

**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.****RECEIVED****Facility/Project Identification**

Facility Name: Mercy Care Center		
Street Address: 3753 South Cottage Grove Avenue		
City and Zip Code: Chicago, Illinois 60653		
County: Cook	Health Service Area: 6	Health Planning Area: A-03

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

Exact Legal Name: Mercy Care Center
Street Address: 3753 South Cottage Grove Avenue
City and Zip Code: Chicago, Illinois 60653
Name of Registered Agent: CT Corporation
Registered Agent Street Address: 208 South LaSalle Street
Registered Agent City and Zip Code: Chicago, Illinois 60604
Name of Chief Executive Officer: John Capasso (President and Chairman of the Board)
CEO Street Address: 20555 Victor Parkway
CEO City and Zip Code: Livonia, Michigan 48152
CEO Telephone Number: (734) 343-1000

**Type of Ownership of Applicants**

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input 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: Edward J. Green, Esq.
Title: Attorney
Company Name: Foley & Lardner LLP
Address: 321 North Clark Street, Suite 2800, Chicago, Illinois 60654
Telephone Number: (312) 832-4375
E-mail Address: <a href="mailto:egreen@foley.com">egreen@foley.com</a>
Fax Number: (312) 832-4700

**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:

**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: Mercy Care Center		
Street Address: 3753 South Cottage Grove Avenue		
City and Zip Code: Chicago, Illinois 60653		
County: Cook	Health Service Area: 6	Health Planning Area: A-03

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

Exact Legal Name: Trinity Health Corporation
Street Address: 20555 Victor Parkway
City and Zip Code: Livonia, Michigan 48152
Name of Registered Agent: CT Corporation
Registered Agent Street Address: 208 South LaSalle Street
Registered Agent City and Zip Code: Chicago, Illinois 60604
Name of Chief Executive Officer: Michael A. Slubowski
CEO Street Address: 20555 Victor Parkway
CEO City and Zip Code: Livonia, Michigan 48152
CEO Telephone Number: (734) 343-1000

**Type of Ownership of Applicants**

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<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
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**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: Joshua Moore, Esq.
Title: Secretary
Company Name: Mercy Care Center c/o Trinity Health Corporation
Address: 20555 Victor Parkway, Livonia, Michigan 46152
Telephone Number: (734) 343-1000
E-mail Address: moorej@trinity-health.org
Fax Number:

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Arches Retail Development LLC
Address of Site Owner: 330 south Wells Street, Suite 400, Chicago, Illinois 60606
Street Address or Legal Description of the Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS <b>ATTACHMENT 2</b> , 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: Mercy Care Center	
Address: 3753 South Cottage Grove Avenue, Chicago, Illinois 60653	
<input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	
<ul style="list-style-type: none"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>	
APPEND DOCUMENTATION AS <b>ATTACHMENT 3</b> , 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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://www.illinoisfloodmaps.org). **This map must be in a readable format.** In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (<http://www.hfsrb.illinois.gov>).

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

**Historic Resources Preservation Act Requirements:**

[Refer to application instructions.]

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

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

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

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

Part 1110 Classification:

- ☐ Substantive
- ☒ Non-substantive

## 2. Narrative Description

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

Mercy Care Center, an Illinois not-for-profit corporation ("MCC"), and Trinity Health Corporation, an Indiana not-for-profit corporation ("Trinity," and collectively with MCC, the "Applicants"), hereby seek authority from the Illinois Health Facilities & Services Review Board (the "Review Board") to establish an ambulatory care and diagnostic center (the "Mercy Care Center") at 3753 South Cottage Grove Avenue, Chicago, Illinois 60653 (the "Project"). The Mercy Care Center will occupy 13,389 square feet of rentable space.

On August 30, 2020, Trinity, Mercy Hospital and Medical Center, and Mercy Health System of Chicago, filed a Certificate of Need Application with the Review Board (the "Mercy Hospital CON Application") to discontinue Mercy Hospital & Medical Center ("Mercy Hospital"), located at 2525 South Michigan Avenue, Chicago, Illinois 60616. See Project No. 20-039. The Mercy Hospital CON Application detailed the reasons behind the decision to close Mercy Hospital and the need to move forward with a new model of care better focused on the needs of the local population.

This Application, at Attachment 12 and Attachment 30, further describes the new model of care envisioned by the Applicants.

The Mercy Care Center will offer three major components: (1) diagnostics testing (CT, MRI, X-Ray, ultrasound, mammography, bone densitometry), with enrollment as an independent diagnostic testing facility ("IDTF") being sought; (2) urgent care (non-emergent on-demand medical services); and (3) care coordination (to connect patients with specialty providers, develop care plans, and facilitate access to community services). Overall, the Mercy Care Center will focus on preventive and early diagnostic services, and to help local residents avoid expensive emergency room visits and hospitalizations.

The Applicants anticipate that the Mercy Care Center will provide services to more than 65,000 patients once the Mercy Care Center achieves full utilization.

The total cost of the Project is expected to be \$13,142,898. The Applicants will fund the Project with cash. Project completion is expected to occur on or about September 30, 2021, subject to Review Board approval.

The Mercy Care Center will provide care to primarily uninsured patients, patients on Medicaid, and patients on Medicare. As a consequence, the Mercy Care Center will generate operating losses of approximately \$3,000,000 per year.

Pursuant to Section 1110.20(b), the Project is classified as "Non-Substantive."

**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	\$0	\$0	\$0
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$3,923,817	\$1,149,673	\$5,073,490
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$392,382	\$114,967	\$507,349
Architectural/Engineering Fees	\$198,144	\$58,056	\$256,200
Consulting and Other Fees	\$110,750	\$32,450	\$143,200
Movable or Other Equipment (not in construction contracts)	\$3,930,000	\$929,000	\$4,859,000
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space or Equipment	\$1,781,641	\$522,018	\$2,303,659
Other Costs To Be Capitalized	\$0	\$0	\$0
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
<b>TOTAL USES OF FUNDS</b>	<b>\$10,336,734</b>	<b>\$2,806,164</b>	<b>\$13,142,898</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$10,336,734	\$2,806,164	\$13,142,898
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$10,336,734</b>	<b>\$2,806,164</b>	<b>\$13,142,898</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**Related Project Costs**

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

Land acquisition is related to project <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span> Purchase Price: \$ _____ Fair Market Value: \$ _____
The project involves the establishment of a new facility or a new category of service <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>
If yes, provide the dollar amount of all <b>non-capitalized</b> 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**

<b>For facilities in which prior permits have been issued please provide the permit numbers.</b>
Indicate the stage of the project's architectural drawings:  <div style="display: flex; justify-content: space-around;"> <span><input checked="" type="checkbox"/> None or not applicable</span> <span><input type="checkbox"/> Preliminary</span> </div> <div style="display: flex; justify-content: space-around;"> <span><input type="checkbox"/> Schematics</span> <span><input type="checkbox"/> Final Working</span> </div>
Anticipated project completion date (refer to Part 1130.140): <u>September 30, 2021, subject to Review Board approval</u>
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): <div style="margin-left: 20px;"> <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.  <input type="checkbox"/> Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies  <input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance.         </div>
APPEND DOCUMENTATION AS <b>ATTACHMENT 8</b> , 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: <div style="margin-left: 20px;"> <input checked="" type="checkbox"/> Cancer Registry  <input checked="" type="checkbox"/> APORS  <input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted  <input checked="" type="checkbox"/> All reports regarding outstanding permits         </div> <p><b>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</b></p>
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**Cost Space Requirements:**

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
Imaging Center			6,848	6,848			
Urgent Care			3,507	3,507			
Total Clinical	\$10,336,734		10,355	10,355			
<b>NON REVIEWABLE</b>							
Care Coordination & Support Space			3,034	3,034			
Total Non-clinical	\$2,806,164		3,034	3,034			
<b>TOTAL</b>	<b>\$13,142,898</b>		<b>13,389</b>	<b>13,389</b>			
APPEND DOCUMENTATION AS <u>ATTACHMENT 9</u> , 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**.

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

**CERTIFICATION**

The Application must be signed by the authorized 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 for Permit is filed on the behalf of Mercy Care Center\* 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

John Capasso  
PRINTED NAME

President & Chairman of the Board  
PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 12<sup>th</sup> day of October

Signature of Notary

Seal

SIGNATURE

Joshua Moore, Esq.  
PRINTED NAME

Secretary  
PRINTED TITLE

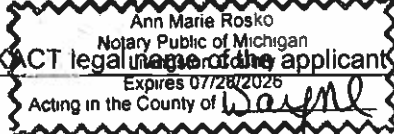
Notarization:

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_

Signature of Notary

Seal

\*Insert EXACT legal name of the applicant



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John Capasso  
PRINTED NAME

President & Chairman of the Board  
PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_

Signature of Notary

Seal

\*Insert EXACT legal name of the applicant

SIGNATURE

Joshua Moore, Esq.  
PRINTED NAME

Secretary  
PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 12 day of oct 2020

Signature of Notary

Seal

George Matarweh  
NOTARY PUBLIC - STATE OF MICHIGAN  
County of Genesee  
My Commission Expires 6/5/2024  
Acting in the County of St. Clair

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SIGNATURE

SIGNATURE

Cynthia A. Clemence  
PRINTED NAME

Linda S. Ross, Esq.  
PRINTED NAME

Interim Chief Financial Officer  
PRINTED TITLE

Executive Vice President & Chief Legal Officer  
PRINTED TITLE

Notarization:

Notarization:

Subscribed and sworn to before me  
this 12 day of October

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_

Signature of Notary

Signature of Notary

Seal

Seal

\*Insert EXACT legal name of the applicant

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SIGNATURE

SIGNATURE

Cynthia A. Clemence  
PRINTED NAME

Linda S. Ross, Esq.  
PRINTED NAME

Interim Chief Financial Officer  
PRINTED TITLE

Executive Vice President & Chief Legal Officer  
PRINTED TITLE

Notarization:

Notarization:

Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_

Subscribed and sworn to before me  
this 12<sup>th</sup> day of October, 2020

Signature of Notary

Signature of Notary

Seal

Seal

\*Insert EXACT legal name of the applicant

**DEBRA A. DIMASCIO**  
Notary Public - State of Michigan  
County of Wayne  
My Commission Expires Aug 17, 2026  
Acting in the County of \_\_\_\_\_

**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	MET 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.

**M. Criterion 1110.270 - Clinical Service Areas Other than Categories of Service**

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than categories of service must submit the following information:
2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

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

Project Type	Required Review Criteria
New Services or Facility or Equipment	(b) – Need Determination – Establishment
Service Modernization	(c)(1) – Deteriorated Facilities
	AND/OR
	(c)(2) – Necessary Expansion
	PLUS
	(c)(3)(A) – Utilization – Major Medical Equipment
	OR
	(c)(3)(B) – Utilization – Service or Facility
APPEND DOCUMENTATION AS <u>ATTACHMENT 30</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

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

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

## VI. 1120.120 - AVAILABILITY OF FUNDS

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

<u>\$13,142,898</u>	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<u>\$13,142,898</u>	TOTAL FUNDS AVAILABLE

**APPEND DOCUMENTATION AS ATTACHMENT 33, 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 (NOT APPLICABLE)**

**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			
<b>Total</b>			
Charity (cost in dollars)			
Inpatient			
Outpatient			
<b>Total</b>			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Medicaid (revenue)			
Inpatient			
Outpatient			
<b>Total</b>			

**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**  
**Attachment 1**  
**Applicant Identification**

The Certificates of Good Standing for the Applicants are attached at ATTACHMENT 1.

File Number

7252-502-7



***To all to whom these Presents Shall Come, Greeting:***

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

MERCY CARE CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 01, 2020, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set  
my hand and cause to be affixed the Great Seal of  
the State of Illinois, this 12TH  
day of OCTOBER A.D. 2020 .***

*Jesse White*

SECRETARY OF STATE

Authentication #: 2028601806 verifiable until 10/12/2021  
Authenticate at: <http://www.cyberdriveillinois.com>

0026

Attachment

1

File Number

6775-210-4



***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*

TRINITY HEALTH CORPORATION, INCORPORATED IN INDIANA AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON MARCH 02, 2011, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS 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 27TH  
day of AUGUST A.D. 2020 .***

*Jesse White*

SECRETARY OF STATE

Authentication #: 2024000766 verifiable until 08/27/2021

Authenticate at: <http://www.cyberdriveillinois.com>

**State of Indiana  
Office of the Secretary of State**

CERTIFICATE OF EXISTENCE

To Whom These Presents Come, Greeting:

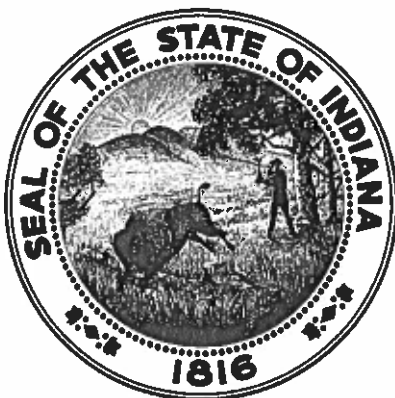
I, CONNIE LAWSON, Secretary of State of Indiana, do hereby certify that I am, by virtue of the laws of the State of Indiana, the custodian of the corporate records and the proper official to execute this certificate.

I further certify that records of this office disclose that

**TRINITY HEALTH CORPORATION**

duly filed the requisite documents to commence business activities under the laws of the State of Indiana on November 10, 1978, and was in existence or authorized to transact business in the State of Indiana on August 27, 2020.

I further certify this Domestic Nonprofit Corporation has filed its most recent report required by Indiana law with the Secretary of State, or is not yet required to file such report, and that no notice of withdrawal, dissolution, or expiration has been filed or taken place. All fees, taxes, interest, and penalties owed to Indiana by the domestic or foreign entity and collected by the Secretary of State have been paid.



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, August 27, 2020

*Connie Lawson*

CONNIE LAWSON  
SECRETARY OF STATE

197811-279 / 20201595313

All certificates should be validated here: <https://bsd.sos.in.gov/ValidateCertificate>

Expires on September 26, 2020.

**Section I**  
**Attachment 2**  
**Site Ownership**

Mercy Hospital and Medical Center, an Illinois not-for-profit corporation ("MHMC"), and Arches Retail Development LLC, an Illinois limited liability company, (the "Landlord"), are currently parties to that certain Lease Agreement, dated as of December 16, 2010, and as amended from time to time, with respect to approximately 14,000 square feet of space located on the first floor of the building located at 3753 South Cottage Grove Avenue, Chicago, Illinois 60653 (the "First Floor Lease").

As part of the Project, Mercy Care Center, an Illinois-not-profit corporation ("MCC"), MHMC, and the Landlord have executed that certain Consent to Sublease and Construction (the "Sublease"), pursuant to which MCC will sublease the First Floor from MHMC. The Sublease contains a condition precedent that requires the Review Board's approval of this Project.

The material terms of the Sublease are as follows:

Projected Effective Date: June 1, 2021

Sub-Tenant: Mercy Care Center, an Illinois not-for-profit corporation

Rentable Square Footage: 13,389

Remaining Rent Schedule:

June 1	2021	July 31	2021	\$66,003.24
August 1	2021	July 31	2022	\$407,899.92
August 1	2022	July 31	2023	\$420,136.92
August 1	2023	July 31	2024	\$432,741.12
August 1	2024	July 31	2025	\$445,723.32
August 1	2025	July 31	2026	\$459,095.04
August 1	2026	July 31	2027	\$472,867.80
August 1	2027	July 31	2028	\$487,053.84

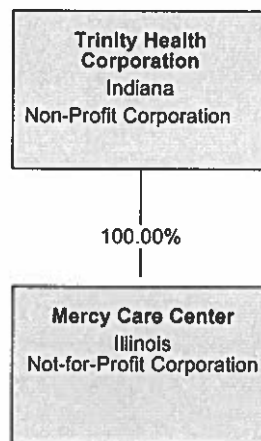
**Section I**  
**Attachment 3**  
**Operating Entity/Licensee**

Mercy Care Center, an Illinois not-for-profit corporation ("MCC"), will own and operate the Mercy Care Center. The Certificate of Good Standing for Mercy Care Center is attached at ATTACHMENT 1.

**Section I**  
**Attachment 4**  
**Organizational Relationships**

The organizational chart for the Applicants is attached at ATTACHMENT 4.

## Mercy Care Center





**Section I**  
**Attachment 5**  
**Flood Plain Requirements**

As set forth in ATTACHMENT 5, the building (i.e., 3753 South Cottage Grove Avenue, Chicago, Illinois 60653) that will house the Mercy Care Center is located in flood plain Zone X, which is designated as an area of low flood risk not requiring flood insurance. See Flood Insurance Rate Map No. 17031C0528J (revised August 19, 2008), attached at ATTACHMENT 5.

An Affidavit from John Capasso, the President and Chairman of the Board of Mercy Care Center and the Executive Vice President, Continuing Care Group of Trinity Health ("Mr. Capasso"), attesting to the fact that the Applicants will comply with Executive Order #5 (2006), to the extent Executive Order #5 (2006) is applicable, is also attached at ATTACHMENT 5.

10/9/2020

FEMA Flood Map Service Center | Search By Address



## FEMA Flood Map Service Center: Search By Address

Navigation

Search

Languages

MSC Home (/portal/)

MSC Search by Address  
(/portal/search)MSC Search All Products  
(/portal/advanceSearch)

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

- Hazus  
(/portal/resources/hazus)

- LOMC Batch Files  
(/portal/resources/lomc)

- Product Availability  
(/portal/productAvailability)

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

- MSC Email Subscriptions  
(/portal/subscriptionHome)

- Contact MSC Help  
(/portal/resources/contact)

Enter an address, place, or coordinates: ?

3753 south cottage grove avenue, chicago, il

Search

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

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

### Search Results—Products for CHICAGO, CITY OF

Show ALL Products » (<https://msc.fema.gov/portal/availabilitySearch?addcommunity=170074&communityName=CHIC>)

The flood map for the selected area is number **17031C0528J**, effective on **08/19/2008** ?

#### DYNAMIC MAP



#### MAP IMAGE



(<https://msc.fema.gov/portal/downloadProduct?>

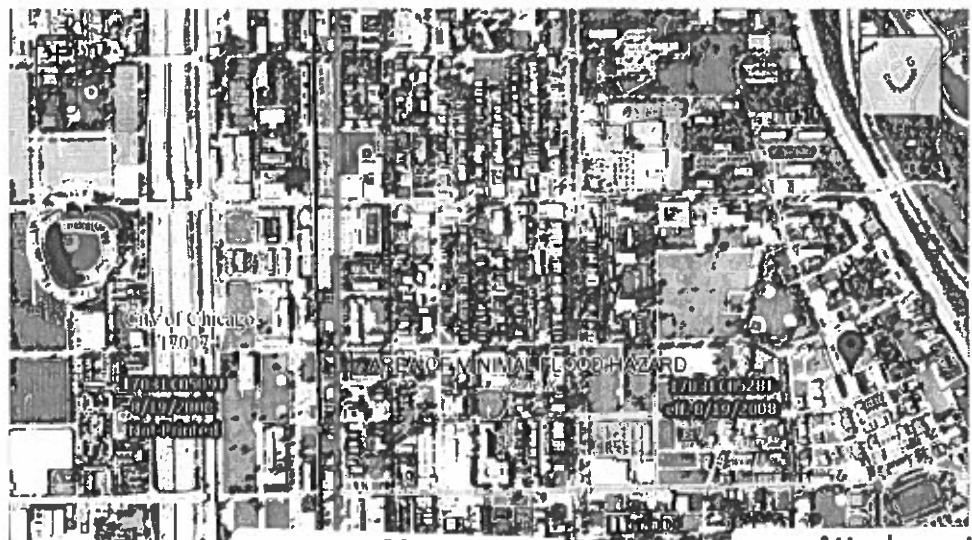
[filepath=/17/P/Firm/17031C0528J.png&productTypeID=FINAL\\_PRODUCT&productSubTypeID=FIRM\\_PANEL&](https://msc.fema.gov/portal/downloadProduct?filepath=/17/P/Firm/17031C0528J.png&productTypeID=FINAL_PRODUCT&productSubTypeID=FIRM_PANEL&)

#### Changes to this FIRM ?

Revisions (0)  
Amendments (0)  
Revalidations (0)

You can choose a new flood map or move the location pin by selecting a different location on the locator map below or by entering a new location in the search field above. It may take a minute or more during peak hours to generate a dynamic FIRMette. If you are a person with a disability, are blind, or have low vision, and need assistance, please contact a map specialist (<https://msc.fema.gov/portal/resources/contact>).

Go To NFHL Viewer » (<https://hazards-fema.maps.arcgis.com/apps/webappviewer/index.html?id=8b0adb51996444d>)



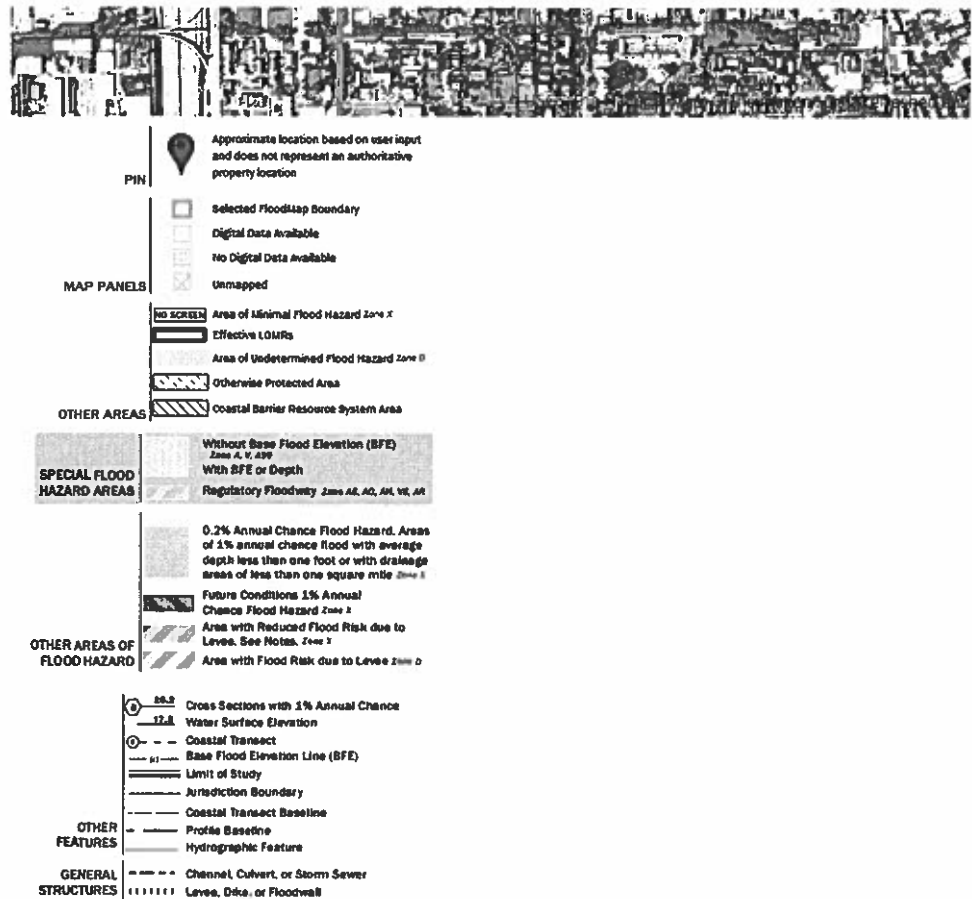
<https://msc.fema.gov/portal/search?AddressQuery=cook county illi>

0034

Attachment

10/9/2020

## FEMA Flood Map Service Center | Search By Address



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[Privacy Policy \(//www.fema.gov/privacy-policy\)](https://www.fema.gov/privacy-policy)
[FOIA \(//www.fema.gov/foia\)](https://www.fema.gov/foia)
[Office of the Inspector General \(//www.oig.dhs.gov/\)](https://www.oig.dhs.gov/)
[Strategic Plan \(//www.fema.gov/fema-strategic-plan\)](https://www.fema.gov/fema-strategic-plan)
[Whitehouse.gov \(//www.whitehouse.gov\)](https://www.whitehouse.gov/)
[DHS.gov \(//www.dhs.gov\)](https://www.dhs.gov)
[Ready.gov \(//www.ready.gov\)](https://www.ready.gov)
[USA.gov \(//www.usa.gov\)](https://www.usa.gov)
[DisasterAssistance.gov \(//www.disasterassistance.gov/\)](https://www.disasterassistance.gov/)


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

Official website of the Department of Homeland Security



October 9, 2020

Mr. Michael Constantino  
Project Review Supervisor  
Illinois Health Facilities & Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

Re: Certification Re: Compliance with Illinois Executive Order #5

Dear Mr. Constantino:

I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, as follows:

1. Mercy Hospital and Medical Center, an Illinois not-for-profit corporation ("MHMC"), and Arches Retail Development LLC, an Illinois limited liability company, (the "Landlord"), are currently parties to that certain Lease Agreement, dated as of December 16, 2020, and as amended from time to time, with respect to approximately 14,000 square feet of space located on the first floor of the building located at 3753 South Cottage Grove Avenue, Chicago, Illinois 60653 (the "First Floor Lease").

2. As part of the Project, Mercy Care Center, an Illinois-not-profit corporation ("MCC"), MHMC, and the Landlord have executed that certain Assignment, Assumption and Consent Assignment, dated as of October 9, 2020 ("Lease Assignment"), pursuant to which the First Floor Lease will be assigned from MHMC to MCC and MCC will assume the remaining obligations and rights of MHMC under the First Floor Lease. The Lease Assignment contains a condition precedent which requires the Review Board's approval of this Project.

3. The building (i.e., 3753 South Cottage Grove Avenue, Chicago, Illinois 60653) that will house the Mercy Care Center is located in flood plain Zone X, which is designated as an area of low flood risk not requiring flood insurance. See Flood Insurance Rate Map No. 17031C0528J (revised August 19, 2008).

4. MCC and Trinity Health Corporation have reviewed and will comply with the development requirements of Illinois Executive Order #5 (2006), to the extent Illinois Executive Order #5 (2006) is applicable.

Mr. Michael Constantino

Page 2

October 9, 2020

Sincerely,



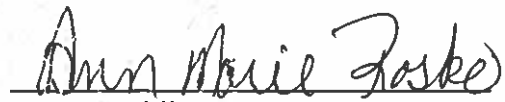
John Capasso

President & Chairman of the Board, Mercy Care Center

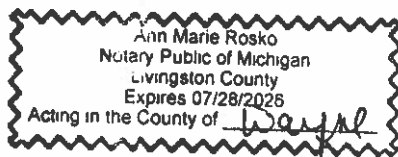
Executive Vice President, Continuing Care Group, Trinity Health Corporation

SUBSCRIBED AND SWORN

to before me this 12 day of October, 2020.



Notary Public



Attachment

5

0037

**Section I**  
**Attachment 6**  
**Historic Resources Preservation Act Requirements**

The building (i.e., 3753 South Cottage Grove Avenue, Chicago, Illinois 60653) that will house the Mercy Care Center was constructed in 2010. Thus, it is highly unlikely that the building is subject to the Illinois Historic Resources Preservation Act.

Nevertheless, attached at ATTACHMENT 6 is a copy of the clearance letter sent to the Illinois Historical Preservation Agency (the "IHPA") regarding compliance with the requirements of the Illinois Historic Resources Preservation Act. The Applicants will provide a copy of the IHPA's clearance letter, upon receipt of the same, to the Review Board.



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Chicago, IL 60654-5313  
312.832.4500 TEL  
312.832.4700 FAX  
www.foley.com

WRITER'S DIRECT LINE  
312.832.4375  
egreen@foley.com EMAIL

CLIENT/MATTER NUMBER  
026141-0148

October 12, 2020

VIA FACSIMILE (217) 524-7525, EMAIL (BOB.APPLEMAN@ILLINOIS.GOV) AND FEDERAL EXPRESS

Mr. Robert F. Appleman  
Deputy State Historic Preservation Officer  
Preservation Services Division  
Illinois Historic Preservation Office  
1 Old State Capital Plaza  
Springfield, Illinois 62701

Re: Mercy Care Center, 3753 South Cottage Grove Avenue, Chicago, IL

Dear Mr. Appleman:

I am writing on behalf of Mercy Care Center, an Illinois-not-profit corporation ("MCC"). We are in the process of preparing a Certificate of Need Application for MCC, pursuant to which MCC will seek permission from the Illinois Health Facilities and Services Review Board to establish an ambulatory care and diagnostic center (the "Mercy Care Center") at 3753 South Cottage Grove Avenue, Chicago, Illinois 60653 (the "Building"). The Mercy Care Center will occupy 13,389 square feet of space and will be located on the First Floor of the Building. On information and belief, the Building was constructed in 2010. The Building is located on parcel identification number 17-34-421-102.

Pursuant to Section 4 of the Illinois State Agency Historic Resources Preservation Act (the "Act"), we are seeking a formal determination from the Illinois Historic Preservation Agency as to whether the Act applies to the establishment of the Mercy Care Center in the Building.

I understand that there are no fees associated with this request. If you have any questions or need any additional information to complete your evaluation of the proposed project, you may contact me at (312) 832-4375. My fax number is (312) 832-4700 and my email address is [egreen@foley.com](mailto:egreen@foley.com).

Sincerely,

Edward J. Green

BOSTON  
BRUSSELS  
CENTURY CITY  
CHICAGO  
DETROIT

JACKSONVILLE  
LOS ANGELES  
MADISON  
MIAMI  
MILWAUKEE

NEW YORK  
ORLANDO  
SACRAMENTO  
SAN DIEGO  
SAN DIEGO/DEL MAR

SAN FRANCISCO  
SHANGHAI  
SILICON VALLEY  
TALLAHASSEE  
TAMPA

TOKYO  
WASHINGTON, D.C.

**Section I**  
**Attachment 7**  
**Project Costs & Sources of Funds**

1. An equipment listing/summary for the Mercy Care Center is attached at ATTACHMENT 7.
2. The First Floor Lease has a fair market value of \$2,303,659.13, which represents the present value of the First Floor Lease rent payments during the remaining term of the First Floor Lease, using an eight percent (8%) discount rate.
3. The following chart sets for the Applicants' calculations regarding the fair market value of the First Floor Lease:

					Discount Rate (8%)	Present Value Rent
June 1	2021	July 31	2021	\$66,003.24	1.00000	\$66,003.24
August 1	2021	July 31	2022	\$407,899.92	0.92593	\$377,685.11
August 1	2022	July 31	2023	\$420,136.92	0.85734	\$360,199.69
August 1	2023	July 31	2024	\$432,741.12	0.79383	\$343,523.85
August 1	2024	July 31	2025	\$445,723.32	0.73503	\$327,619.95
August 1	2025	July 31	2026	\$459,095.04	0.68058	\$312,452.37
August 1	2026	July 31	2027	\$472,867.80	0.63017	\$297,986.93
August 1	2027	July 31	2028	\$487,053.84	0.58349	\$284,191.24
					Total	\$2,303,659.13

4. The Applicants also certify that the cost of leasing the First Floor pursuant to the First Floor Lease is less costly than constructing a new building to house the Mercy Care Center.



## Mercy Care Center Equipment Listing

**Clinical (\$3,930,000):**

MRI:	\$1,200,000
CT:	\$ 800,000
X-Ray Units:	\$ 700,000
Tomography:	\$ 400,000
Mammography:	\$ 300,000
DEXA Scan:	\$ 80,000
Ultrasounds:	\$ 200,000
Air/Water Chillers:	\$ 200,000
Misc. Urgent Care Equip:	\$ 50,000

**Non- Clinical (\$173,000):** Furniture, Fixtures, Signage and Artwork**Non-Clinical (\$43,000):** Technology Support Systems (Nurse Call, Security, Surveillance)**Non-Clinical (\$713,000):** IT Capital (Cabling, Hardware, Software)

**Section III**  
**Attachment 11**  
**Background**

**Mercy Care Center**

1. Mercy Care Center ("MCC"), an Illinois not-for-profit corporation, was incorporated on October 1, 2020, specifically for this Project. Thus, MCC does not currently own or operate any licensed health care facilities in Illinois.
2. There have been no adverse actions taken against any facility owned or operated in Illinois by MCC during the three (3) years prior to the filing of this Application. A letter certifying the above information is attached at ATTACHMENT 11.
3. An authorization letter granting access to the Review Board and IDPH to verify information about MCC is attached at ATTACHMENT 11.

**Trinity Health Corporation**

4. Trinity Health Corporation (Trinity") is an Indiana non-profit corporation.
5. Trinity is the sole corporate member of MCC.
6. Trinity is one of the largest multi-institutional Catholic health care delivery systems in the nation, serving diverse communities that include more than 30 million people across 22 states. Trinity includes 92 hospitals, as well as 100 continuing care locations that include PACE programs, senior living facilities, and home care and hospice services. Its continuing care programs provide nearly 2.5 million visits annually. Based in Livonia, Mich., Trinity returns \$1.3 billion to its communities annually in the form of charity care and other community benefit programs. Trinity employs about 123,000 colleagues, including 6,800 employed physicians and clinicians.
7. In terms of facilities in the State of Illinois, Trinity is the sole corporate member of Mercy Health System ("Mercy Health System"), an Illinois not-for-profit corporation. Mercy Health System is the sole corporate member of Mercy Hospital and Medical Center ("MHMC"), an Illinois not-for-profit corporation. MHMC operates Mercy Hospital & Medical Center ("Mercy Hospital") in Chicago, Illinois.
8. Trinity is also the sole corporate member of Loyola University Health System d/b/a Loyola Medicine ("Loyola Medicine"), which operates: (a) Loyola University Medical Center in Maywood, Illinois; (b) Gottlieb Memorial Hospital in Melrose Park, Illinois; and (c) Gottlieb Community Health Services d/b/a MacNeal Hospital in Berwyn, Illinois.
9. There have been no adverse actions taken against any facility owned or operated in Illinois by Trinity during the three (3) years prior to the filing of this Application, except as follows: On or about January 16, 2019, Mercy Hospital received a Statement of Deficiencies, Form CMS-2567 (the "Statement of Deficiencies"), from the Centers for Medicare & Medicaid Services ("CMS"), which was generated as a result of a Substantial Allegation Survey conducted by the Illinois Department of Public Health ("IDPH") between January 7, 2019 and January 10, 2019. The Statement of Deficiencies concerned an incident that happened on or about December 26, 2018. On or about January 21, 2019, Mercy Hospital submitted its Plan of

Correction (the "Plan of Correction") to CMS and IDPH in response to the Statement of Deficiencies. CMS and IDPH accepted and approved Mercy Hospital's Plan of Correction and Mercy Hospital subsequently passed its follow-up survey and was found to be in full compliance with the Conditions of Participation for general acute care hospitals set forth at 42 C.F.R. Part 482.

10. Pursuant to Section 1110.110(a)(3), Trinity certifies that: (a) Trinity previously certified the foregoing information to the Review Board in Project No. 20-039 (received on August 31, 2020 by the Review Board); (b) the Review Board can rely on Trinity's previous certification in Project No. 20-039; and (c) no changes have occurred since Trinity filed its certification in Project No. 20-039.

11. Trinity also provided an authorization letter granting access to the Review Board and IDPH to verify information about Trinity for Project No 20-039. The Review Board and IDPH are authorized to rely on the authorization letter provided in Project No. 20-039 for this Application.



October 9, 2020

Mr. Michael Constantino  
Project Review Supervisor  
Illinois Health Facilities & Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

Re: No Adverse Actions Certification (Mercy Care Center)

Dear Mr. Constantino:

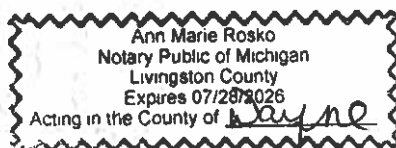
I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, that there have been no adverse actions taken against any facility owned or operated by Mercy Care Center during the three (3) years prior to the filing of this Application.

Sincerely,

  
\_\_\_\_\_  
John Capasso  
President & Chairman of the Board, Mercy Care Center  
Executive Vice President, Continuing Care Group, Trinity Health Corporation

SUBSCRIBED AND SWORN to before me  
this 12 day of October, 2020.

  
\_\_\_\_\_  
Notary Public





October 9, 2020

Mr. Michael Constantino  
Project Review Supervisor  
Illinois Health Facilities & Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

Re: Authorization to Access Information (Mercy Care Center)


Dear Mr. Constantino:

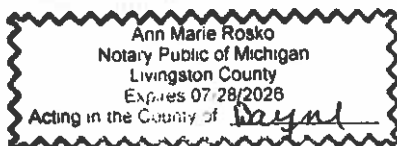
I hereby authorize the Illinois Health Facilities & Services Review Board (the "Board") and the Illinois Department of Public Health ("IDPH") to access all information necessary to verify any documentation or information submitted by Mercy Care Center with this Application. I further authorize the Board and IDPH to obtain any additional documentation or information which the Board or IDPH finds pertinent and necessary to process this Application.

Sincerely,

  
\_\_\_\_\_  
John Capasso  
President & Chairman of the Board, Mercy Care Center  
Executive Vice President, Continuing Care Group, Trinity Health Corporation

SUBSCRIBED AND SWORN to before me  
this 12 day of October, 2020.

  
\_\_\_\_\_  
Notary Public



0045

Attachment  
11

**Section III**  
**Attachment 12**  
**Criterion 1110.110(b)**  
**Purpose of Project**

**Purpose Statement**

Mercy Care Center, an Illinois not-for-profit corporation ("MCC"), and Trinity Health Corporation, an Indiana non-profit corporation ("Trinity," and collectively with MCC, the "Applicants"), hereby seek authority from the Illinois Health Facilities & Services Review Board (the "Review Board") to construct an ambulatory care center (the "Mercy Care Center") at 3753 South Cottage Grove Avenue, Chicago, Illinois 60653 (the "Project").

On August 30, 2020, Trinity, Mercy Hospital and Medical Center (an Illinois not-for-profit corporation), and Mercy Health System of Chicago (an Illinois not-for-profit corporation), filed a Certificate of Need Application with the Review Board (the "Mercy Hospital CON Application") to discontinue Mercy Hospital & Medical Center ("Mercy Hospital"), located at 2525 South Michigan Avenue, Chicago, Illinois 60616. See Project No. 20-039. The Mercy Hospital CON Application detailed the reasons behind the decision to close Mercy Hospital and the need to move forward with a new model of care. MCC will be the owner and operator of the Mercy Care Center and will be responsible for implementing this new model of care.

**Define the Planning Area or Market Area**

1. The Mercy Care Center will focus on serving residents on the South Side of Chicago, with a particular focus on the residents who live in the neighborhoods currently served by Mercy Hospital.
2. The outpatients currently served by Mercy Hospital and its ambulatory sites are widely dispersed, but most of the outpatients originate from south of Mercy Hospital.
3. The primary zip codes include 60616, 60653, 60609, 60608, 60632, 60629, 60615, 60637, 60619, 60620, 60636, 60621, 60628, 60652, 60649, 60617, 60638, 60623, 60605 and 60643. A patient origin map is attached at ATTACHMENT 12.

**Identify the Existing Problems or Issues That Need to be Addressed**

1. There is a radical difference in life expectancy within the City of Chicago when comparing prosperous neighborhoods with some communities on the South Side. For example, people in Streeterville on Chicago's North Side live an average of 30 years longer than those in Englewood, where the average life expectancy is only 60 years (NYU School of Medicine analysis cited in the Chicago Tribune, June 9, 2019).
2. The prevalence of chronic health conditions is a key driver of this disparity. According to the Community Health Needs Assessment compiled by the Alliance for Health Equity, 65% of all deaths in Chicago and Suburban Cook County were attributable to chronic diseases. The communities served by Mercy Hospital disproportionately suffer from these chronic conditions and desperately need more early detection and diagnosis of illnesses and diseases, better care coordination among a multitude of providers to better treat chronic diseases, and more cost effective and accessible urgent care and other outpatient services. The COVID-19 pandemic has further highlighted these disparities.

3. At the same time, the future of healthcare has changed and continues to change rapidly. Inpatient care is being replaced by outpatient care due to advancements in medicine and payor demands. Hence, the need for a new model of care that will focus on keeping people healthy, early detection of diseases, and advocating for patients by finding provider partners, such as hospitals, federally qualified health centers ("FQHCs"), and specialty providers to better manage chronic diseases.

**Detail how the Project will Address or Improve the Previously Referenced Issues as well as the Population's Health Status and Well-Being**

1. As was previously discussed in the Certificate of Need Application for Project No. 20-039, the decision to discontinue Mercy Hospital was not an easy one. Indeed, it was not a single decision made at a single meeting; but rather, the culmination of a multi-year, multi-factorial process that ultimately resulted in the consensus that Mercy Hospital needed to be at the forefront of transforming the health care options available on the South Side of Chicago and needed to move forward with a new model of care.

2. The Mercy Care Center will focus on preventive and early diagnostic services, and will help local residents avoid expensive emergency room visits and hospitalizations.

3. The Mercy Care Center will offer three major components: (1) diagnostics testing (including CT, MRI, X-Ray, ultrasound, mammography, bone densitometry), with enrollment as an independent diagnostic testing facility ("IDTF") being sought; (2) urgent care (non-emergent on-demand medical services); and (3) care coordination (to connect patients with specialty providers, develop care plans, and facilitate access to community services).

4. The Mercy Care Center will be located at 3753 South Cottage Grove Avenue, Chicago, Illinois 60653.

5. The Applicants selected the location because: (a) South Side patients tend to stay on their side of the Dan Ryan (I-94/I-90 expressway) for care; (b) the area is densely populated; (c) the location is close to existing federally qualified healthcare centers ("FQHCs") that generally do not offer after hour services; and (d) the location is very accessible via public transportation.

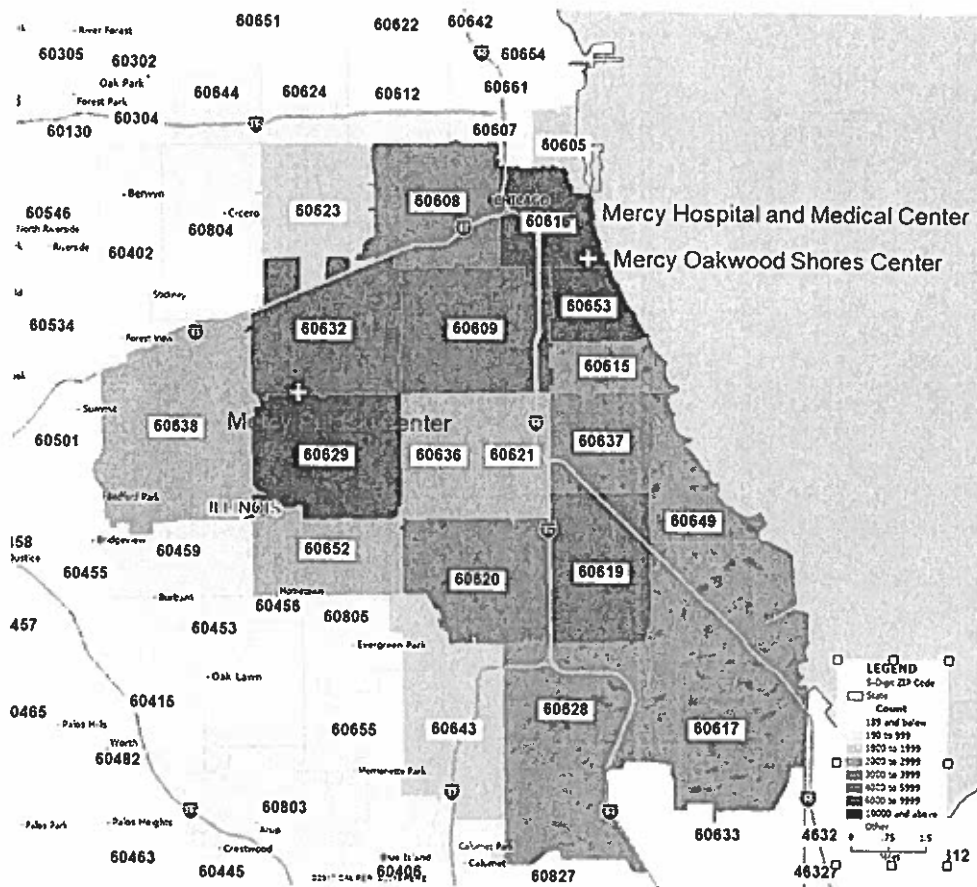
6. The Mercy Care Center will provide care primarily to uninsured patients, patients on Medicaid, and patients on Medicare. As a consequence, the Applicants anticipate that the Mercy Care Center will generate operating losses of approximately \$3,000,000 per year.

**Provide Goals with Quantified and Measurable Objectives with Specific Timeframes that Relate to Achieving the Stated Goals**

1. Assuming this Project receives approval from the Review Board at or before the December 15, 2020 Review Board hearing, the Applicants anticipate that project completion will occur on or about September 30, 2021.

Mercy Care Center: Draft Business Plan, V1c

## Appendix A Service Population Map





**Section III****Attachment 13****Criterion 1110.110(d), Alternatives to Proposed Project**

1. Normally, the alternatives for a project set forth options like "considered doing nothing," "considered a project of lesser scope," or "considered a project of greater scope." In this case, this entire Project is the culmination of a multi-year, multi-factorial process that ultimately resulted in the consensus that Mercy Hospital needed to be at the forefront of transforming the health care options available on the South Side of Chicago and that a new model of care needed to be developed for the South Side of Chicago. All of the alternatives that were actually attempted (versus simply considered) prior to filing this Application are first chronicled in the Certificate of Need Application for Project No. 20-039. Those alternatives are set forth below for easier reference.
2. Given the challenges faced by Mercy Hospital, Trinity began a formal process to identify and assess options for Mercy Hospital. In June of 2016, Trinity and the Board of Directors for Mercy Hospital initiated a comprehensive assessment of Mercy Hospital's service lines, patient perceptions, competitors, payers, and the potential for economic growth. Financial models evaluated sustainability and the capital investment needed to maintain Mercy Hospital's long-term viability and financial modeling was used extensively to determine Mercy Hospital's sustainability under a variety of service reductions and/or reconfigurations. No scenario was financially viable.
3. After Trinity determined that it could not develop a financially sustainable reconfiguration of Mercy Hospital, Trinity began exploring the option of selling or transferring Mercy Hospital to a third party or affiliating with another health system. This work included a comprehensive RFP process that involved over 20 potential partners over an eighteen-month period. Ultimately, none expressed an interest in Mercy Hospital.
4. Against this backdrop, the Mercy Hospital Board of Directors, in collaboration with Trinity, began an extensive review of the best path forward for Mercy Hospital and the patients served by Mercy Hospital. Guided by the aforementioned realities, the Community Health Needs Assessment compiled by the Alliance for Health Equity, and its own community health needs assessment, the Mercy Hospital Board of Directors, in collaboration with Trinity, ultimately concluded that Mercy Hospital needed to completely transform its care delivery model from an inpatient model to an outpatient model. Critically, the Illinois Legislature and Governor also recognized the immediate need for the hospital community to transform its care delivery models to better meet the unmet needs of the communities served by hospitals, with a focus on shifting from inpatient services to outpatient services and models that improve the coordination, effectiveness and efficiency of care, when they passed and signed the Illinois Hospital Transformation Program into law. See SB1773, House Amendment #4, as enacted into law at Public Act 100-0581 (305 ILCS 5/14-12(d-5); see also Illinois Hospital Association State Position Paper and Statement of President and CEO of Illinois Hospital Association (August 8, 2018).
5. To that end, in August of 2019, senior management from Mercy Hospital approached the Illinois Department of Healthcare & Family Services (the "Department") to discuss closure of Mercy Hospital and the transformation of Mercy Hospital to an outpatient care center that will offer preventative and urgent care, diagnostics and care coordination.
6. These conversations led the Department to convene a group with Mercy Hospital, St. Bernard Hospital, Advocate Trinity Hospital and South Shore Hospital (collectively, the "South

Side Coalition"). With the Department's involvement, the South Side Coalition spent more than nine months exploring solutions that could transform health care for Chicago's most at-risk population.

7. The hospitals on the South Side make up a fragmented network of aging, inefficient facilities requiring significant capital investments and are not able to combat, on their own, the challenges evident in their community health needs assessments. Financial instability at all of the South Side Coalition hospitals has been mounting for years. Fifty eight percent (58%) of patients (61,000 inpatient discharges) leave the service area to receive care. The four hospitals are less than 52% occupied, and patients do not have access to ambulatory services to maintain health, identify early stages of disease and manage chronic diseases.

8. In January of 2020, the South Side Coalition members signed a non-binding memorandum of understanding to create an independent health system and build one to two new, state-of-the-art hospitals and three to six outpatient centers to ultimately replace the four hospital facilities. The South Side Coalition's transformation plan (the "South Side Transformation Plan") was to build these new hospitals and outpatient sites before any of the existing hospitals closed with these goals:

- Expand access to quality preventive care and services;
- Increase access to coordinated care – the right care, at the right time, in the right setting; and
- Address the significant and historic health inequities South Side residents face

9. The South Side Transformation Plan was to be funded with public and private commitments over ten years for a total investment of \$1.1 billion. The South Side Transformation Plan was to include a medical group with 140 employed providers (from Mercy Hospital and Advocate Trinity Hospital) and would have maintained 3,445 jobs in the Community (with retraining and reassignment of health care workers to work in the new centers). Critically, the South Side Transformation Plan requested that the State commit \$520 million over five years as part of the Illinois Hospital Transformation Program funding.

10. In early 2020, the South Side Coalition launched a community outreach initiative, including a website for the South Side Transformation Plan, and held community town halls (virtually due to the COVID-19 pandemic) during which over 700 community members in 11 zip codes heard the details of the South Side Transformation Plan. The South Side Coalition also contacted elected officials as part of the community outreach initiative. The neighborhoods included South Shore, Englewood, South Chicago, Chatham, Calumet Heights, Bronzeville, Chinatown, Auburn Gresham and Washington Heights.

11. Sadly, it was not meant to be. During the last few hours of the Spring Legislative Session, the Illinois Legislature changed course and elected not to fund the South Side Transformation Plan as part of the funding for the Illinois Hospital Transformation Program. On May 25, 2020, the South Side Coalition notified the Department that there was no path forward. The South Side Coalition subsequently disbanded at the end of May.

**Section IV****Attachment 14****Criterion 1110.120(a), Size of Project**

1. As a technical matter, this Criterion is not applicable because: (a) neither of the Applicants are owned by a hospital licensed pursuant to the Illinois Hospital Licensing Act; (2) the services provided at the Mercy Care Center will not be billed by a hospital licensed pursuant to the Illinois Hospital Licensing Act; (3) neither of the Applicants are owned by an Illinois licensed long term care facility, ICF/DD facility, an ambulatory surgical treatment center, an in-patient hemodialysis center, or a freestanding emergency center; or (4) the services provided at the Mercy Care Center will not be billed an Illinois licensed long term care facility, ICF/DD facility, an ambulatory surgical treatment center, an in-patient hemodialysis center, or a freestanding emergency center. Thus, all of space inside the Mercy Care Center is not reviewable by the Review Board.
2. In the alternative, should the Review Board determine that either of the Applicants are subject to the Illinois Hospital Licensing Act, this Project is below the capital expenditure threshold of \$14,176,369 for hospitals licensed under the Illinois Hospital Licensing Act. Thus, in the alternative, this entire Certificate of Need Application has been filed for informational purposes and the Applicants would ask the Review Board to consider the Application as a Request for an Advisory Opinion seeking the following determinations: (a) the Applicants are subject to the Illinois Hospital Licensing Act; (b) this Project is below the capital expenditure threshold of \$14,176,369 for hospitals licensed under the Illinois Hospital Licensing Act; (c) the Applicants do not need to file a Certificate of Need Application for this Project; and (d) the Applicants can proceed with the Project without obtaining a Certificate of Need.
3. Subject to the foregoing, the following information and data is being provided because the Applicants have been, and will continue to be, fully transparent in their efforts to describe and delineate their commitment to deliver a sustainable model of healthcare to the patients of Mercy Hospital and the residents of the South Side of Chicago.
4. The Mercy Care Center will include: (a) an Imaging Center; (b) an Urgent Care Center; and (b) a Care Coordination Center. The Mercy Care Center will also include some support space.
5. The Imaging Center will occupy 6,848 square feet of clinical space. The Urgent Care Center will occupy 3,507 square feet of clinical space. The Care Coordination Center and support space will occupy 3,034 of non-clinical space.
6. In total, the Mercy Care Center will occupy 13,389 square feet of space.
7. The Space Plan for the Mercy Care Center is attached at ATTACHMENT 14.
8. The following charts set forth the proposed clinical spaces in the Mercy Care Center (i.e., the Imaging Center and the Urgent Care Center) as compared to the State Norms.

**Imaging Center**

Proposed Square Footage As Compared to State Norms			
Equipment/Rooms Proposed	Proposed GSF	State Standard	Meets State Standard?
1 MRI 1 CT 2 X-Ray Units 2 Ultrasounds Mammography Unit DEXA Scanner	6,848	1,800 GSF per MRI 1,800 GSF per CT 1,300 GSF per X Ray Unit 900 GSF per Ultrasound 900 GSF per Mammography Unit No Standard for DEXA Scanner  $1,800 + 1,800 + (2*1,300) + (2*900) + 900 = 8,900$ GSF	Yes. Meets State Norm.

**Urgent Care Center**

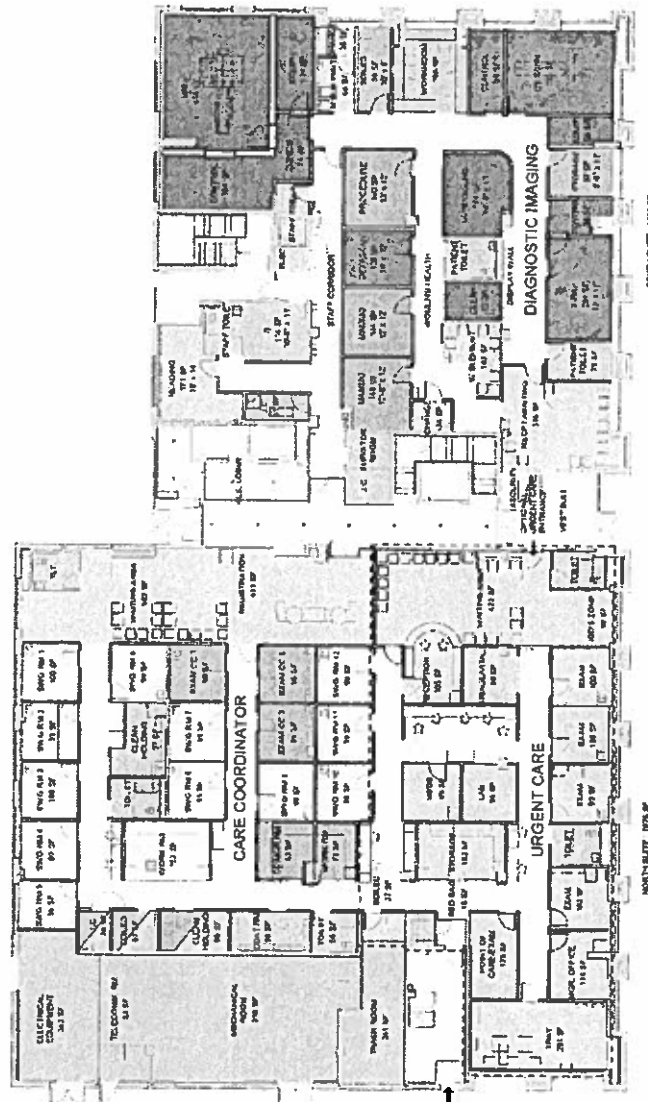
Proposed Square Footage As Compared to State Norms			
Equipment/Rooms Proposed	Proposed GSF	State Standard	Meets State Standard?
5 Exam Rooms 1 X-Ray Unit	3,507	800 GSF per Exam Room 1,300 GSF per X Ray Unit  $(5*800) + 1,300 = 5,300$ GSF	Yes. Meets State Norm.

**Mercy Care Center: Draft Business Plan, V1c**

Projected

## PROGRAM CONSIDERATIONS

1. STAFF LEADERS ASSUMING NONE
2. AVAILABLE
3. VACATED OFFICES
4. ZONE ROOM OPERATIONS



1 First Floor Plan

DRAFT: Version 2.1 9-8-2020

First Floor Plan | SD-02

Trinity Health

3753 S. Cottage Grove Ave. Chicago, IL  
Project No. 20090 Date 2/20/09/04  
Mercy Medical Center IDTF

© 2019 Eckhardt Saunders Architects, Inc.

**Section IV****Attachment 15****Criterion 1110.120(b), Project Services Utilization**

1. As a technical matter, this Criterion is not applicable because: (a) neither of the Applicants are owned by a hospital licensed pursuant to the Illinois Hospital Licensing Act; (2) the services provided at the Mercy Care Center will not be billed by a hospital licensed pursuant to the Illinois Hospital Licensing Act; (3) neither of the Applicants are owned by an Illinois licensed long term care facility, ICF/DD facility, an ambulatory surgical treatment center, an in-patient hemodialysis center, or a freestanding emergency center; or (4) the services provided at the Mercy Care Center will not be billed an Illinois licensed long term care facility, ICF/DD facility, an ambulatory surgical treatment center, an in-patient hemodialysis center, or a freestanding emergency center. Thus, all of space inside the Mercy Care Center is not reviewable by the Review Board.
2. In the alternative, should the Review Board determine that either of the Applicants are subject to the Illinois Hospital Licensing Act, this Project is below the capital expenditure threshold of \$14,176,369 for hospitals licensed under the Illinois Hospital Licensing Act. Thus, in the alternative, this entire Certificate of Need Application has been filed for informational purposes and the Applicants would ask the Review Board to consider the Application as a Request for an Advisory Opinion seeking the following determinations: (a) the Applicants are subject to the Illinois Hospital Licensing Act; (b) this Project is below the capital expenditure threshold of \$14,176,369 for hospitals licensed under the Illinois Hospital Licensing Act; (c) the Applicants do not need to file a Certificate of Need Application for this Project; and (d) the Applicants can proceed with the Project without obtaining a Certificate of Need.
3. Subject to the foregoing, the following information and data is being provided because the Applicants have been, and will continue to be, fully transparent in their efforts to describe and delineate their commitment to deliver a sustainable model of healthcare to the patients of Mercy Hospital and the residents of the South Side of Chicago.

4. The following chart sets forth the projected visits and volumes at the Mercy Care Center.

Mercy Care Center Projected Visits/Volumes						
	Year 1	Year 2	Year 3	Year 4	Year 5	Capacity
<b>Imaging Center</b>						
MRI	864	1,047	1,178	1,243	1,309	4,070
CT	4,844	5,871	5,871	5,871	5,871	6,105
X Rays	10,825	13,122	14,762	15,582	16,074	16,280
Ultrasounds	5,463	6,622	7,450	7,864	8,112	8,140
Mammography	7,173	8,369	9,564	10,760	10,760	16,280
DEXA Scans	480	582	655	691	728	6,512
Total Imaging	29,649	35,613	39,480	42,011	42,853	57,387
<b>Urgent Care Center</b>						
Urgent Care Exams	11,500	12,075	12,679	13,313	13,978	
X Rays	1,150	1,207	1,267	1,331	1,397	
<b>Care Coordination</b>	6,700	7,370	8,107	8,917	9,809	

5. The following chart sets forth the projected utilization calculations for the Mercy Care Center as compared to the State Norms. Consistent with the Review Board's regulations, the Applicants used Year 2 as the operative touchstone for tracking to the State Norms.

Mercy Care Center Utilization Metrics					
	Year 2 Visits/ Procedures/ Exams	State Norm	Allowable Number of Units/Rooms Under State Norms	Proposed Number of Units/Rooms	Meets State Standard?
<b>Imaging Center</b>					
MRI	1,047	2,500 procedures	$1,047/2,500 = 0.4188 = 1.0$	1	Yes. Meets State Norm.
CT	5,871	7,000 visits	$5,871/7,000 = 0.8387 = 1.0$	1	Yes. Meets State Norm.
X-Rays	13,122	8,000 procedures	$13,122/8,000 = 1.6403 = 2.0$	2	Yes. Meets State Norm.
Ultrasounds	6,622	3,100 visits	$6,622/3,100 = 2.1361 = 3.0$	2	Yes. Meets State Norm.
Mammography	8,369	5,000 visits	$8,369/5,000 = 1.6738 = 2.0$	1	Yes. Meets State Norm.
DEXA Scanner	582	No Standard	No Standard	1	N/A
<b>Urgent Care</b>					
Urgent Exams	12,075	2,000 visits per exam room	$12,075/2,000 = 6.0375 = 7.0$	5	Yes. Meets State Norm.
X-Rays	1,207	8,000 procedures	$1,207/8,000 = 0.1509 = 1.0$	1	Yes. Meets State Norm.
<b>Care Coordination Center</b>					
	7,370	No Standard	No Standard		N/A



**Section VI****Attachment 30****Clinical Service Areas Other Than Categories of Service****Criterion 1110.270****Criterion 1110.270(a), Opening Statement**

1. As a technical matter, this Criterion is not applicable because: (a) neither of the Applicants are owned by a hospital licensed pursuant to the Illinois Hospital Licensing Act; (2) the services provided at the Mercy Care Center will not be billed by a hospital licensed pursuant to the Illinois Hospital Licensing Act; (3) neither of the Applicants are owned by an Illinois licensed long term care facility, ICF/DD facility, an ambulatory surgical treatment center, an in-patient hemodialysis center, or a freestanding emergency center; or (4) the services provided at the Mercy Care Center will not be billed an Illinois licensed long term care facility, ICF/DD facility, an ambulatory surgical treatment center, an in-patient hemodialysis center, or a freestanding emergency center. Thus, all of space inside the Mercy Care Center is not reviewable by the Review Board.

2. In the alternative, should the Review Board determine that either of the Applicants are subject to the Illinois Hospital Licensing Act, this Project is below the capital expenditure threshold of \$14,176,369 for hospitals licensed under the Illinois Hospital Licensing Act. Thus, in the alternative, this entire Certificate of Need Application has been filed for informational purposes and the Applicants would ask the Review Board to consider the Application as a Request for an Advisory Opinion seeking the following determinations: (a) the Applicants are subject to the Illinois Hospital Licensing Act; (b) this Project is below the capital expenditure threshold of \$14,176,369 for hospitals licensed under the Illinois Hospital Licensing Act; (c) the Applicants do not need to file a Certificate of Need Application for this Project; and (d) the Applicants can proceed with the Project without obtaining a Certificate of Need.

3. Subject to the foregoing, the following information and data is being provided because the Applicants have been, and will continue to be, fully transparent in their efforts to describe and delineate their commitment to deliver a sustainable model of healthcare to the patients of Mercy Hospital and the residents of the South Side of Chicago.

**Criterion 1110.270(a), Services and Programs****Imaging Center - General**

1. The Mercy Care Center will include a state-of-the-art Imaging Center, which will seek certification as an Independent Diagnostic Testing Facility ("IDTF").
2. The Imaging Center will offer an array of diagnostic imaging services typically needed by the local population including CT, MRI, ultrasound, X-ray, mammography and bone densitometry.
3. The Imaging Center will identify diseases early with imaging services and then get patients the right level of care through early intervention and navigation to providers with the assistance of the care coordinator function.

**Imaging Center - Computerized Tomography (CT)**

4. In addition to routine radiography, the Imaging Center will have a CT, which will aide in the diagnosis of many disease processes.
5. The CT can also be used as a screening tool for the early diagnosis of lung cancer as recommended by the United States Preventative Task Force ("USPTF"). Following the USPTF's guidelines for the lung cancer screening scans, along with follow up studies and treatments, the identification of and early lung cancer can be identified and the successful follow up will be achieved by the care coordination team.
6. Coronary Artery Screening is another test that a CT scan can provide. This test identifies early buildup of calcified plaque within the coronary arteries. Atherosclerosis is a major factor in heart disease. A patient with a severe buildup of calcified plaque in the coronary arteries and silent ischemia often will result in a myocardial infarction which could include sudden death.

**Imaging Center - Magnetic Resonance Imaging (MRI)**

1. The Imaging Center will have an MRI.
2. MRI technology aids in the diagnosis of many diseases such as Multiple Sclerosis, spinal problems along with diseases of the head, neck, body, muscular skeletal system and heart.
3. MRI technology is also useful for patients that may be pre-surgical in many different specialties including orthopedics, neurology and general surgery.

**Imaging Center - Tomosynthesis and 3-D mammography**

1. The Imaging Center will have a Tomosynthesis unit and a 3-D mammography unit.
2. Tomosynthesis is the most up to date technology for the detection of early breast cancers. With this technology, the Mercy Care Center can bring awareness, along with diagnosis and treatment options to the South Side of Chicago.

**Imaging Center - Ultrasound**

1. The Imaging Center will also provide ultrasound imaging services.
2. Ultrasounds are useful during pregnancy and in the identification of internal anomalies such as tumors, cysts and structural problems. Ultrasound is important in the early detection of breast cancer and is a primary test used to diagnose testicular cancer. Ultrasound can also diagnose deep vein thrombosis which when not treated can travel to the lungs with a fatal outcome.

**Imaging Center - Dual Energy X-ray Absorptiometry Scan (DEXA)**

1. The Imaging Center will also have a DEXA Scanner for patients needing bone mineral density and bone loss measurements.
2. DEXA scans provide important measurements for patients at risk for osteoporosis and bone fractures.

**Imaging Center - Breast Cancer/Cervical Cancer Program**

1. The Applicants also intend to relocate the Breast Cancer Program and Cervical Cancer Program currently offered at Mercy Hospital to the Imaging Center, which is currently the largest such program in the State of Illinois.

**Criterion 1110.270(a), Services and Programs****Urgent Care Center**

1. The Mercy Care Center will include an Urgent Care Center.
2. The Urgent Care Center will offer urgent care, meaning cost efficient, walk-in care for minor injury and illness.
3. The Urgent Care Center will allow same day access for walk-in patients and will enhance access for diagnostic services for patients lacking in primary care provider coverage.
4. The Urgent Care Center will handle healthcare needs such as colds, coughs, earaches, fever, minor sprains/strains, rashes, minor injuries, vomiting/diarrhea, etc.
5. The Urgent Care Center will be equipped with point of care testing such for flu, strep, RSV, and mono. Diagnostic imaging will also be offered (separately from the Imaging Center).
6. An urgent care setting is more appropriate site than an Emergency Department for patients needing on-demand services.
7. Approximately 30% of the current Emergency Department patients at Mercy Hospital would be better cared for in an urgent care setting.
8. The Urgent Care Center will also offer a direct "entry point" for patients into the Mercy Care Center (i.e., to make use of diagnostics and care coordination).
9. The Applicants are consulting with Premier Urgent Care on the Urgent Care Center to ensure that the Urgent Care Center is fully utilized.
10. It should be noted that a survey of nearby FQHCs showed that the FQHCs had little capacity devoted to walk-in patients and few evening or weekends hours.

**Care Coordination Center**

1. The Mercy Care Center will include a Care Coordination Center.
2. The Care Coordination Center will offer patients access to care coordination services to connect with specialty providers, manage their appointments/care plans, connect with community services, and ensure they have a roadmap for their care.
3. Care coordination is the deliberate organization of patient care activities between two or more participants (including the patient) involved in a patient's care to facilitate the appropriate delivery of healthcare services.
4. Organizing care involves the marshalling of personnel and other resources needed to carry out all required patient care activities and is often managed by the exchange of information among participants responsible for different aspects of care.
5. The Care Coordination Center will be staffed with registered nurses, case managers, social workers and substance abuse coordinators.
6. The Care Coordination Center will be staffed with pre-certification specialists, who will be involved to leverage relationships within area medical communities to ensure needed care is obtained.
7. The Care Coordination Center will focus on transitions of care, patient engagement, and advocacy, which will include:
  - (a) Collaborative communications between all stakeholders, including patients, family/caregivers and the healthcare team utilizing best practices and handover processes;
  - (b) Developing evidence based, individualized patient centric goals to achieve quality healthcare outcomes;
  - (c) Achieving patient self-management goals and optimal levels of wellness determining levels of graduation from care coordination;
  - (d) Ensuring safe and effective transitions of care across settings to prevent poor health outcomes via strong handover processes;
  - (e) Directing patients to mental health services when needed;
  - (f) Directing patients for substance use disorders when needed; and
  - (g) Creating better resource utilization by getting the right patient to the right specialist at the right time.

**Criterion 1110.270(b)(1), Establishment (Service to Planning Area Residents)**

1. The Mercy Care Center will focus on serving residents on the South Side of Chicago, with a particular focus on the residents who live in the neighborhoods currently served by Mercy Hospital.

**Criterion 1110.270(b)(1), Establishment (Service Demand)**

1. The following chart sets forth the projected visits and volumes at the Mercy Care Center.

Mercy Care Center Projected Visits/Volumes						
	Year 1	Year 2	Year 3	Year 4	Year 5	Capacity
<b>Imaging Center</b>						
MRI	864	1,047	1,178	1,243	1,309	4,070
CT	4,844	5,871	5,871	5,871	5,871	6,105
X-Rays	10,825	13,122	14,762	15,582	16,074	16,280
Ultrasounds	5,463	6,622	7,450	7,864	8,112	8,140
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DEXA Scans	480	582	655	691	728	6,512
Total Imaging	29,649	35,613	39,480	42,011	42,853	57,387
<b>Urgent Care Center</b>						
Urgent Care Exams	11,500	12,075	12,679	13,313	13,978	
X Rays	1,150	1,207	1,267	1,331	1,397	
<b>Care Coordination</b>	6,700	7,370	8,107	8,917	9,809	

2. The Imaging Center projections were generated after reviewing Mercy Hospital's hourly throughput by service line, extrapolated over the number of annual hours in which the Imaging Center is expected to be open.

3. More specifically, the Imaging Center projections were primarily based on Mercy Hospital's 2019 outpatient imaging mix by service line and were reduced to reflect patients seeking services elsewhere or no longer being referred for imaging services by the Emergency Department at Mercy Hospital.

4. The Imaging Center volumes recapture approximately 33% and 50% of Mercy Hospital's 2020 outpatient imaging volumes in years 1 through 5, respectively for most diagnostic services.

5. The Urgent Care Center volume projections were based on a community needs assessment prepared by Advis Consulting. It should be noted that nearby FQHCs do not offer formal urgent care and the South Side of Chicago has very few urgent care centers today. It should also be noted that Premier Urgent Care has informed the Applicants that the projected Urgent Care Center volumes could be much higher than set forth above.

6. Advis Consulting also assisted the Applicants in generating the Care Coordination Center volumes.

**Criterion 1110.270(b)(1), Establishment (Impact on Other Area Providers)**

1. The services provided at the Mercy Care Center (outpatient imaging, urgent care, and care coordination) are not tracked across all of the providers in the relevant service area. Thus, the Applicants cannot determine whether the Project will lower the utilization of other area providers.

**Criterion 1110.270(b)(1), Establishment (Utilization)**

1. As set forth in ATTACHMENT 15, the services provided at the Mercy Care Center will exceed the utilization standards set forth in Appendix B of Part 1110 of the Review Board's Rules.

**Section VI**  
**Attachment 33**  
**Availability of Funds**  
**Criterion 1120.120**

The Applicants will be funding this Project with cash and cash equivalents. An Affidavit of Available Funds from John Capasso, the President and Chairman of the Board of Mercy Care Center and the Executive Vice President, Continuing Care Group of Trinity Health ("Mr. Capasso"), in support of this Criterion is attached at ATTACHMENT 33. Trinity Health's recent audited financial statements (June 30, 2019) and rating letters from Moody's Investors Service (Aa3) and Fitch Rating (AA-) are attached at ATTACHMENT 34.





October 9, 2020

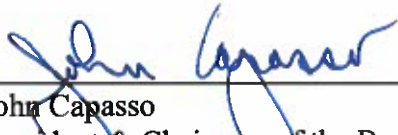
Mr. Michael Constantino  
Project Review Supervisor  
Illinois Health Facilities & Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

Re: Criterion 1120.120(a) Available Funds Certification

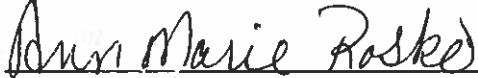
Dear Mr. Constantino:

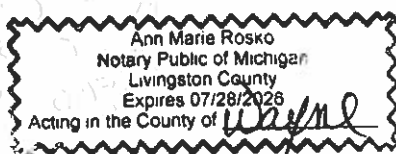
I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, and pursuant to 77 Ill. Admin. Code § 1120.120(a), that Mercy Care Center and Trinity Health Corporation (collectively, the "Applicants") have sufficient and readily accessible cash and cash equivalents to fund the Applicants' obligations set forth in the Certificate of Need Application for the "Mercy Care Center" Project.

Sincerely,

  
\_\_\_\_\_  
John Capasso  
President & Chairman of the Board, Mercy Care Center  
Executive Vice President, Continuing Care Group, Trinity Health Corporation

SUBSCRIBED AND SWORN to before me  
this 12 day of October, 2020.

  
\_\_\_\_\_  
Ann Marie Rosko  
Notary Public



0065

Attachment  
33

**Section VII**  
**Attachment 34**  
**Financial Feasibility**  
**Financial Viability**  
**Criterion 1120.130**

The Applicants will be funding its obligations under the Project from internal sources – specifically cash and cash equivalents. Thus, the Applicants are entitled to a financial viability waiver pursuant to Criterion 1120.130(a)(1). Mr. Capasso's Financial Viability Waiver Certification in support of this Criterion is attached at ATTACHMENT 34. Trinity Health's recent audited financial statements (June 30, 2019) and rating letters from Moody's Investors Service (Aa3) and Fitch Rating (AA-) are attached at ATTACHMENT 34.



October 9, 2020

Mr. Michael Constantino  
Project Review Supervisor  
Illinois Health Facilities & Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

Re: Criterion 1120.130(a) Financial Viability Waiver Certification

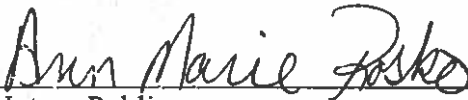
Dear Mr. Constantino:

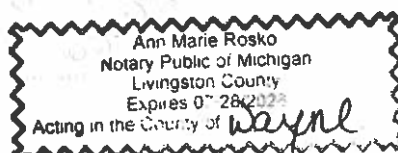
I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, and pursuant to 77 Ill. Admin. Code § 1120.130(a), that Mercy Care Center and Trinity Health Corporation (collectively, the "Applicants") will fund the Applicants' obligations set forth in the Certificate of Need Application for the "Mercy Care Center" Project from internal sources – specifically, cash and cash equivalents.

Sincerely,

  
\_\_\_\_\_  
John Capasso  
President & Chairman of the Board, Mercy Care Center  
Executive Vice President, Continuing Care Group, Trinity Health Corporation

SUBSCRIBED AND SWORN to before me  
this 12 day of October, 2020.

  
\_\_\_\_\_  
Notary Public



# Trinity Health

Consolidated Financial Statements as of and for the  
years ended June 30, 2019 and 2018,  
Supplemental Consolidating Schedules as of and for  
the year ended June 30, 2019  
and Independent Auditors' Reports

# TRINITY HEALTH

## CONSOLIDATED BALANCE SHEETS

JUNE 30, 2019 AND 2018

(In thousands)

ASSETS	2019	2018
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 474,314	\$ 971,726
Investments	4,833,039	3,846,190
Security lending collateral	264,435	275,228
Assets limited or restricted as to use - current portion	403,799	352,231
Patient accounts receivable, net of allowance for doubtful accounts of \$480.8 million at June 30, 2018	2,012,354	2,070,567
Estimated receivables from third-party payers	267,181	213,563
Other receivables	374,818	360,477
Inventories	297,804	292,945
Assets held for sale	-	67,793
Prepaid expenses and other current assets	179,124	172,819
Total current assets	9,106,868	8,623,539
<b>ASSETS LIMITED OR RESTRICTED AS TO USE - Noncurrent portion:</b>		
Held by trustees under bond indenture agreements	5,828	6,865
Self-insurance, benefit plans and other	867,132	865,949
By Board	3,474,947	3,881,021
By donors	460,836	498,871
Total assets limited or restricted as to use - noncurrent portion	4,808,743	5,252,706
PROPERTY AND EQUIPMENT - Net	8,359,974	8,025,580
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	3,876,028	3,493,495
GOODWILL	437,403	438,460
OTHER ASSETS	383,088	361,920
<b>TOTAL ASSETS</b>	<b>\$ 26,972,104</b>	<b>\$ 26,195,700</b>

LIABILITIES AND NET ASSETS	2019	2018
CURRENT LIABILITIES:		
Commercial paper	\$ 99,493	\$ 99,904
Short-term borrowings	686,670	711,020
Current portion of long-term debt	126,727	276,295
Accounts payable and accrued expenses	1,435,939	1,548,741
Salaries, wages and related liabilities	919,055	863,143
Payable under security lending agreements	264,435	275,228
Liabilities held for sale	-	32,440
Estimated payables to third-party payers	375,116	395,970
Current portion of self-insurance reserves	282,364	272,842
Total current liabilities	4,189,799	4,475,583
LONG-TERM DEBT - Net of current portion	6,222,908	5,982,141
SELF-INSURANCE RESERVES - Net of current portion	1,036,697	1,002,274
ACCRUED PENSION AND RETIREE HEALTH COSTS	933,238	688,259
OTHER LONG-TERM LIABILITIES	754,054	703,427
Total liabilities	13,136,696	12,851,684
NET ASSETS:		
Net assets without donor restrictions	13,047,732	12,581,754
Noncontrolling ownership interest in subsidiaries	234,987	176,156
Total net assets without donor restrictions	13,282,719	12,757,910
Net assets with donor restrictions	552,689	586,106
Total net assets	13,835,408	13,344,016
TOTAL LIABILITIES AND NET ASSETS	\$ 26,972,104	\$ 26,195,700

The accompanying notes are an integral part of the consolidated financial statements.

# TRINITY HEALTH

## CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS YEARS ENDED JUNE 30, 2019 AND 2018 (In thousands)

	2019	2018
OPERATING REVENUE:		
Patient service revenue, net of contractual and other allowances		\$ 16,406,252
Provision for bad debts		(574,954)
Net patient service revenue	\$ 16,601,888	15,831,298
Premium and capitation revenue	1,060,900	1,067,582
Net assets released from restrictions	39,184	50,510
Other revenue	1,591,251	1,396,015
Total operating revenue	19,293,223	18,345,405
EXPENSES:		
Salaries and wages	8,331,228	7,949,446
Employee benefits	1,646,679	1,525,511
Contract labor	315,601	296,611
Total labor expenses	10,293,508	9,771,568
Supplies	3,228,199	2,983,635
Purchased services and medical claims	2,642,804	2,490,091
Depreciation and amortization	861,009	857,154
Occupancy	780,984	748,346
Interest	238,944	224,882
Other	921,954	868,437
Total expenses	18,967,402	17,944,113
OPERATING INCOME BEFORE OTHER ITEMS	325,821	401,292
Restructuring costs	(82,384)	-
Loss on transfer of Lourdes Health System	(57,405)	-
Asset impairment charges	(25,192)	(264,366)
OPERATING INCOME	160,840	136,926
NONOPERATING ITEMS:		
Investment earnings	421,163	488,715
Equity in earnings of unconsolidated affiliates	318,510	328,353
Change in market value and cash payments of interest rate swaps	(54,215)	25,671
Loss from early extinguishment of debt	(7,067)	(39,857)
Other, including income taxes	(4,926)	9,322
Total nonoperating items	673,465	812,204
EXCESS OF REVENUE OVER EXPENSES	834,305	949,130
EXCESS OF REVENUE OVER EXPENSES ATTRIBUTABLE TO NONCONTROLLING INTEREST	(48,334)	(47,619)
EXCESS OF REVENUE OVER EXPENSES, net of noncontrolling interest	\$ 785,971	\$ 901,511

	2019	2018
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
Net assets without donor restrictions attributable to Trinity Health:		
Excess of revenue over expenses	\$ 785,971	\$ 901,511
Net assets released from restrictions for capital acquisitions	57,306	31,900
Net change in retirement plan related items - consolidated organizations	(418,622)	394,751
Net change in retirement plan related items - unconsolidated organizations	7,762	(14,501)
Other	33,561	(14,340)
Increase in net assets without donor restrictions attributable to Trinity Health	465,978	1,299,321
Net assets without donor restrictions attributable to noncontrolling interests:		
Excess of revenue over expenses attributable to noncontrolling interests	48,334	47,619
Sale of noncontrolling interest in subsidiaries	56,715	-
Noncontrolling interests related to acquisitions	-	9,454
Dividends	(46,218)	(44,142)
Other	-	(10,478)
Increase in net assets without donor restrictions attributable to noncontrolling interests	58,831	2,453
<b>NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Contributions:		
Program and time restrictions	95,686	112,140
Endowment funds	3,877	7,350
Net investment gains:		
Program and time restrictions	3,667	12,367
Endowment funds	1,547	7,266
Net assets released from restrictions	(96,490)	(82,410)
Other	(41,704)	102
(Decrease) increase in net assets with donor restrictions	(33,417)	56,815
INCREASE IN NET ASSETS	491,392	1,358,589
NET ASSETS - BEGINNING OF YEAR	13,344,016	11,985,427
NET ASSETS - END OF YEAR	\$ 13,835,408	\$ 13,344,016

The accompanying notes are an integral part of the consolidated financial statements.



# MOODY'S

## INVESTORS SERVICE

7 World Trade Center  
250 Greenwich Street  
New York 10007  
[www.moodys.com](http://www.moodys.com)

January 4, 2019

Ms. Dina Richard  
Chief Financial Officer  
Trinity Health Credit Group  
20555 Victor Parkway  
Livonia, MI 48152

Dear Ms. Richard:

We wish to inform you that on December 13, 2018, Moody's Investors Service assigned a **Aa3** to Trinity Health Credit Group's proposed Michigan Finance Authority Hospital Revenue Bonds Series 2019MI-1, Michigan Finance Authority Hospital Revenue and Refunding Bonds Series 2019MI-2, Saint Mary Hospital Authority Revenue Bonds Series 2019PA-1, Saint Mary Hospital Authority Revenue and Refunding Bonds Series 2019PA-2, and Idaho Health Facilities Authority Hospital Revenue Bonds Series 2019ID. We are also assigning a **Aa3/VMIG 1** to Trinity Health Credit Group's Series 2013MI-1 and 2016MI-2. At the time, we are also affirming the **Aa3**, **Aa3/VMIG 1** and **P-1** ratings on debts outstanding, originally issued on behalf of Trinity Health Credit Group and Catholic Health East. The rating outlook is **stable**.

Credit ratings issued by Moody's Investors Service, Inc. and its affiliates ("Moody's") are Moody's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities and are not statements of current or historical fact. Moody's credit ratings address credit risk only and do not address any other risk, including but not limited to: liquidity risk, market value risk, or price volatility.

This letter uses capitalized terms and rating symbols that are defined or referenced either in *Moody's Definitions and Symbols Guide* or *MIS Code of Professional Conduct* as of the date of this letter, both published on [www.moodys.com](http://www.moodys.com). The Credit Ratings will be publicly disseminated by Moody's through normal print and electronic media as well as in response to verbal requests to Moody's Rating Desk. Moody's related research and analyses will also be published on [www.moodys.com](http://www.moodys.com) and may be further distributed as otherwise agreed in writing with us.

Moody's Credit Ratings or any corresponding outlook, if assigned, will be subject to revision, suspension or withdrawal, or may be placed on review, by Moody's at any time, without notice, in the sole discretion of Moody's. For the most current Credit Rating, please visit [www.moodys.com](http://www.moodys.com).

Moody's has not consented and will not consent to being named as an expert under applicable securities laws, such as section 7 of the Securities Act of 1933. The assignment of a rating does not

January 4, 2019

Ms. Dina Richard  
Chief Financial Officer  
Trinity Health Credit Group  
20555 Victor Parkway  
Livonia, MI 48152

create a fiduciary relationship between Moody's and you or between Moody's and other recipients of a Credit Rating. Moody's Credit Ratings are not and do not provide investment advice or recommendations to purchase, sell or hold particular securities. Moody's issues Credit Ratings with the expectation and understanding that each investor will make its own evaluation of each security that is under consideration for purchase, sale or holding.

Moody's adopts all necessary measures so that the information it uses in assigning a Credit Rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently validate or verify information received in the rating process. Moody's expects and is relying upon you possessing all legal rights and required consents to disclose the information to Moody's, and that such information is not subject to any restrictions that would prevent use by Moody's for its ratings process. In assigning the Credit Ratings, Moody's has relied upon the truth, accuracy, and completeness of the information supplied by you or on your behalf to Moody's. Moody's expects that you will, and is relying upon you to, on an ongoing basis, promptly provide Moody's with all information necessary in order for Moody's to accurately and timely monitor the Credit Ratings, including current financial and statistical information.

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Should you have any questions regarding the above, please do not hesitate to contact the analyst assigned to this transaction, Daniel Steingart at 949-429-5355.

Sincerely,

*Moody's Investors Service Inc*

Moody's Investors Service Inc.

# Fitch Ratings

33 Whitehall Street  
New York, NY 10004

T 212 908 0500 / 800 75 FITCH  
[www.fitchratings.com](http://www.fitchratings.com)

January 07, 2019

Ms. Dina Richard  
Senior Vice President Treasury & Chief Information Officer  
Trinity Health Credit Group  
20555 Victor Parkway  
Livonia, MI 48152

Dear Ms. Richard:

Fitch Ratings has assigned one or more ratings and/or otherwise taken rating action(s), as detailed in the attached Notice of Rating Action.

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We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please feel free to contact us at any time.

Daniel Champeau  
Managing Director  
U.S. Public Finance

DCC/em

Enc: Notice of Rating Action  
(Doc ID:211743 Rev 0)

## Notice of Rating Action

<u>Bond Description</u>	<u>Rating Type</u>	<u>Rating Action</u>	<u>Rating</u>	<u>Outlook/ Watch</u>	<u>Eff Date</u>	<u>Not</u>
Michigan Finance Authority (MI) (CHE Trinity Health Credit Group) hosp rev bonds ser 2013MI-2 (FRN)	Long Term Rating	New Rating	AA-	RO:Sta	07-Jan-2019	
Michigan Finance Authority (MI) (CHE Trinity Health Credit Group) hosp rev bonds ser 2013MI-2 (FRN)	Unenhanced Long Term Rating	New Rating	AA-	RO:Sta	07-Jan-2019	
Michigan Finance Authority (MI) (CHE Trinity Health Credit Group) hosp rev bonds ser 2016MI-2 (FRN)	Long Term Rating	New Rating	AA-	RO:Sta	07-Jan-2019	
Michigan Finance Authority (MI) (CHE Trinity Health Credit Group) hosp rev bonds ser 2016MI-2 (FRN)	Unenhanced Long Term Rating	New Rating	AA-	RO:Sta	07-Jan-2019	

**Key:** RO: Rating Outlook, RW: Rating Watch, Pos: Positive, Neg: Negative, Sta: Stable, Evo: Evolving

**Section VIII  
Attachment 36  
Economic Feasibility  
Criterion 1120.140**

**Criterion 1120.140(a), Reasonableness of Financing Arrangements**

The Applicants have satisfied this Criterion because the Applicants will be funding the Project with cash and cash equivalents. Mr. Capasso's Affidavit of Available Funds in support of this Criterion is attached at ATTACHMENT 33.

**Criterion 1120.140(c), Reasonableness of Project and Related Costs**

1. The construction cost per gross square foot for the clinical portions of the Project is \$378.92. The construction and contingency cost per gross square foot for the clinical portions of the Project is \$416.82. The clinical portions of the Project encompass 10,355 gross square feet. The construction costs for the clinical portions of the Project total \$3,923,817. The construction and contingency costs for the clinical portions of the Project total \$4,316,199.

**COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE  
(CLINICAL PORTIONS OF PROJECT PLUS PRORATA SHARE OF CIRCULATION)**

Department (list below)	A	B	C	D	E	F	G	H	Total
	Cost/Square Foot		Gross Sq. Ft. (Clinical Portions Only)		Gross Sq. Ft.		Const. \$ (Clinical Portions Only)	Mod. \$	Cost (Clinical Portions Only)
	NEW	MOD	NEW	CIRC	MOD	CIRC	(A x C)	(B x E)	(G + H)
Mercy Care Center (Clinical Portions)	\$416.82	---	10,355		---	---	\$4,316,199	---	\$4,316,199
Construction Total	\$378.93	---	10,355		---	---	\$3,923,817	---	\$3,923,817
Contingencies	\$37.89	---	10,355		---	---	\$392,382	---	\$392,382
Construction & Contingencies Total	\$416.82	---	10,355		---	---	\$4,316,199		\$4,316,199

2. The Applicants will incur the following costs in completing this Project.

Project Costs			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$0	\$0	\$0
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$3,923,817	\$1,149,673	\$5,073,490
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$392,382	\$114,967	\$507,349
Architectural/Engineering Fees	\$198,144	\$58,056	\$256,200
Consulting and Other Fees	\$110,750	\$32,450	\$143,200
Movable or Other Equipment (not in construction contracts)	\$3,930,000	\$929,000	\$4,859,000
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space	\$1,781,641	\$522,018	\$2,303,659
Other Costs To Be Capitalized	\$0	\$0	\$0
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
<b>TOTAL USES OF FUNDS</b>	<b>\$10,336,734</b>	<b>\$2,806,164</b>	<b>\$13,142,898</b>



As set forth below, the Applicants are in compliance with the Section 1120 norms, except as noted below.

Project Item	Project Cost (Clinical Parts Only)	Section 1120 Norm	Project Cost Compared to Section 1120 Norm
Preplanning Costs	\$0	1.8% * (Construction Costs + Contingencies + Equipment) = 1.8% * \$8,246,199 = \$148,432	Below Section 1120 Norm.
Site Survey, Soil Investigation and Site Preparation	\$0	5% * (Construction Costs + Contingencies) = 5% * \$4,316,199 = \$215,810	Below Section 1120 Norm.
Construction Contracts and Contingencies  The midpoint of construction will occur in 2021	\$4,316,199/10,355 GSF = \$416.82 per GSF	\$263.22 per gross square foot through 2021 = \$263.22 per GSF	Above Section 1120 Norm; see below explanation.
Contingencies	\$392,382	10% * (Construction Costs) = 10% * \$3,923,817 = \$392,382	At Section 1120 Norm.  Contingencies are 10% of Construction Costs.
Architectural and Engineering Fees	\$198,144	7.59% * (Construction Costs + Contingencies) = 7.59% * \$4,316,199 = \$327,600	Below Section 1120 Norm.
Consulting and Other Fees	\$110,750	No Section 1120 Norm	Reasonable as compared to other approved projects.
Equipment	\$3,930,000	No Section 1120 Norm	Reasonable as compared to other approved projects.
Fair Market Value of Leased Space	\$1,781,641	No Section 1120 Norm	Reasonable as compared to other approved projects.

Support for the fair market value of the First Floor Lease is attached at ATTACHMENT 7. The Applicants also certify that the cost of leasing the First Floor pursuant to the First Floor Lease is less costly than constructing a new building to house the Mercy Care Center.

The Construction Contracts and Contingency costs of \$416.82 per GSF exceeds the applicable State Norm because: (a) the applicable State Norm applies to traditional medical office space; and (b) the Mercy Care Center is not traditional medical office space. More specifically, the Mercy Care Center includes an Imaging Center, which will require lead walls and additional structural support for the imaging equipment located in the Imaging Center. The Mercy Care Center will also be located in a Class A building that was completed in 2010, so the Applicants are building up to the standards of that building. It also bears noting that the applicable State Norm is a function of the location of the Mercy Care Center (zip code 60653). Other zip codes

have a far higher State Norm. See, e.g., Project No. 19-013 (University of Chicago Medical Center Off Campus Mammography Suite in Orland Park Medical Office Building; applicable State Norm of \$471.15 per GSF).

**Criterion 1120.140(d), Projected Operating Costs**

1. The projected operating costs for the Mercy Care Center in 2023 (i.e., 2 years after project completion) are as follows:

Total Operating Expenses: \$5,784,370

Depreciation Expense: \$1,287,679

Bad Debt Expense: \$220,453

Estimated Number of 55,058  
Visits/Procedures at Mercy Care  
Center:

Proj. Operating Costs =  $\frac{\text{Total Operating Expenses} - \text{Depreciation Expense} - \text{Bad Debt Expense}}{\text{Estimated Number of Observation Days}}$

Projected Operating Costs: \$7,295,502

Proj. Operating Costs per \$132.45  
Visit/Procedure at Mercy Care  
Center:

2. The remaining parts of this Project are not subject to this Criterion.

3. The Mercy Care Center will provide care primarily to uninsured patients, patients on Medicaid, and patients on Medicare. As a consequence, the Applicants anticipate that the Mercy Care Center will generate operating losses of approximately \$3,000,000 per year.

**Criterion 1120.140(e). Total Effect of the Project On Capital Costs (in 2023)**

Total Projected Annual Capital Costs in 2023 = \$0

Total Projected Annual Capital Costs Per Visit/Procedure in 2023: \$0

**Section IX**  
**Attachment 37**  
**Safety Net Impact Statement**

Because this Project does not involve inpatient services or designated "categories of services," this Project is considered Non-Substantive. Accordingly, this Criterion is not applicable.

**Section X**  
**Attachment 38**  
**Charity Care Information**

1. Mercy Care Center, an Illinois not-for-profit corporation, was incorporated on September 30, 2020, specifically for this Project. Thus, Mercy Care Center does not currently own or operate any licensed health care facilities in Illinois.
2. Trinity currently owns and operates the following hospitals and health systems in Illinois.

**Mercy Hospital:**

	2017	2018	2019
Total Net Patient Revenue	\$234,663,000	\$222,850,173	\$224,729,000
Amount of Charity Care (Charges)	\$12,499,199	\$12,236,713	\$9,119,928
Cost of Charity Care	\$4,408,423	\$4,348,972	\$3,281,000
Cost of Charity Care/Total Net Patient Ratio	1.88%	1.95%	1.46%

Other Trinity Facilities Located in Illinois:

## Loyola University Medical Center

	2017	2018	2019
Total Net Patient Revenue	\$1,145,582,319	\$1,130,813,116	\$1,249,236,000
Amount of Charity Care (Charges)	\$30,561,525	\$12,916,804	\$20,548,628
Cost of Charity Care	\$8,457,963	\$6,789,656	\$5,596,467
Cost of Charity Care/Total Net Patient Ratio	0.74%	0.60%	0.45%

## Gottlieb Memorial Hospital

	2017	2018	2019
Total Net Patient Revenue	\$126,094,287	\$114,399,811	\$127,666,402
Amount of Charity Care (Charges)	\$5,071,456	\$2,700,521	\$1,840,578
Cost of Charity Care	\$1,038,059	\$1,291,050	\$362,619
Cost of Charity Care/Total Net Patient Ratio	0.82%	1.1%	0.28%

## MacNeal Hospital

	2017	2018	2019
Total Net Patient Revenue	N/A	\$257,712,607	\$320,283,046
Amount of Charity Care (Charges)		\$7,553,987	\$28,495,214
Cost of Charity Care		\$3,408,002	\$3,857,854
Cost of Charity Care/Total Net Patient Ratio		1.3%	1.2%

## Total Loyola Medicine

	2017	2018	2019
Total Net Patient Revenue	\$1,271,676,606	\$1,502,925,534	\$1,697,185,448
Amount of Charity Care (Charges)	\$35,632,981	\$23,171,312	\$50,884,420
Cost of Charity Care	\$9,496,022	\$11,488,708	\$9,816,940
Cost of Charity Care/Total Net Patient Ratio	0.75%	0.76%	0.58%

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

INDEX OF ATTACHMENTS		
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20	Acute Mental Illness	N/A
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23	In-Center Hemodialysis	N/A
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CLIENT/MATTER NUMBER  
048544-0334

October 29, 2020

**Via FedEx**

Mr. Michael Constantino  
Supervisor, Project Review Section  
Illinois Health Facilities & Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, IL 62761-0001

**RECEIVED**

NOV 9 2020

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Re: Certificate of Need Application - Mercy Care Center

Dear Mr. Constantino:

Enclosed please find an original and one copy of the Certificate of Need Application for the Mercy Care Center filed on behalf of Mercy Care Center and Trinity Health Corporation. Also enclosed is a check in the amount of \$2,500 to cover the application processing fee.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Edward J. Green'.

Edward J. Green

EJGR:sc  
Encls.

AUSTIN  
BOSTON  
CHICAGO  
DALLAS  
DENVER

DETROIT  
HOUSTON  
JACKSONVILLE  
LOS ANGELES  
MADISON

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