambulatory Surgical Center	2333 N Harlem Ave	Chicago	9.08
Belmont/Harlem Surgery Center	3101 N Harlem Ave	Chicago	8.80
Schaumburg Surgery Center	929 W Higgins Road	Schaumburg	9.00
Aiden Center for Day Surgery	1580 W Lake Street	Addison	2.88
Illinois Hand & Upper Extremity Center	515 West Algonquin Road	Arlington Heights	5.91
Northwest Surgicare	1100 W Central Rd	Arlington Heights	7.24
Northwest Community Day Surgery Center	675 W Kirchhoff Rd	Arlington Heights	7.42

¹ Elisabeth Rosenthal, *As Hospital Prices Soar, a Stitch Tops \$500*, N.Y. TIMES, Dec. 2, 2013

² Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy 147 (Mar. 13, 2020) available at http://www.medpac.gov/docs/default-source/reports/mar20_medpac_ch5_sec.pdf?sfvrsn=0 (last visited April 27, 2020).

Table 1110.110(b) Facilities within 10 Miles of Advantage Health Care			
Facility Name	Address	City	Straight-Line Distance (Miles)
Northwest Endo Center	1415 S Arlington Heights Road	Arlington Heights	6.59
Northwest Community Foot and Ankle Center	1455 Golf Rd	Des Plaines	7.68
Presence Lakeshore Gastroenterology	150 River Road	Des Plaines	7.52
Uropartners Surgery Center, LLC	2750 S River Rd	Des Plaines	6.25
Golf Surgical Center, LLC	8901 Golf Road	Des Plaines	9.05
Adventist GlenOaks Hospital	701 Winthrop Ave	Glendale Heights	5.47
Elmhurst Memorial Hospital	155 E Brush Hill Rd	Elmhurst	7.26
Gottlieb Memorial Hospital	701 W North Ave	Melrose Park	7.76
Alexian Brothers Medical Center	800 W Biesterfield Rd	Elk Grove Village	3.59
Northwest Community Hospital	800 W Central Road	Arlington Heights	7.22
Lutheran General Hospital – Advocate	1775 Dempster Street	Park Ridge	8.36
Presence Resurrection Medical Center	7435 W Talcott Ave	Chicago	8.46

While there are 23 licensed ASTCs within the Advantage 10 mile geographic service area ("GSA"), only one ASTC offers the same complement of surgical specialties as proposed for Advantage; however, it does not provide Medicaid or charity care. Advantage serves an economically disadvantaged community with a significant minority population. According to the 2018 U.S. Census Bureau estimate, 8% of residents of the Advantage GSA live at or below the Federal Poverty Level ("FPL").³ Lack of health care access and education, and poverty has created health inequities in this community. Health inequities are differences in population health status and health conditions arising from social and economic inequalities. Further, as documented in the map attached at Attachment - 12A, Advantage serves a Health Resources and Services Administration ("HRSA") medically underserved population. A medically underserved population is a population living in a defined geographic area with a shortage of primary care services and may face economic, cultural or linguistic barriers to health care. Advantage seeks to improve access to much needed health care services to this population. Accordingly, there are no options within the Advantage GSA for its most vulnerable patients.

Advantage has a proven track record of serving low-income patients. Advantage is Medicaid certified. In 2019, 6% of its patients were Medicaid beneficiaries (compared to 3% for HSA 7). For patients with a demonstrated hardship who do not qualify for Medicaid, Advantage provides highly discounted rates. Last year, 32% of its patients received charity care (compared to 0.3% for HSA 7). The cost of charity care provided was 28% of net patient revenue, compared to 0.20% for ASTCs in HSA 7.

Many Advantage patients work jobs where they cannot take time off during the week for surgical procedures. To accommodate its patients' work schedules, Advantage operates seven days per week. The extended hours allow patients more flexibility in scheduling their procedures and will minimize time off from work, thereby making health care more accessible to low-income individuals.

³ U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months available at <https://data.census.gov/cedsci/table?q=poverty%20illinois&g=0400000US17&tid=ACSST1Y2018.S1701&t=Poverty> (last visited May 6, 2020).

The addition of pain management and interventional radiology will improve access to these services to economically disadvantaged residents of the Advantage GSA.

2. Advantage serves patients in the northwest suburbs of Chicago within a 10 mile radius of the ambulatory surgical treatment center. A map of the market area of Advantage is attached at Attachment – 12B. Travel times from Advantage to the GSA borders are as follows:

- East: Approximate 10 mile radius to Harwood Heights
- Southeast: Approximate 10 mile radius to River Forest
- South: Approximate 10 mile radius to Oak Brook
- Southwest: Approximate 10 mile radius time to West Chicago
- West: Approximate 10 mile radius to Hanover Park
- Northwest: Approximate 10 mile radius to Hoffman Estates
- North: Approximate 10 mile radius to Arlington Heights
- Northeast: Approximate 10 mile radius to Niles

3. The Applicant identified 30 existing or approved health care facilities located within 10 miles of Advantage. Utilizing hospitals for procedures that can be safely performed in an outpatient surgery center is not an efficient use of scarce health care resources. A 2013 article in the *New York Times*⁴ noted the escalation in health care costs is largely attributed to high prices charged by hospitals.⁴ This article highlighted that hospitals are the most powerful players in a health care system that has little or no price regulation in the private market. Prices set by hospitals are discretionary and not connected to underlying costs or market prices. Further, according to the March 2020 MedPac Report to Congress, Medicare payment rates for most ambulatory surgical procedures performed in HOPDs are much higher than in surgery centers. For 2020, Medicare rates are 98% higher in HOPDs than surgery centers.⁵

While there are 23 licensed ASTCs within the Advantage GSA, only one ASTC offers the same complement of surgical specialties as proposed for Advantage; however, it does not provide Medicaid or charity care. Advantage serves an economically disadvantaged community with a significant minority population. According to the 2018 U.S. Census Bureau estimate, 8% of residents of the Advantage GSA live at or below the FPL.⁶ Lack of health care access and education, and poverty has created health inequities in this community. Health inequities are differences in population health status and health conditions arising from social and economic inequalities. Further, as documented in the map attached at Attachment -12A, the Advantage serves a HRSA medically underserved population. A medically underserved population is a population living in a defined geographic area with a shortage of primary care services and may face economic, cultural or linguistic barriers to health care. Advantage seeks to improve access to much needed health care services to this population. Accordingly, there are no options within the Advantage GSA for its most vulnerable patients.

4. Sources

Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy 147 (Mar. 13, 2020) available at http://www.medpac.gov/docs/default-source/reports/mar20_medpac_ch5_sec.pdf?sfvrsn=0 (last visited May 6, 2020).

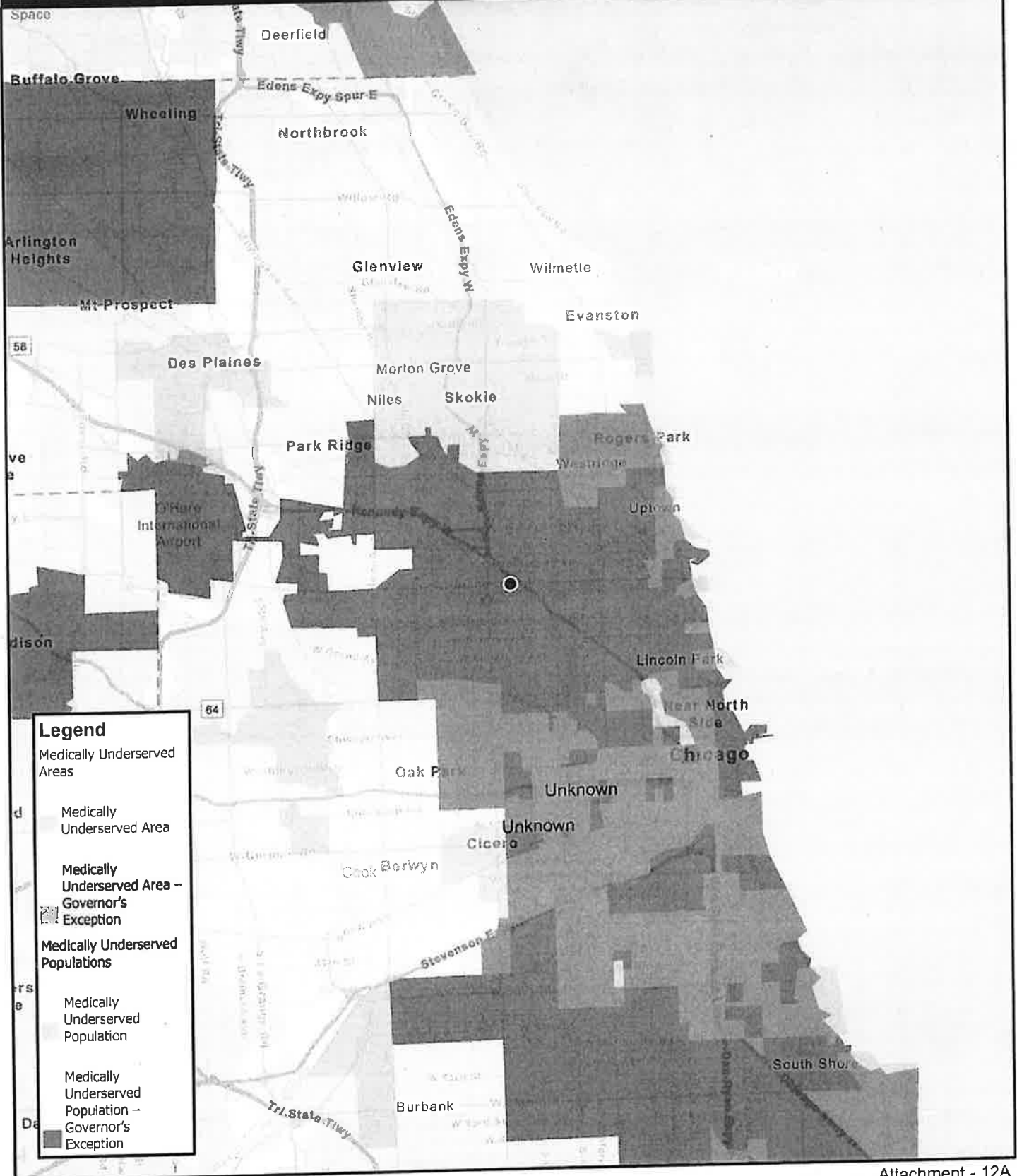
⁴ Elisabeth Rosenthal, *As Hospital Prices Soar, a Stitch Tops \$500*, N.Y. TIMES, Dec. 2, 2013

⁵ Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy 147 (Mar. 13, 2020) available at http://www.medpac.gov/docs/default-source/reports/mar20_medpac_ch5_sec.pdf?sfvrsn=0 (last visited April 27, 2020).

⁶ U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months available at <https://data.census.gov/cedsci/table?q=poverty%20illinois&g=0400000US17&tid=ACST1Y2018.S1701&t=Poverty> (last visited May 6, 2020).

Elisabeth Rosenthal, *As Hospital Prices Soar, a Stitch Tops \$500*, N.Y. TIMES, Dec. 2, 2013

5. The goal of this project is to improve access to surgical services to patients residing in the Advantage GSA and to increase utilization at Advantage, which has capacity.





Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.110(d), Project Purpose, Background and Alternatives

Alternatives

The Applicant explored several options prior to determining to add interventional radiology and pain management to its ASTC. The options considered are as follows:

- a. Do nothing;
- b. Utilize existing facilities;
- c. Add interventional radiology and pain management procedures to the existing ASTC.

After exploring these options, which are discussed in more detail below, the Applicant decided to add interventional radiology and pain management procedures to its ASTC. A review of each of the options considered and the reasons they were rejected follows.

Do Nothing

The first alternative considered was to maintain the status quo, whereby the Applicant would continue to perform obstetrics/gynecology and urology procedures at Advantage. The primary purpose of this project is to improve access to interventional radiology and pain management services to medically underserved residents within the Applicant's geographic service area and to increase utilization at Advantage, which currently has capacity.

While there are 7 acute care hospitals and 23 ambulatory surgical treatment centers located within the Advantage GSA. Utilizing hospitals for procedures that can be safely performed in an outpatient surgery center is not an efficient use of scarce health care resources. A 2013 article in the New York Times noted the escalation in health care costs is largely attributed to high prices charged by hospitals.⁷ This article highlighted that hospitals are the most powerful players in a health care system that has little or no price regulation in the private market. Prices set by hospitals are discretionary and not connected to underlying costs or market prices. Further, according to the March 2020 MedPac Report to Congress, Medicare payment rates for most ambulatory surgical procedures performed in HOPDs are much higher than in surgery centers. For 2020, Medicare rates are 98% higher in HOPDs than surgery centers.⁸

Further, only ambulatory surgical treatment center offers the same complement of services proposed for Advantage; however, it does not provide Medicaid or charity care, which is vital for many of the patients served by Advantage. Advantage serves an economically disadvantaged community with a significant minority population. According to the 2018 U.S. Census Bureau estimate, 8% of residents of the Advantage GSA live at or below the FPL.⁹ Lack of health care access and education, and poverty has created health inequities in this community. Health inequities are differences in population health status and health conditions arising from social and economic inequalities. Further, Advantage serves a HRSA medically underserved population. A medically underserved population is a population living in a defined geographic area with a shortage of primary care services and may face economic, cultural or linguistic barriers to health care. Advantage seeks to improve access to much needed health care services to this population. Accordingly, there are no options within the Advantage GSA for its most vulnerable patients.

⁷ Elisabeth Rosenthal, *As Hospital Prices Soar, a Stitch Tops \$500*, N.Y. TIMES, Dec. 2, 2013

⁸ Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy 147 (Mar. 13, 2020) available at http://www.medpac.gov/docs/default-source/reports/mar20_medpac_ch5_sec.pdf?sfvrsn=0 (last visited April 27, 2020).

⁹ U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months available at <https://data.census.gov/cedsci/table?q=poverty%20illinois&g=0400000US17&tid=ACSST1Y2018.S1701&t=Poverty> (last visited May 6, 2020).

While this alternative would result in no cost to the Applicant (compared to the nominal cost of adding the service), due to the fact no surgery center offers the same complement of surgical services and serves Medicaid and charity care patients, this alternative was rejected. Further, surgical providers routinely make capital investments at the level contemplated by this application so these investments are essentially ordinary course capital investments, which are well under the capital expenditure minimum for surgery centers.

There is no cost to this option.

Utilize Other Health Care Facilities

Another alternative the Applicant considered was utilizing existing health care facilities to provide an option for interventional radiology and pain management. As previously stated, no surgery center offers the same complement of surgical services and serves Medicaid and charity care patients.

While there are 7 acute care hospitals and 23 ambulatory surgical treatment centers located within the Advantage GSA. Utilizing hospitals for procedures that can be safely performed in an outpatient surgery center is not an efficient use of scarce health care resources. A 2013 article in the *New York Times* noted the escalation in health care costs is largely attributed to high prices charged by hospitals.¹⁰ This article highlighted that hospitals are the most powerful players in a health care system that has little or no price regulation in the private market. Prices set by hospitals are discretionary and not connected to underlying costs or market prices. Further, according to the March 2020 MedPac Report to Congress, Medicare payment rates for most ambulatory surgical procedures performed in HOPDs are much higher than in surgery centers. For 2020, Medicare rates are 98% higher in HOPDs than surgery centers.¹¹

Further, only ambulatory surgical treatment center offers the same complement of services proposed for Advantage; however, it does not provide Medicaid or charity care, which is vital for many of the patients served by Advantage. Advantage serves an economically disadvantaged community with a significant minority population. According to the 2018 U.S. Census Bureau estimate, 8% of residents of the Advantage GSA live at or below the FPL.¹² Lack of health care access and education, and poverty has created health inequities in this community. Health inequities are differences in population health status and health conditions arising from social and economic inequalities. Further, Advantage serves a HRSA medically underserved population. A medically underserved population is a population living in a defined geographic area with a shortage of primary care services and may face economic, cultural or linguistic barriers to health care. Advantage seeks to improve access to much needed health care services to this population. Accordingly, there are no options within the Advantage GSA for its most vulnerable patients.

Due to the underutilization of the surgery center and infeasibility of utilizing other providers, this alternative was rejected.

There is no cost to this option.

Add Interventional Radiology and Pain Management Procedures to the Existing ASTC

As more fully discussed above, Advantage has capacity to add more procedures. To increase utilization at the surgery center while at the same time increasing access to interventional radiology and pain management in a lower cost setting, Advantage decided to request the addition of these surgical

¹⁰ Elisabeth Rosenthal, *As Hospital Prices Soar, a Stitch Tops \$500*, N.Y. TIMES, Dec. 2, 2013

¹¹ Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy 147 (Mar. 13, 2020) available at http://www.medpac.gov/docs/default-source/reports/mar20_medpac_ch5_sec.pdf?sfvrsn=0 (last visited April 27, 2020).

¹² U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months available at <https://data.census.gov/cedsci/table?q=poverty%20illinois&g=0400000US17&tid=ACST1Y2018.S1701&t=Poverty> (last visited May 6, 2020).

specialties to its existing ASTC. After weighing this low cost option against others, it was determined that this alternative would provide the greatest benefit in terms of increased utilization and increased access to health care services.

The cost of this option is \$1,135,774.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.120 – Size of the Project

The Applicant proposes to add interventional radiology and pain management surgical services to an existing ASTC. Pursuant to Section 1110, Appendix B of the State Board's rules, the State standard is 2,750 gross square feet per operating room for a total of 5,500 gross square feet for 2 operating rooms. The total gross square footage of the clinical space of Advantage is 3,850 of gross square feet (or 1,925 GSF per operating room). Accordingly, Advantage meets the State standard per operating room.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ASTC	3,850	5,500	N/A	Below State Standard

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.120 - Project Services Utilization

The ASTC's annual utilization shall improve to be closer to the State Board's utilization standard. Importantly, Advantage is not adding capacity to the planning area, but is trying to increase utilization of its existing surgery center to be closer to the State Board standard by adding cases. The Applicant performed 889 procedures (or 1,556 surgical hours) in 2019. As documented in the physician referral letter attached at Appendix – 1, Dr. Paramjit Chopra anticipates referring 10 pain management and 157 interventional radiology cases to Advantage within the first year after project completion. Based upon Dr. Chopra's current experience, additional estimated surgical hours, including prep and cleanup, in the first year after project completion are as follows:

Surgical Specialty	Projected Referrals	Estimated Surgical Time	Estimated Total Surgical Hours After First Year Project Completion
Interventional Radiology	157	3.00 hours	471.00 hours
Pain Management	10	1.25 hours	12.50 hours
Total	167		483.50 hours

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.120(d) Unfinished or Shell Space

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.120(e) Assurances

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(2)(B), Service to GSA Residents

- a. Attached at Attachment – 24A is a map outlining the intended GSA for Advantage. As set forth in Criterion 1110.110(b0), the surgery center will serve patients residing in and around Wood Dale. Accordingly, the intended primary GSA consists of those areas within a 10 mile radius from Advantage.
- b. Pursuant to Section 1100.510(d) of the State Board's rules, the normal drive time should be based upon the location of the applicant facility. Advantage is located in Wood Dale, and therefore the intended GSA is the radius of 10 miles from Advantage. A list of all zip codes located, in whole or in part, within a 10 mile radius of Advantage as well as the 2018 U.S. Census estimates for each zip code is provided in Table 1110.235(c)(2)(B)(i).

Table 1110.235(c)(2)(B)(i) Population within Geographic Service Area		
Zip Code	City	Population
60004	Arlington Heights	50,915
60005	Arlington Heights	29,539
60007	Elk Grove Village	33,420
60008	Rolling Meadows	21,833
60016	Des Plaines	59,637
60018	Des Plaines	30,386
60056	Mount Prospect	55,250
60068	Park Ridge	37,736
60070	Prospect Heights	16,049
60101	Addison	39,216
60104	Bellwood	1,899
60106	Bensenville	20,462
60108	Bloomingtondale	22,766
60126	Elmhurst	48,410
60131	Franklin Park	18,025
60133	Hanover Park	38,400
60137	Glen Ellyn	38,279
60139	Glendale Heights	34,364
60143	Itasca	10,996
60148	Lombard	52,963
60153	Maywood	23,810
60154	Westchester	16,573
60155	Broadview	7,829
60157	Medinah	2,502
60160	Melrose Park	25,412
60162	Hillside	8,165
60163	Berkeley	5,161

Table 1110.235(c)(2)(B)(i) Population within Geographic Service Area		
Zip Code	City	Population
60164	Melrose Park	21,600
60165	Stone Park	4,923
60169	Hoffman Estates	33,667
60171	River Grove	10,148
60172	Roselle	24,551
60173	Schaumburg	12,162
60176	Schiller Park	11,704
60181	Villa Park	28,801
60187	Wheaton	29,708
60191	Wood Dale	14,147
60193	Schaumburg	40,248
60194	Schaumburg	18,946
60195	Schaumburg	5,568
60305	River Forest	11,064
60523	Oak Brook	10,136
60630	Chicago	57,344
60631	Chicago	29,529
60634	Chicago	75,995
60656	Chicago	27,579
60706	Harwood Heights	23,301
60707	Elmwood Park	43,019
60714	Niles	29,743
Total		1,313,880

United States Census Bureau, 2018: ACS 5-Year Estimates Data Profiles available at <https://data.census.gov/cedsci/table?t=ACSDP1Y2018.DP05> (last visited Apr. 24, 2020).

- c. Pursuant to Section 1100.510(d) of the State Board's rules, the intended geographic service area shall be a 10 mile radius time from the proposed ambulatory surgical treatment center. As set forth throughout this application, Advantage serves Wood Dale and the surrounding areas within a 10 mile radius of the surgery center. Travel times to and from Advantage to the GSA borders are as follows:

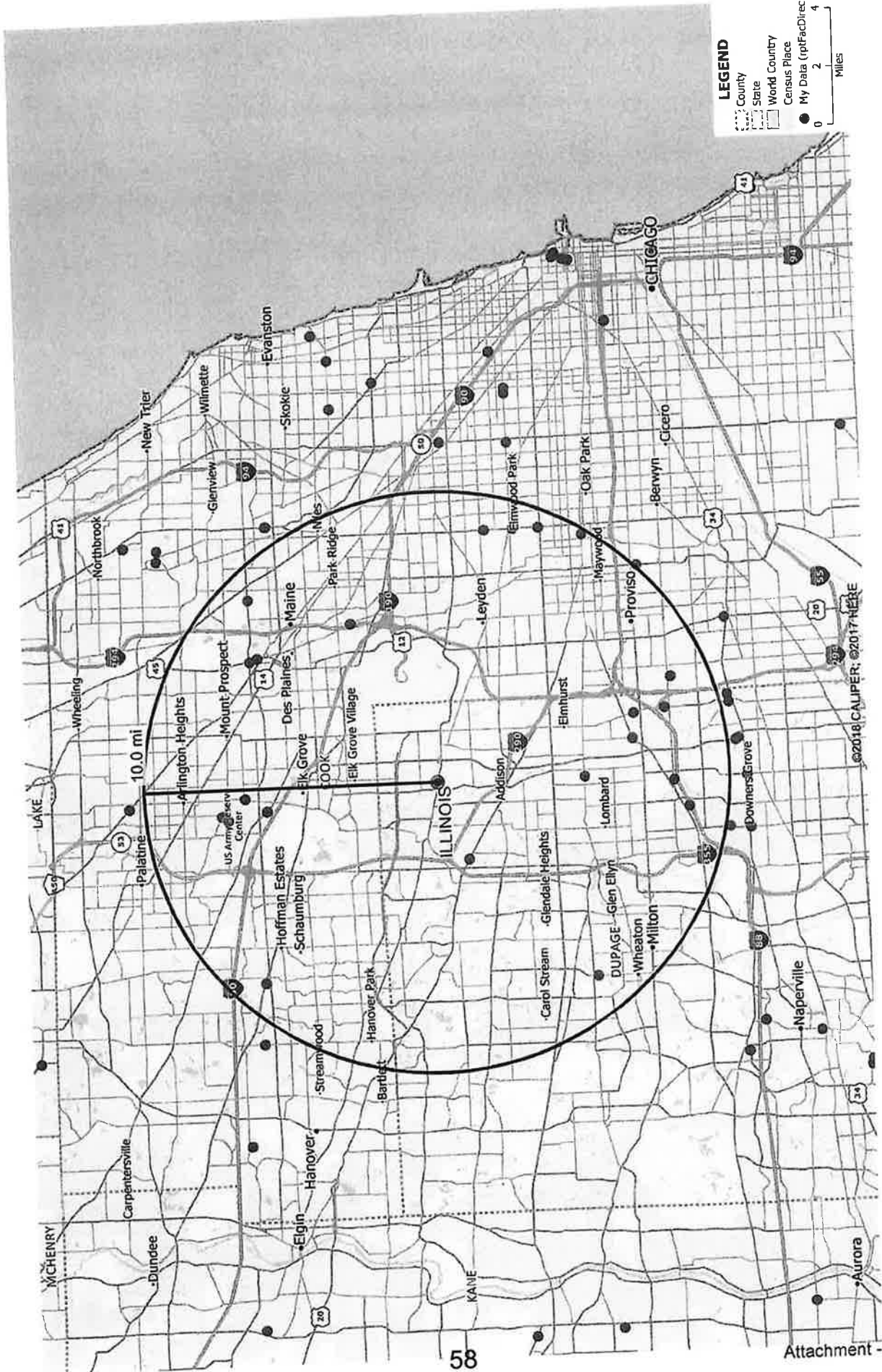
- East: Approximate 10 mile radius to Harwood Heights
- Southeast: Approximate 10 mile radius to River Forest
- South: Approximate 10 mile radius to Oak Brook
- Southwest: Approximate 10 mile radius time to West Chicago
- West: Approximate 10 mile radius to Hanover Park
- Northwest: Approximate 10 mile radius to Hoffman Estates
- North: Approximate 10 mile radius to Arlington Heights
- Northeast: Approximate 10 mile radius to Niles

- d. Patient origin information by zip code for Dr. Chopra's admission for the last 12- month period is proved in Table 1110.235(c)(2)(B)(ii) below.

Table 1110.235(c)(2)(B)(ii) Patient Origin by Zip Code		
Zip Code	City	Patients
60002	Antioch	4
60004	Arlington Heights	11
60005	Arlington Heights	23
60007	Elk Grove Village	32
60008	Rolling Meadows	18
60010	Barrington	16
60012	Crystal Lake	1
60013	Cary	7
60022	Glencoe	3
60025	Glenview	5
60026	Glenview	1
60030	Grayslake	6
60042	Island Lake	1
60051	McHenry	1
60067	Palatine	4
60076	Skokie	1
60083	Wasdworth	5
60148	Lombard	6
60160	Melrose Park	9
60174	Saint Charles	5
60175	Saint Charles	8
60202	Evanston	2
60203	Evanston	3
60302	Oak Park	5
60403	Crest Hill	2
60404	Shorewood	1
60415	Chicago Ridge	6
60423	Frankfort	2
60428	Markham	3
60431	Joliet	2
60432	Joliet	8
60433	Joliet	6
60436	Joliet	6
60438	Lansing	6
60440	Bolingbrook	3
60442	Manhattan	1
60443	Matteson	1
60447	Minooka	1

Table 1110.235(c)(2)(B)(ii) Patient Origin by Zip Code		
Zip Code	City	Patients
60452	Oak Forest	3
60463	Palos Heights	9
60464	Palos Park	1
60465	Palos Hills	2
60513	Brookfield	4
60515	Downers Grove	7
60516	Downers Grove	1
60527	Willowbrook	6
60604	Chicago	1
60614	Chicago	1
60615	Chicago	6
60624	Chicago	7
60625	Chicago	4
Total		277

Advantage Health Care 10 Mile Geographic Service Area



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

The physician referral letter providing the number of patients referred to health care facilities within the past 12 months and the projected number of referrals to the surgery center are attached at Appendix - 1. A summary of the physician referral letter is provided in Table 1110.235(c)(3) below.

Table 1110.235(c)(3)		
Hospital/ASTC	Cases Performed in the Last 12 Months	Anticipated Referrals to Advantage
Michigan Avenue Center for Health	277	167
Total	1,458	786

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

- a. Pursuant to Section 1100.640(c) of the State Board's rules, ambulatory surgical treatment centers should operate 1,500 per room per year (including setup and cleanup time). Advantage currently has two operating rooms with a capacity for 3,000 hours per year. In 2019, 889 surgical procedures (or 1,556 surgical hours) were performed at Advantage. Based on Dr. Chopra's referral letter, the Applicant projects 167 cases (or 483.5 surgical hours) will be referred to Advantage.
- b. The Applicant estimates the average length of time will be 2 surgical hours and 1 hour for prep and clean up for a total of 3 hours per interventional radiology procedure and .9 surgical hours and .35 hours for prep and clean up for a total of 1.25 hours per pain management procedure.

V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(6), Service Accessibility

The primary purpose of this project is to offer patients residing in Wood Dale and the surrounding area with improved access to interventional radiology and pain management services and to increase utilization at Advantage, which currently has capacity.

There are 30 existing or approved health care facilities located within 10 miles of Advantage. Utilizing hospitals for procedures that can be safely performed in an outpatient surgery center is not an efficient use of scarce health care resources. A 2013 article in the New York Times noted the escalation in health care costs is largely attributed to high prices charged by hospitals.¹³ This article highlighted that hospitals are the most powerful players in a health care system that has little or no price regulation in the private market. Prices set by hospitals are discretionary and not connected to underlying costs or market prices. Further, according to the March 2020 MedPac Report to Congress, Medicare payment rates for most ambulatory surgical procedures performed in HOPDs are much higher than in surgery centers. For 2020, Medicare rates are 98% higher in HOPDs than surgery centers.¹⁴

While there are 23 licensed ASTCs within the Advantage GSA, only one ASTC offers the same complement of surgical specialties as proposed for Advantage; however, it does not provide Medicaid or charity care. Advantage serves an economically disadvantaged community with a significant minority population. According to the 2018 U.S. Census Bureau estimate, 8% of residents of the Advantage GSA live at or below the FPL.¹⁵ Lack of health care access and education, and poverty has created health inequities in this community. Health inequities are differences in population health status and health conditions arising from social and economic inequalities. Further, Advantage serves a HRSA medically underserved population. A medically underserved population is a population living in a defined geographic area with a shortage of primary care services and may face economic, cultural or linguistic barriers to health care.

Advantage has a proven track record of serving low-income patients. Advantage is Medicaid certified. In 2019, 6% of its patients were Medicaid beneficiaries (compared to 3% for HSA 7). For patients with a demonstrated hardship who do not qualify for Medicaid, Advantage provides highly discounted rates. Last year, 32% of its patients received charity care (compared to 0.3% for HSA 7). The cost of charity care provided was 28% of net patient revenue, compared to 0.20% for ambulatory surgical treatment centers in HSA 7.

Many Advantage patients work jobs where they cannot take time off during the week for surgical procedures. To accommodate its patients' work schedules, Advantage operates seven days per week. The extended hours allow patients more flexibility in scheduling their procedures and will minimize time off from work, thereby making health care more accessible to low-income individuals.

¹³ Elisabeth Rosenthal, *As Hospital Prices Soar, a Stitch Tops \$500*, N.Y. TIMES, Dec. 2, 2013
¹⁴ Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy 147 (Mar. 13, 2020) available at http://www.medpac.gov/docs/default-source/reports/mar20_medpac_ch5_sec.pdf?sfvrsn=0 (last visited April 27, 2020).
¹⁵ U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months available at <https://data.census.gov/cedsci/table?q=poverty%20illinois&g=0400000US17&tid=ACSS1Y2018.S1701&t=Poverty> (last visited May 6, 2020).

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(7), Unnecessary Duplication/Maldistribution

1. Unnecessary Duplication of Services

- a. Advantage will remain in its current location at 203 East Irving Park Road, Wood Dale, Illinois. A map of the proposed facility's market area is attached at Attachment – 24A. A list of all zip codes located, in whole or in part, within a 10 mile radius of Advantage as well as the 2018 U.S. Census estimates figures for each zip code is provided in Table 1110.235(c)(7)(A).

Table 1110.235(c)(7)(A)(i)		
Population within Geographic Service Area		
Zip Code	City	Population
60004	Arlington Heights	50,915
60005	Arlington Heights	29,539
60007	Elk Grove Village	33,420
60008	Rolling Meadows	21,833
60016	Des Plaines	59,637
60018	Des Plaines	30,386
60056	Mount Prospect	55,250
60068	Park Ridge	37,736
60070	Prospect Heights	16,049
60101	Addison	39,216
60104	Bellwood	1,899
60106	Bensenville	20,462
60108	Bloomingtondale	22,766
60126	Elmhurst	48,410
60131	Franklin Park	18,025
60133	Hanover Park	38,400
60137	Glen Ellyn	38,279
60139	Glendale Heights	34,364
60143	Itasca	10,996
60148	Lombard	52,963
60153	Maywood	23,810
60154	Westchester	16,573
60155	Broadview	7,829
60157	Medinah	2,502
60160	Melrose Park	25,412
60162	Hillside	8,165
60163	Berkeley	5,161
60164	Melrose Park	21,600
60165	Stone Park	4,923
60169	Hoffman Estates	33,667
60171	River Grove	10,148

Table 1110.235(c)(7)(A)(i) Population within Geographic Service Area		
Zip Code	City	Population
60172	Roselle	24,551
60173	Schaumburg	12,162
60176	Schiller Park	11,704
60181	Villa Park	28,801
60187	Wheaton	29,708
60191	Wood Dale	14,147
60193	Schaumburg	40,248
60194	Schaumburg	18,946
60195	Schaumburg	5,568
60305	River Forest	11,064
60523	Oak Brook	10,136
60630	Chicago	57,344
60631	Chicago	29,529
60634	Chicago	75,995
60656	Chicago	27,579
60706	Harwood Heights	23,301
60707	Elmwood Park	43,019
60714	Niles	29,743
Total		1,313,880

United States Census Bureau, 2018: ACS 5-Year Estimates Data Profiles available at <https://data.census.gov/cedsci/table?t=ACSDP1Y2018.DP05> (last visited Apr. 24, 2020).

- b. A list of all existing and approved surgery centers located within the Advantage GSA are identified in the table below.

Table 1110.235(c)(7)(A)(ii) Facilities within 10 Miles of Advantage Health Care			
Facility Name	Address	City	Straight-Line Distance (Miles)
Dupage Eye Surgery Center	2015 N Main St	Wheaton	8.69
DMG Surgical Center	2725 S Technology Drive	Lombard	8.65
The Oak Brook Surgical Centre	2425 W 22nd St	Oak Brook	8.07
Loyola Surgery Center	1S224 Summit	Oakbrook Terrace	5.04
OrthoTec Surgery Center	340 W Butterfield Rd	Elmhurst	6.82
Rush Oak Brook Surgery Center	2011 York Rd	Oak Brook	8.12
Elmhurst Outpatient Surgery Center	1200 S York Rd	Elmhurst	7.09
Children's Outpatient Services at Westchester	2301 Enterprise Dr	Westchester	8.70
River Forest Surgery Center	7427 W Lake Street	River Forest	9.82

Table 1110.235(c)(7)(A)(ii) Facilities within 10 Miles of Advantage Health Care			
Facility Name	Address	City	Straight-Line Distance (Miles)
Elmwood Park Same Day Surgery	1614 North Harlem Ave	Elmwood Park	9.40
Advanced Ambulatory Surgical Center	2333 N Harlem Ave	Chicago	9.08
Belmont/Harlem Surgery Center	3101 N Harlem Ave	Chicago	8.80
Schaumburg Surgery Center	929 W Higgins Road	Schaumburg	9.00
Aiden Center for Day Surgery	1580 W Lake Street	Addison	2.88
Illinois Hand & Upper Extremity Center	515 West Algonquin Road	Arlington Heights	5.91
Northwest Surgicare	1100 W Central Rd	Arlington Heights	7.24
Northwest Community Day Surgery Center	675 W Kirchhoff Rd	Arlington Heights	7.42
Northwest Endo Center	1415 S Arlington Heights Road	Arlington Heights	6.59
Northwest Community Foot and Ankle Center	1455 Golf Rd	Des Plaines	7.68
Presence Lakeshore Gastroenterology	150 River Road	Des Plaines	7.52
Uropartners Surgery Center, LLC	2750 S River Rd	Des Plaines	6.25
Golf Surgical Center, LLC	8901 Golf Road	Des Plaines	9.05
Adventist GlenOaks Hospital	701 Winthrop Ave	Glendale Heights	5.47
Elmhurst Memorial Hospital	155 E Brush Hill Rd	Elmhurst	7.26
Gottlieb Memorial Hospital	701 W North Ave	Melrose Park	7.76
Alexian Brothers Medical Center	800 W Biesterfeld Rd	Elk Grove Village	3.59
Northwest Community Hospital	800 W Central Road	Arlington Heights	7.22
Lutheran General Hospital – Advocate	1775 Dempster Street	Park Ridge	8.36
Presence Resurrection Medical Center	7435 W Talcott Ave	Chicago	8.46

2. Maldistribution of Services

Expansion of services at Advantage will not result in a maldistribution of services. A maldistribution exists when an identified area has an excess supply of surgical/treatment rooms characterized by such factors as, but not limited to: (1) ratio of surgical/treatment rooms to population exceeds one and one-half times the State Average; (2) historical utilization of existing surgical/treatment rooms is below the State Board's utilization standard; or (3) insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards.

a. Ratio of operating rooms to population.

As shown in Table 110.235(c)(7)(B)(i), the ratio of population to operating/procedure rooms is 84% of the State Average.

TABLE 110.235(c)(7)(B)(ii) Ratio of Surgical/Treatment Rooms to Population				
	Population	Operating/ Procedure Rooms	Rooms to Population	Standard Met?
Geographic Service Area	1,313,880	238	1:5,521	YES
State	12,741,080	2,739	1:4,652	

b. Historical Utilization of Existing Health Care Facilities

There are 30 existing or approved health care facilities located within 10 miles of Advantage. Utilizing hospitals for procedures that can be safely performed in an outpatient surgery center is not an efficient use of scarce health care resources. A 2013 article in the New York Times noted the escalation in health care costs is largely attributed to high prices charged by hospitals.¹⁶ This article highlighted that hospitals are the most powerful players in a health care system that has little or no price regulation in the private market. Prices set by hospitals are discretionary and not connected to underlying costs or market prices. Further, according to the March 2020 MedPac Report to Congress, Medicare payment rates for most ambulatory surgical procedures performed in HOPDs are much higher than in surgery centers. For 2020, Medicare rates are 98% higher in HOPDs than surgery centers.¹⁷

While there are 23 licensed ASTCs within the Advantage GSA, only one ASTC offers the same complement of surgical specialties as proposed for Advantage; however, it does not provide Medicaid or charity care. Advantage serves an economically disadvantaged community with a significant minority population. According to the 2018 U.S. Census Bureau estimate, 8% of residents of the Advantage GSA live at or below the FPL.¹⁸ Lack of health care access and education, and poverty has created health inequities in this community. Health inequities are differences in population health status and health conditions arising from social and economic inequalities. Further, Advantage serves a HRSA medically underserved population. A medically underserved population is a population living in a defined geographic area with a shortage of primary care services and may face economic, cultural or linguistic barriers to health care. Advantage seeks to improve access to much needed health care services to this population. Accordingly, there are no options within the Advantage GSA for its most vulnerable patients.

c. Sufficient Population to Provide the Necessary Volume or Caseload

The Applicant currently operates an ASTC with two operating rooms and proposes to add interventional radiology and pain management to increase its utilization closer to the State Board's standard of 1,500 surgical hours per operating/procedure room. In 2019, the Applicant performed 889 surgical procedures (or 1,556 surgical hours). As documented in the physician referral letter attached at Appendix -1, Dr. Chopra anticipates referring 167 patients (or 483.50 surgical hours) to Advantage during the first year after project completion. Accordingly, there is sufficient population to provide the volume necessary to utilize the operating rooms proposed by the project.

3. Impact on Other Health Care Facilities

- a. Expansion of surgical services at Advantage will not have an adverse impact on existing health care facilities in the GSA. No existing ASTC within the Advantage GSA provides the same complement of services proposed at Advantage and serves the economically disadvantaged and medically underserved population at the same levels as Advantage.
- b. Advantage will not lower the utilization of other area providers that are operating below the occupancy standards.

¹⁶ Elisabeth Rosenthal, *As Hospital Prices Soar, a Stitch Tops \$500*, N.Y. TIMES, Dec. 2, 2013

¹⁷ Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy 147 (Mar. 13, 2020) available at http://www.medpac.gov/docs/default-source/reports/mar20_medpac_ch5_sec.pdf?sfvrsn=0 (last visited April 27, 2020).

¹⁸ U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months available at <https://data.census.gov/cedsci/table?q=poverty%20illinois&g=0400000US17&tid=ACSS1Y2018.S1701&t=Poverty> (last visited May 6, 2020).

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(8), Staffing

Advantage is staffed in accordance with all IDPH and Medicare staffing requirements.

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

- a. A list of the procedures to be performed at Advantage with the proposed charge is provided in Table 1110.235(c)(9) is attached at Attachment – 24G.
- b. A letter from Helena Petrovic, President, Advantage Healthcare, Ltd., committing to maintain the charges listed in Table 1110.235(c)(9) is attached at Attachment – 24G.

CPT Codes For Interventional Radiology & Pain Management

CPT Codes	Description
37238	Transcatheter placement of an intravascular stent(s) open or percutaneous
36012	Selective catheter placement, venous system
36245	Selective catheter placement, arterial system
37248	Transluminal balloon angioplasty
37225	Revascularization, endovascular, open or percutaneous, femoral, popliteal artery(s), unilateral; with atherectomy
37227	Revascularization, endovascular, open or percutaneous, femoral, popliteal artery(s), unilateral; with transluminal stent placement(s) and atherectomy
37220	Revascularization, endovascular, open or percutaneous, iliac artery, unilateral, initial vessel; with transluminal angioplasty
37231	Revascularization, endovascular, open or percutaneous, tibial, peroneal artery, unilateral, initial vessel; with transluminal stent placement(s) and atherectomy
75716	Angiography, extremity, bilateral, radiological supervision and interpretation
75831	Procedures of the Veins and Lymphatics.
36465	Injection of non-compounded foam sclerosant
36478	Endovenous ablation therapy
36247	Selective catheter placement, arterial system;

37249	Transluminal balloon angioplasty (except dialysis circuit), open or percutaneous, including all imaging and radiological supervision and interpretation necessary to perform the angioplasty within the same vein; each additional vein (List separately in addition to code for primary procedure)
37248	Transluminal balloon angioplasty (except dialysis circuit), open or percutaneous, including all imaging and radiological supervision and interpretation necessary to perform the angioplasty within the same vein; initial vein
36906	Percutaneous transluminal mechanical thrombectomy and/or infusion
37246	Transluminal balloon angioplasty (except lower extremity artery(ies))
36215	Selective catheter placement, arterial system; each first order thoracic or brachiocephalic branch, within a vascular family
36901	Introduction of needle(s) and/or catheter(s), dialysis circuit
37246	Transluminal balloon angioplasty (except lower extremity artery(ies))
75710	Angiography, extremity, unilateral, radiological supervision and interpretation
62320	Injection, diagnostic or therapeutic agent
64483	Selective nerve block
62311	Caudal epidural
62310	Cervical epidural
20600	Arthrocentesis, major joint or bursa

64493	Lumbar or sacral, single facet joint
64415	Injection anesth. brachial plexus

April 29, 2020

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Charge Commitment

Dear Chair Savage:

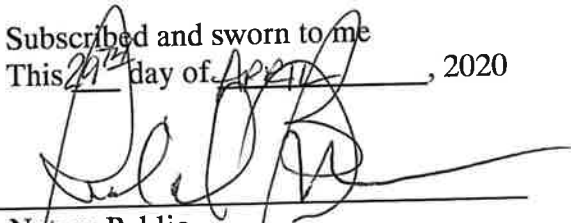
Pursuant to 77 Ill. Admin. Code § 110.235(c)(9)(B), I hereby commit that the attached charge schedule will not be increased, at a minimum, for the first two years after the addition of interventional radiology at Advantage Healthcare unless a permit is first obtained pursuant to 77 Ill. Admin. Code § 1130.310(a).

Sincerely,

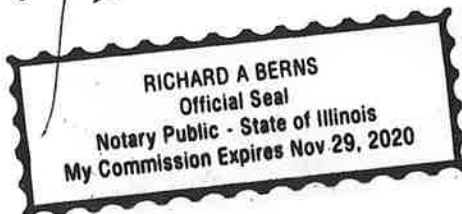


Helena Petrovic
President
Advantage Healthcare, Ltd.

Subscribed and sworn to me
This 29th day of April, 2020



Notary Public



Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery

Criterion 1110.235(c)(10), Assurances

Attached at Attachment – 24H is a letter from Helena Petrovic, President, Advantage Healthcare, Ltd., certifying that a peer review program exists or will be implemented for ASTC services.

April 29, 2020

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Chair Savage:

Pursuant to 77 Ill. Admin. Code § 1110.235(c)(10), I hereby certify that a peer review program exists or will be implemented that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated.

I further certify that by the second year of operation after project completion, the annual utilization of operating rooms will meet or exceed the utilization standard specified in 77 Ill. Admin. Code § 1100.

Sincerely,

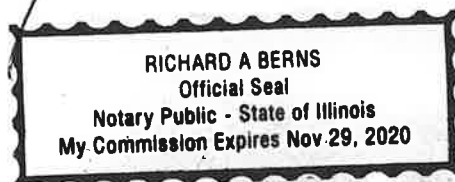


Helena Petrovic
President
Advantage Healthcare, Ltd.

Subscribed and sworn to me
This 29th day of April, 2020



Notary Public



Section VI, Availability of Funds
Criterion 1120.120

The 2019 Advantage Healthcare financial statements as well as the lease between Advantage Healthcare, Ltd. and Arizona Illinois L.P. are attached at Attachments – 33A and 33B.

Illinois Health Facilities and Services Review Board
535 W Jefferson Street, 2nd Floor
Springfield, IL 62761

4/29/2020

Dear Chair Person,

Ref: Available Funds

In account ending in 6831, we have an excess of \$100,000.00 (One Hundred Thousand Dollars).

Also in account ending in 2010, we have available line of credit of \$50,000.00 (Fifty Thousand Dollars).

Sincerely,



Accounts Manager

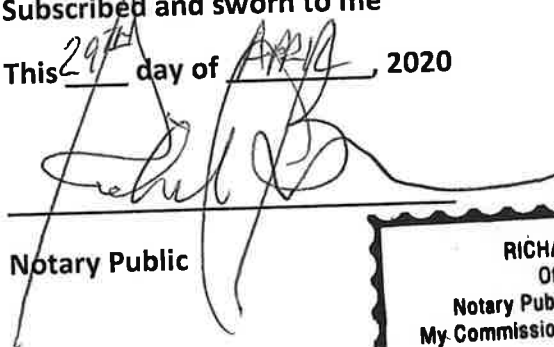
1640 N Arlington Heights Rd

Suite 110

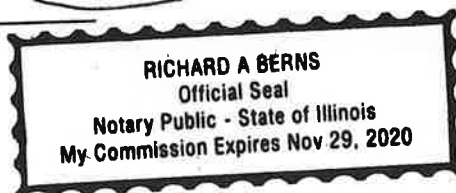
Arlington Heights, IL 60004

Subscribed and sworn to me

This 29th day of April, 2020



Notary Public



ADVANTAGE HEALTHCARE, LTD.
OPERATING STATEMENT
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2019

Net revenue	803,465
Expenses	289,040
Employee contracting	50,564
Advertising	8,727
Outside services	68,105
Professional fees	38,506
Equipment rental	-
Depreciation	650
Insurance	160,725
Rent	11,065
Utilities	1,129
Telephone	40,565
Office expense	1,484
Postage	14,930
Laundry and uniform	65,663
Drugs and professional supplies	7,439
Lab fees	33,069
Repairs and maintenance	1,304
Auto expense	381
Charitable contributions	1,605
Licenses and fees	1,267
Dues and subscriptions/other	3,210
Bank/credit card fees	799,428
Total expenses	4,037
Operating income	-
Interest expense - Chase	727
Tax expense	3,310
Net income	3,310

Prepared by Ingold Associates, Ltd.
James F. Ingold, CPA, MBA
2300 N. Barrington Road, Ste 400
Hoffman Estates, IL 60195

ADVANTAGE HEALTHCARE, LTD.
BALANCE SHEET
AS OF DECEMBER 31, 2019

ASSETS

Current assets	
Cash	5,104
Accounts receivable, net	202,240
Prepaid expenses and other	-
	<hr/>
Total net current assets	207,344
Property and equipment	
Property and equipment	5,986
Accumulated depreciation	(5,986)
	<hr/>
Total net property and equipment	-
Other assets	-
	<hr/>
Total Assets	<u><u>207,344</u></u>

LIABILITIES AND CAPITAL

Current Liabilities	
Accounts payable	4,645
Employee contracting payable	5,558
Other	-
	<hr/>
Total Current Liabilities	10,203
Capital	
Paid in capital	1,000
Retained earnings	196,141
	<hr/>
Total Capital	197,141
	<hr/>
Total Liabilities & Capital	<u><u>207,344</u></u>

Prepared by Ingold Associates, Ltd.
James F. Ingold, CPA, MBA
2300 N. Barrington Road, Ste 400
Hoffman Estates, IL 60195

ATTACHMENT FINANCIALS

INCOME STATEMENT FORECAST

# of Procedures	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Revenue:							
Patient Service Revenue	1,012,679	1,053,591	1,096,156	1,140,441	1,186,515	1,234,450	1,284,322
Indigent Care	(50,634)	(52,680)	(54,808)	(57,022)	(59,326)	(61,723)	(64,216)
Net Revenue	962,045	1,000,911	1,041,348	1,083,419	1,127,189	1,172,727	1,220,106
Expenses:							
Bank and Finance Charges	3,844	3,999	4,160	4,328	4,503	4,685	4,875
Employee Contracting	427,635	436,188	444,912	453,810	462,886	472,144	481,587
Advertising	60,544	60,544	61,755	62,990	64,250	65,535	66,845
Rent	149,129	152,111	155,154	158,257	161,422	164,650	167,943
Utilities/Telephone	14,601	14,893	15,191	15,495	15,805	16,121	16,443
Office Expense	52,366	53,675	54,749	55,844	56,960	58,100	59,262
Dues & Subscriptions	1,517	1,555	1,586	1,618	1,650	1,683	1,717
Equipment Rental	46,106	46,106	46,106	46,106	46,106	46,106	46,106
Licenses and fees	1,922	1,970	2,009	2,050	2,091	2,132	2,175
Drugs & Prof Supplies	78,623	80,195	81,799	83,435	85,104	86,806	88,542
Lab Fees	8,907	9,130	9,312	9,499	9,688	9,882	10,080
Insurance	778	797	813	830	846	863	880
Laundry & Cleaning	17,877	18,324	18,690	19,064	19,445	19,834	20,231
Repairs and Maintenance	15,045	15,421	15,730	16,044	16,365	16,692	17,026
Accounting & Legal	0	0	0	0	0	0	0
Misc Expense	0	0	0	0	0	0	0
Total Expenses	878,894	894,909	911,967	929,368	947,122	965,234	983,713
Net Income from Operations	83,151	106,002	129,381	154,051	180,067	207,493	236,393

Prepared by Ingold Associates, Ltd.
 James F. Ingold, CPA, MBA
 2300 N. Barrington Road, Ste 400
 Hoffman Estates, IL 60169

ATTACHMENT ECON-6

INCOME STATEMENT ASSUMPTIONS REVENUE DETAIL

<u># of Procedures</u>	<u>Usual & Customary</u>	<u>Hardship</u>	<u>Indigent</u>	<u>Total</u>
Ob/Gyn	120	165	15	300
Urology	1	2	0	3
Interventional Radiology and Pain Management	56	78	7	141
	177	245	22	444
<u>% of Procedures</u>	<u>Usual & Customary</u>	<u>Hardship</u>	<u>Indigent</u>	<u>Total</u>
Ob/Gyn	40.0%	55.0%	5.0%	100.0%
Urology	40.0%	55.0%	5.0%	100.0%
Interventional Radiology and Pain Management	40.0%	55.0%	5.0%	100.0%
<u>Average Charge per Procedure</u>	<u>Usual & Customary</u>	<u>Hardship</u>	<u>Indigent</u>	<u>Weighted Average</u>
Ob/Gyn	\$3,350	\$300	\$0	\$1,505
Urology	\$3,425	\$350	\$0	\$1,375
Interventional Radiology and Pain Management	\$8,500	\$390	\$0	\$3,592
	\$4,980	\$329	\$0	\$2,167
<u>Net Revenue</u>	<u>Usual & Customary</u>	<u>Hardship</u>	<u>Indigent</u>	<u>Total</u>
Ob/Gyn	\$402,000	\$49,500	\$0	\$451,500
Urology	\$3,425	\$700	\$0	\$4,125
Interventional Radiology and Pain Management	\$476,000	\$30,420	\$0	\$506,420
	\$881,425	\$80,620	\$0	\$962,045

Prepared by Ingold Associates, Ltd.
James F. Ingold, CPA, MBA
2300 N. Barrington Road, Ste 400
Hoffman Estates, IL 60169

ATTACHMENT FINANCIALS
BALANCE SHEET FORECAST
Year 1

ASSETS

Current Assets		
Cash & Short Term Investments	123,210	
Accounts Receivable, Net	84,390	
Prepaid Expense	<u>8,473</u>	
Total Net Current Assets		216,073
Property and Equipment		
Property and Equipment	0	
Accumulated Depreciation	<u>0</u>	
Total Net Property and Equipment		0
Other Assets		
Deposits - rent	<u>19,266</u>	
Total Other Assets		19,266
Total Assets		<u><u>\$235,339</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	43,872	
Wages Payable	8,315	
Other	<u>0</u>	
Total Current Liabilities		52,188
Long-Term Liabilities		
Notes Payable	0	
Other Accrued Liabilities	0	
Other	<u>0</u>	
Total Long-Term Liabilities		0
Total Liabilities		<u>52,188</u>
Capital		
Paid in Capital	100,000	
Retained Earnings	0	
Net Income	<u>83,151</u>	
Total Capital		183,151
Total Liabilities & Capital		<u><u>\$235,339</u></u>

Prepared by Ingold Associates, Ltd.
2300 N. Barrington Road, Ste 400
Hoffman Estates, IL 60195

ATTACHMENT FINANCIALS

BALANCE SHEET FORECAST
Year 2ASSETS

Current Assets		
Cash	215,433	
Accounts Receivable, Net	117,066	
Prepaid Expense	<u>8,642</u>	
Total Net Current Assets		341,141
Property and Equipment		
Property and Equipment	0	
Accumulated Depreciation	<u>0</u>	
Total Net Property and Equipment		0
Other Assets		
Deposits - rent	<u>19,266</u>	
Total Other Assets		19,266
Total Assets		<u><u>\$360,407</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	44,598	
Wages Payable	26,656	
Other	<u>0</u>	
Total Current Liabilities		71,254
Long-Term Liabilities		
Notes Payable	0	
Other Accrued Liabilities	0	
Other	<u>0</u>	
Total Long-Term Liabilities		0
Total Liabilities		<u>71,254</u>
Capital		
Paid in Capital	100,000	
Retained Earnings	83,151	
Net Income	<u>106,002</u>	
Total Capital		289,153
Total Liabilities & Capital		<u><u>\$360,407</u></u>

Prepared by Ingold Associates, Ltd.
2300 N. Barrington Road, Ste 400
Hoffman Estates, IL 60195

Attachment - 33A

ATTACHMENT FINANCIALS
BALANCE SHEET FORECAST
Year 3

ASSETS

Current Assets		
Cash	326,031	
Accounts Receivable, Net	137,020	
Prepaid Expense	<u>8,815</u>	
Total Net Current Assets		471,866
Property and Equipment		
Property and Equipment	0	
Accumulated Depreciation	<u>0</u>	
Total Net Property and Equipment		0
Other Assets		
Deposits - rent	<u>19,266</u>	
Total Other Assets		19,266
Total Assets		<u><u>\$491,132</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	45,408	
Wages Payable	27,189	
Other	<u>0</u>	
Total Current Liabilities		72,597
Long-Term Liabilities		
Notes Payable	0	
Other Accrued Liabilities	0	
Other	<u>0</u>	
Total Long-Term Liabilities		0
Total Liabilities		<u>72,597</u>
Capital		
Paid in Capital	100,000	
Retained Earnings	189,153	
Net Income	<u>129,381</u>	
Total Capital		418,534
Total Liabilities & Capital		<u><u>\$491,132</u></u>

Prepared by Ingold Associates, Ltd.
2300 N. Barrington Road, Ste 400
Hoffman Estates, IL 60196

Attachment - 33A

ATTACHMENT FINANCIALS
BALANCE SHEET FORECAST
Year 4

ASSETS

Current Assets		
Cash	439,901	
Accounts Receivable, Net	158,395	
Prepaid Expense	<u>8,991</u>	
Total Net Current Assets		607,287
Property and Equipment		
Property and Equipment	20,000	
Accumulated Depreciation	<u>0</u>	
Total Net Property and Equipment		20,000
Other Assets		
Deposits - rent	<u>19,266</u>	
Total Other Assets		19,266
Total Assets		<u><u>\$646,553</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	46,235	
Wages Payable	27,733	
Other	<u>0</u>	
Total Current Liabilities		73,968
Long-Term Liabilities		
Notes Payable	0	
Other Accrued Liabilities	0	
Other	<u>0</u>	
Total Long-Term Liabilities		0
Total Liabilities		<u>73,968</u>
Capital		
Paid in Capital	100,000	
Retained Earnings	318,534	
Net Income	<u>154,051</u>	
Total Capital		572,585
Total Liabilities & Capital		<u><u>\$646,553</u></u>

Prepared by Ingold Associates, Ltd.
2300 N. Barrington Road, Ste 400
Hoffman Estates, IL 60195

Attachment - 33A

LEASE AGREEMENT

The lease is made between **Arizona Illinois L.P.** herein called "Lessor" and **Advantage Health Care, Ltd.** herein called the "Lessee".

Lessee hereby offers to lease space from Lessor, the premises is situated in the city of Wood Dale, County of Dupage, State of Illinois, described as **203 E Irving Park Road, Wood Dale, IL.**

1. **Terms and Rent.** Lessor shall lease the above premises for a term of twelve years commencing on **April 2, 2020**, or upon completion of purchase/transaction of the building, whichever is sooner; and terminating 15 years from the date of commencement. The annual rental of \$103,932.58 payable in equal installments of \$8,661.05 on the first day of each month for that month's rental, during the term of the lease.
2. **Use.** Lessee shall use and occupy the premises for medical use and general office use, permitted within the zoning.
3. **Care and Maintenance of Premises.** Lessee shall, at his own expense and at all times; maintain the premises in good and safe condition, normal wear and tear expected. Lessee shall be responsible for all repairs required except the roof, exterior walls & structural foundation.
4. **Utilities.** All applications and connections for necessary utility services on the demised premises shall be made in the name of the Lessee only, and Lessee shall be solely liable for utility charges as they come due, including those for electricity and telephone services.
5. **Security Deposit.** Lessee shall deposit with Lessor the sum of \$8,661.05 as security deposit.
6. **Changes to Lease.** Changes to the lease agreement can be made at any time by mutual agreement of both parties.
7. **Option to Renew.** Lessee at its sole option shall have option to renew for ten (10) three (3) year periods each commencing at the expiration of the initial lease term. All of the terms and conditions of the lease shall apply during the renewal term except that the monthly rent shall be adjusted to reflect the change in the Consumer Price Index at the beginning of each new lease term after the expiration of the initial lease term.
8. **Real Estate Taxes & CAM.** Lessee shall be responsible for Taxes, Maintenance and CAM.
9. **Default.** A notice of 15 days shall be given for any default by either party and an additional time period of 15 days shall be allowed to cure such default.
10. **Notices.** Any notice shall be sent via certified mail with return receipt requested, or any other address so notified.

To Lessor: Arizona Illinois, L.P
909 W Euclid Ave.
Arlington Heights IL 60006-1025

To Lessee: Advantage Health Care, Ltd.
203 E Irving Park Road
Wood Dale, IL 60191

Authorized Representative



Missouri Arizona Properties, Ltd
General Partner
Arizona Illinois, L.P.
Lessor

Authorized Representative



Advantage Health Care, Ltd.

Section VII, 1120.130 Financial Viability
Financial Viability Waiver

The project will be funded entirely with cash and cash equivalents. Copies of the Advantage Healthcare, Ltd. financial statements are attached at Attachment – 33A.

VIII, Economic Feasibility Review Criteria

Criterion 1120.140(A), Reasonableness of Financing Arrangements

Attached at Attachment – 36A is a letter from Helena Petrovic, President, Advantage Healthcare, Ltd. attesting that the total estimated project costs will be funded entirely with cash.

[Letterhead]

April 29, 2020

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Reasonableness of Financing Arrangements

Dear Chair Savage:

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 the total estimated project costs and related costs will be funded in total by cash and equivalents, including but not limited to investment securities.

Sincerely,

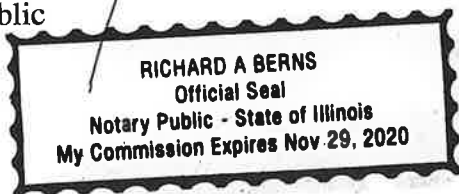


Helena Petrovic
President
Advantage Healthcare, Ltd.

Subscribed and sworn to me
This 29 day of April, 2020



Notary Public



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

This project will be funded in total with cash and cash equivalents. Accordingly, this criterion is not applicable.

Section VIII, Economic Feasibility Review Criteria
Criterion 1120.140C, Reasonableness of Project and Related Costs

1. This project will not include any construction. Accordingly, this criterion is not applicable.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below) CLINICAL	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)	
CLINICAL									
Contingency									
TOTAL CLINICAL									
NON- CLINICAL									
Admin									
Contingency									
TOTAL NON- CLINICAL									
TOTAL									
* Include the percentage (%) of space for circulation									

2. As shown in Table 1120.310(c) below, the project costs are below the State Standard.

Table 1120.310(c)			
	Proposed Project	State Standard	Above/Below State Standard
Consulting and Other Fees	\$175,000	No State Standard	No State Standard
Fair Market Value of Leased Space or Equipment	\$960,774	No State Standard	No State Standard

Section VIII, Economic Feasibility Review Criteria
Criterion 1120.140D, Projected Operating Costs

Operating Expenses:	\$506,258
Procedures:	786 procedures
Operating Expense per Procedure:	\$644.09 per procedure

Section VIII, Economic Feasibility Review Criteria
Criterion 1120.140E, Total Effect of Project on Capital Costs

Capital Costs (2018):	\$0
Procedures (2018):	786 procedures
Capital Costs per Procedure:	\$0.00 per procedure

Section IX, Safety Net Impact Statement

The proposed project is non-substantive as it involves the addition of interventional radiology and pain management procedures to an existing ASTC. Accordingly, this criterion is not applicable.

Section X, Charity Care Information

The table below provides charity care information for the most recent three years for Advantage.

CHARITY CARE			
	2017	2018	2019
Net Patient Revenue	\$980,894	\$748,435	\$808,526
Amount of Charity Care (charges)	\$133,200	\$207,200	\$229,600
Cost of Charity Care	\$133,200	\$207,200	\$229,600

Appendix I – Physician Referral Letter

Attached as Appendix - 1 is the referral letter from Dr. Paramjit Chopra projecting 167 patients will be referred to Advantage within 12 to 24 months of project completion.

Paramjit Chopra, M.D.
1011 East Touhy Avenue, Suite 350
Des Plaines, Illinois 60018

Debra Savage
 Illinois Health Facilities and Services Review Board
 525 West Jefferson Street, 2nd Floor
 Springfield, Illinois 62761

Dear Ms. Savage:

I am a interventional radiologist. I am writing in support of the expansion of surgical services at Advantage Health Care. Interventional radiology and pain management cases will constitute the majority of my work in the future.

Over the past twelve months (from April 1, 2019 to March 31, 2020), for the zip codes listed on Exhibit 1, I performed a total of 227 outpatient surgical procedures at the following hospitals and surgery centers. With the expansion of surgical specialties Advantage Health Care, I expect to refer my cases as noted below. Of the total cases, 60% percent will reside within the proposed geographic service area of Advantage Health Care.

Hospital / Licensed ASTC	Hospital and Licensed ASTC (number of cases) Most recent 12 months	Projected Referrals to Advantage Health Care after Project Completion
MICHIGAN AVE CENTER FOR HEALTH		
Interventional Radiology	262	157
Pain Management	15	10
Total	277	167

Ms. Debra Savage
March 30, 2020
Page 2

These referrals have not been used to support another pending or approved certificate of need application.

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

I support the establishment Advantage Health Care, Ltd.

Sincerely,

DocuSigned by:

FC208B4C08CE419...

Paramjit Chopra, MD.
1011 E Touhy Ave, Suite 350
Des Plaines, IL 60018

Subscribed and sworn to me
This 29th day of April, 2020



Notary Public

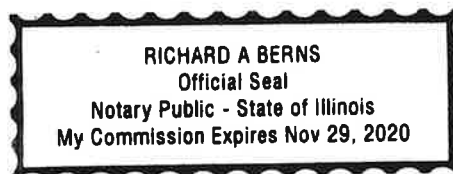


EXHIBIT 1

ZIPCODE	NUMBER OF CASES
60002	4
60004	11
60005	23
60007	32
60008	18
60010	16
60012	1
60013	6
60013	1
60022	3
60025	5
60026	1
60030	6
60042	1
60051	1
60067	4
60076	1
60083	5
60148	6
60160	9
60174	5
60175	8
60202	2

ZIPCODE	NUMBER OF CASES
60203	3
60302	5
60403	2
60404	1
60415	6
60423	2
60428	3
60431	2
60432	8
60433	6
60436	6
60438	6
60440	3
60442	1
60443	1
60447	1
60452	3
60463	9
60464	1
60465	2
60513	4
60515	7
60516	1

60527	6
60604	1
60614	1
60615	6
60624	7
60625-2227	4

TOTAL	277
--------------	------------

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

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	
2	Site Ownership	
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	
5	Flood Plain Requirements	
6	Historic Preservation Act Requirements	
7	Project and Sources of Funds Itemization	
8	Financial Commitment Document if required	
9	Cost Space Requirements	
10	Discontinuation	
11	Background of the Applicant	
12	Purpose of the Project	
13	Alternatives to the Project	
14	Size of the Project	
15	Project Service Utilization	
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
	Service Specific:	
18	Medical Surgical Pediatrics, Obstetrics, ICU	
19	Comprehensive Physical Rehabilitation	
20	Acute Mental Illness	
21	Open Heart Surgery	
22	Cardiac Catheterization	
23	In-Center Hemodialysis	
24	Non-Hospital Based Ambulatory Surgery	
25	Selected Organ Transplantation	
26	Kidney Transplantation	
27	Subacute Care Hospital Model	
28	Community-Based Residential Rehabilitation Center	
29	Long Term Acute Care Hospital	
30	Clinical Service Areas Other than Categories of Service	
31	Freestanding Emergency Center Medical Services	
32	Birth Center	
	Financial and Economic Feasibility:	
33	Availability of Funds	
34	Financial Waiver	
35	Financial Viability	
36	Economic Feasibility	
37	Safety Net Impact Statement	
38	Charity Care Information	

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

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	24-25
2	Site Ownership	26-28
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	29-30
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	31-32
5	Flood Plain Requirements	33
6	Historic Preservation Act Requirements	34
7	Project and Sources of Funds Itemization	35
8	Financial Commitment Document if required	
9	Cost Space Requirements	36
10	Discontinuation	
11	Background of the Applicant	37-40
12	Purpose of the Project	41-46
13	Alternatives to the Project	47-49
14	Size of the Project	50
15	Project Service Utilization	51
16	Unfinished or Shell Space	52
17	Assurances for Unfinished/Shell Space	53
	Service Specific:	
18	Medical Surgical Pediatrics, Obstetrics, ICU	
19	Comprehensive Physical Rehabilitation	
20	Acute Mental Illness	
21	Open Heart Surgery	
22	Cardiac Catheterization	
23	In-Center Hemodialysis	
24	Non-Hospital Based Ambulatory Surgery	54-73
25	Selected Organ Transplantation	
26	Kidney Transplantation	
27	Subacute Care Hospital Model	
28	Community-Based Residential Rehabilitation Center	
29	Long Term Acute Care Hospital	
30	Clinical Service Areas Other than Categories of Service	
31	Freestanding Emergency Center Medical Services	
32	Birth Center	
	Financial and Economic Feasibility:	
33	Availability of Funds	74-85
34	Financial Waiver	86
35	Financial Viability	
36	Economic Feasibility	87-92
37	Safety Net Impact Statement	93
38	Charity Care Information	94
Appendix 1	Physician Referral Letter	95-99



150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606-1599 • 312.819.1900

May 9, 2020

Anne M. Cooper
(312) 873-3606
(312) 819-1910 fax
acooper@polsinelli.com

FEDERAL EXPRESS

Michael Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Application for Permit – Advantage Health Care

Dear Mr. Constantino:

I am writing on behalf of Advantage Healthcare, Ltd. (the "Applicant") to submit the attached Application for Permit to add interventional radiology and pain management to the Applicant's existing surgery center located at 203 East Irving Park Road, Wood Dale, Illinois. 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;
3. Copies of Certificate of Good Standing for the Applicants;
4. Authorization to Access Information; and
5. Physician Referral Letter.

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

Sincerely,

A handwritten signature in black ink that reads 'Anne M. Cooper'.

Anne M. Cooper

Attachments