

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Advocate Health and Hospitals Corporation d/b/a Advocate BroMenn Medical Center			
Street Address: 1304 Franklin Avenue			
City and Zip Code: Normal 61761			
County:	McLean	Health Service Area: 4	Health Planning Area: D-02

Legislators

State Senator Name: Jason Barickman
State Representative Name: Dan Brady

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

Exact Legal Name: Advocate Health and Hospitals Corporation d/b/a Advocate BroMenn Medical Center
Street Address: 3075 Highland Parkway
City and Zip Code: Downers Grove 60515
Name of Registered Agent: Michael E. Kerns
Registered Agent Street Address: 3075 Highland Parkway, Suite 600
Registered Agent City and Zip Code: Downers Grove 60515
Name of Chief Executive Officer: Jim Skogsbergh
CEO Street Address: 3075 Highland Parkway
CEO City and Zip Code: Downers Grove 60515
CEO Telephone Number: (630) 990-5018

Type of Ownership of Applicants

☒ Non-profit Corporation	☐ Partnership	
☐ For-profit Corporation	☐ Governmental	
☐ Limited Liability Company	☐ Sole Proprietorship	☐ Other
○ Corporations and limited liability companies must provide an Illinois certificate of good standing. ○ Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.		
APPEND DOCUMENTATION AS <u>ATTACHMENT 1</u> IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli PC
Address: 150 North Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number: (312) 873-3639
E-mail Address: Kfriedman@polsinelli.com
Fax Number:

Additional Contact [Person who is also authorized to discuss the Application]

Name: Laurence J. Fallon
Title: Executive Vice President, Chief Legal Officer
Company Name: The Carle Foundation Hospital
Address: 611 West Park Street, Urbana, IL 61801
Telephone Number: (217) 383-4476
E-mail Address: lj.fallon@carle.com
Fax Number:

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
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Street Address: 1304 Franklin Avenue		
City and Zip Code: Normal 61761		
County: McLean	Health Service Area: 4	Health Planning Area: D-02

Legislators

State Senator Name: Jason Barickman
State Representative Name: Dan Brady

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

Exact Legal Name: The Carle Foundation
Street Address: 611 West Park Street
City and Zip Code: Urbana 61801
Name of Registered Agent: James Leonard
Registered Agent Street Address: 611 West Park Street
Registered Agent City and Zip Code: Urbana 61801
Name of Chief Executive Officer: James Leonard
CEO Street Address: 611 West Park Street
CEO City and Zip Code: Urbana 61801
CEO Telephone Number: (217) 383-3311

Type of Ownership of Applicants

☒ Non-profit Corporation	☐ Partnership	
☐ For-profit Corporation	☐ Governmental	
☐ Limited Liability Company	☐ Sole Proprietorship	☐ Other
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Company Name: The Carle Foundation Hospital
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Street Address: 1304 Franklin Avenue		
City and Zip Code: Normal 61761		
County: McLean	Health Service Area: 4	Health Planning Area: D-02

Legislators

State Senator Name: Jason Barickman
State Representative Name: Dan Brady

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

Exact Legal Name: Carle BroMenn Medical Center
Street Address: 611 West Park Street
City and Zip Code: Urbana 61801
Name of Registered Agent: James Leonard
Registered Agent Street Address: 611 West Park Street
Registered Agent City and Zip Code: Urbana 61801
Name of Chief Executive Officer: James Leonard
CEO Street Address: 611 West Park Street
CEO City and Zip Code: Urbana 61801
CEO Telephone Number: (217) 383-3311

Type of Ownership of Applicants

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Street Address: 1304 Franklin Avenue		
City and Zip Code: Normal 61761		
County: McLean	Health Service Area: 4	Health Planning Area: D-02

Legislators

State Senator Name: Jason Barickman
State Representative Name: Dan Brady

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

Exact Legal Name: Advocate Aurora Health, Inc.
Street Address: 3075 Highland Parkway, Suite 600
City and Zip Code: Downers Grove, IL 60515
Name of Registered Agent: The Corporation Trust Company
Registered Agent Street Address: 1209 N. Orange Street
Registered Agent City and Zip Code: Wilmington, DE 19801
Name of Chief Executive Officer: James H. Skogsbergh
CEO Street Address: 3075 Highland Parkway, Suite 600
CEO City and Zip Code: Downers Grove, IL 60515
CEO Telephone Number: (630) 572-9393

Type of Ownership of Applicants

☒ Non-profit Corporation	☐ Partnership	
☐ For-profit Corporation	☐ Governmental	
☐ Limited Liability Company	☐ Sole Proprietorship	☐ Other
○ Corporations and limited liability companies must provide an Illinois certificate of good standing. ○ Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.		
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Title: Executive Vice President, Chief Legal Officer
Company Name: The Carle Foundation Hospital
Address: 611 West Park Street, Urbana, IL 61801
Telephone Number: (217) 383-4476
E-mail Address: lj.fallon@carle.com
Fax Number:

Post Exemption Contact

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

Name: Collin Anderson
Title: Strategic Planning Coordinator II
Company Name: The Carle Foundation Hospital
Address: 611 West Park Street, Urbana, IL 61801
Telephone Number: (217) 383-8364
E-mail Address: Collin.Anderson@Carle.com
Fax Number:

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: The Carle Foundation
Address of Site Owner: 611 West Park Street, Urbana, IL 61801
Street Address or Legal Description of the Site: 1304 Franklin Avenue, Normal, IL 61761
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 <u>ATTACHMENT 2</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Current Operating Identity/Licensee

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

Exact Legal Name: Advocate Health and Hospitals Corporation d/b/a Advocate BroMenn Medical Center			
Address: 1304 Franklin Avenue, Normal, IL 61761			
☒	Non-profit Corporation	☐	Partnership
☐	For-profit Corporation	☐	Governmental
☐	Limited Liability Company	☐	Sole Proprietorship
		☐	Other

Operating Identity/Licensee after the Project is Complete

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

Exact Legal Name: Carle BroMenn Medical Center

Address: 611 West Park Street, Urbana, IL 61801

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

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

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

Organizational Relationships

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

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

Narrative Description

In the space below, provide a brief narrative description of the change of ownership. 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.

The Carle Foundation, an Illinois not-for-profit corporation ("Carle"), and Advocate Health and Hospitals Corporation, an Illinois not-for-profit corporation ("Advocate") entered into an Asset Purchase Agreement (the "APA") on January 9, 2020 and scheduled to close July 1, 2020 or as soon thereafter as all closing conditions have been satisfied or waived. Under the APA, Carle, through two newly formed Illinois not-for-profit corporations, Carle BroMenn Medical Center and Carle Eureka Hospital, will acquire substantially all of the assets of Advocate BroMenn Medical Center, located at 1304 Franklin Avenue, Normal, IL 61761 (the "BroMenn Medical Center"), Advocate Eureka Hospital, located at 101 South Major Street, Eureka, IL 61530 (the "Eureka Hospital") and all related assets located in Bloomington, Eureka and Normal, Illinois and in outlying areas (the "Planned Transaction").¹ In connection with the Planned Transaction, Carle will also employ approximately 70 Advocate Medical Group physicians of various specialties who serve the patients residing in the areas served by the BroMenn Medical Center and Eureka Hospital.

This application is part of a series of Certificates of Exemption ("COE") applications for changes of ownership/control of the HFSRB regulated facilities owned by Advocate in Normal, Bloomington and Eureka, Illinois (the "Facilities"). While a separate COE is required and will be filed for each of the Facilities, the APA relates to all the Facilities.

Subject to HFSRB approval of the COE applications for the Planned Transaction, the entity holding the license of the BroMenn Medical Center will change to Carle BroMenn Medical Center, a newly formed entity, the sole member of which is The Carle Foundation. The purchase price for the Advocate assets included in the Planned Transaction which includes the BroMenn Medical Center, Eureka Hospital and Advocate's associated membership interests in TCOM is \$190,000,000,² which represents the fair market value of these assets covered by the Planned Transaction.

¹ Advocate holds membership interests in The Center for Orthopedic Medicine, LLC ("TCOM"), which operates a surgery center and recovery center. The assignment of such membership interests in TCOM is not part of this COE application and will be the subject of separately filed HFSRB applications. They are not a part of this COE and will be filed at a later date.

² The purchase price is subject to adjustments based on common business practices.

Related Project Costs

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

Land acquisition is related to project	☒ Yes	☐ No
Purchase Price:	\$ <u>190,000,000³</u>	
Fair Market Value:	\$ <u>190,000,000</u>	

Project Status and Completion Schedules

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes ___ No X. If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

Anticipated exemption completion date (refer to Part 1130.570): _____

State Agency Submittals

Are the following submittals up to date as applicable:

- ☒ Cancer Registry
- ☒ APORS
- ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- ☒ All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the Application being deemed incomplete.

³The purchase price reflects the entire amount to be paid by The Carle Foundation pursuant to the APA for the acquisition of the Eureka Hospital, BroMenn Medical Center and related assets including the TCOM membership interests. The purchase price is subject to adjustments based on common business practices.

CERTIFICATION

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

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

This Application is filed on the behalf of Advocate Health and Hospitals Corporation d/b/a Advocate BroMenn Medical Center, an Illinois not-for-profit corporation.

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

SIGNATURE

SIGNATURE

PRINTED NAME

PRINTED NAME

PRINTED TITLE

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____,
2020

Notarization:

Subscribed and sworn to before me
this _____ day of _____,
2020

Signature of Notary

Signature of Notary

Seal

Seal

CERTIFICATION

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

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

This Application is filed on the behalf of The Carle Foundation, an Illinois not-for-profit corporation.

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

SIGNATURE

James Leonard, M.D.

PRINTED NAME

President and CEO

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____,
2020

Signature of Notary

Seal

SIGNATURE

Dennis Hench

PRINTED NAME

Executive Vice President and System CFO

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____,
2020

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

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

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

This Application is filed on the behalf of Carle BroMenn Medical Center, an Illinois not-for-profit corporation.

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

SIGNATURE

James Leonard, M.D.

PRINTED NAME

President and CEO

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____,
2020

Signature of Notary

Seal

SIGNATURE

Matthew C. Kolb

PRINTED NAME

Executive Vice President and COO

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____,
2020

Signature of Notary

Seal

CERTIFICATION

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

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

This Application is filed on the behalf of Advocate Aurora Health, Inc., a Delaware non-profit corporation.

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

SIGNATURE

SIGNATURE

PRINTED NAME

PRINTED NAME

PRINTED TITLE

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of _____

Notarization:

Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Signature of Notary

Seal

Seal

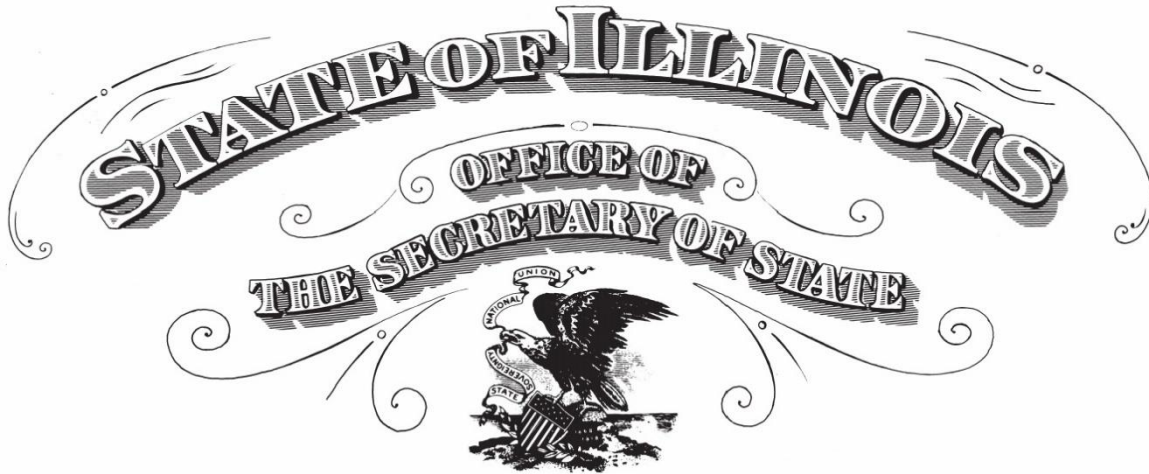
ATTACHMENT 1

Attached hereto as Attachment 1 are Good Standing Certificates issued by the Illinois or Delaware Secretary of State, as applicable, for:

1. The Carle Foundation (post-closing member of Carle BroMenn Medical Center);
2. Carle BroMenn Medical Center (post-closing operator of Carle BroMenn Medical Center f/k/a Advocate BroMenn Medical Center) (the "BroMenn Medical Center");
3. Advocate Aurora Health, Inc. (pre-closing sole member of the Advocate Health and Hospitals Corporation); and
4. Advocate Health and Hospitals Corporation d/b/a Advocate BroMenn Medical Center (the BroMenn Medical Center current licensee).

File Number

2932-580-4



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

THE CARLE FOUNDATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 06, 1946, 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.



Authentication #: 1931002714 verifiable until 11/08/2020

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

***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 6TH
day of NOVEMBER A.D. 2019 .***

Jesse White

SECRETARY OF STATE

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ADVOCATE AURORA HEALTH, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SIXTH DAY OF NOVEMBER, A.D. 2019.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION IS AN EXEMPT CORPORATION.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.



6645600 8300C

SR# 20197948349

You may verify this certificate online at corp.delaware.gov/authver.shtmlA handwritten signature of Jeffrey W. Bullock in black ink, written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

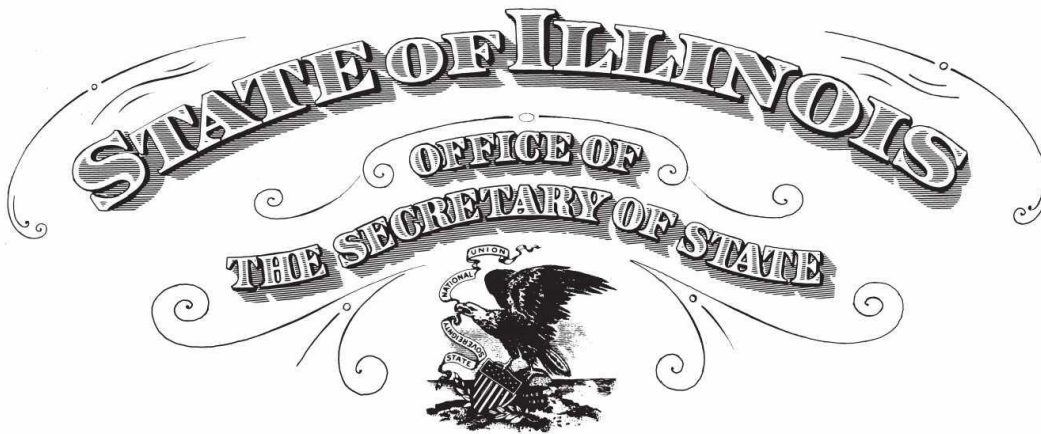
Jeffrey W. Bullock, Secretary of State

Authentication: 203948741

Date: 11-06-19

File Number

1004-695-5



To all to whom these Presents Shall Come, Greeting:

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

ADVOCATE HEALTH AND HOSPITALS CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 12, 1906, ADOPTED THE ASSUMED NAME ADVOCATE BROMENN MEDICAL CENTER ON JANUARY 06, 2010, 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.



Authentication #: 1931002688 verifiable until 11/06/2020
Authenticate at: <http://www.cyberdriveillinois.com>

***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 6TH
day of NOVEMBER A.D. 2019 .***

Jesse White

SECRETARY OF STATE

ATTACHMENT 2

Site Ownership



3075 Highland Parkway
Suite 600
Downers Grove, IL 60515

T (630) 572-9393
advocateaurorahealth.org

March 3, 2020

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd floor
Springfield, Illinois 62761

Re: Attestation of Site Control

Dear Ms. Avery:

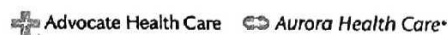
I hereby attest Advocate Health and Hospitals Corporation is the owner of the land and buildings for Advocate BroMenn Medical Center located at 1304 Franklin Avenue, Normal, Illinois 61761 and Advocate Eureka Hospital located at 101 S. Major Street, Eureka, Illinois 61530.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Slinkman".

James Slinkman
Senior Vice President,
Associate General Counsel, Legal Department

HJS/cdp



84346v1 3/3/2020 8:12 AM

ATTACHMENT 3

Operating Entity/Licensee

Advocate Health and Hospitals Corporation ("Advocate") is currently the licensee and operator of Advocate BroMenn Medical Center in Normal, Illinois (the "BroMenn Medical Center"). Copies of the BroMenn Medical Center's general acute care hospital license and accreditation by NIAHO are attached at Attachment 3.

Following the completion of the contemplated transaction pursuant to the APA by and between Carle and Advocate, Carle BroMenn Medical Center will acquire substantially all of the assets of the BroMenn Medical Center and will be the license holder of the BroMenn Medical Center. The sole member of Carle BroMenn Medical Center is The Carle Foundation.

 **Illinois Department of
PUBLIC HEALTH** HF 119441

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Ngozi O. Ezike, M.D.
Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
1/5/2021		0005645

General Hospital

Effective: 01/06/2020

Advocate Health and Hospitals Corporation
dba Advocate Bromenn Medical Center
1304 Franklin Avenue

Normal, IL 61761

The face of this license has a textured background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/10

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

Exp. Date 1/5/2021

Lic Number 0005645

Date Printed 12/4/2019

Advocate Health and Hospitals Corpor
dba Advocate Bromenn Medical Cente

FEE RECEIPT NO.

CERTIFICATE OF ACCREDITATION

Certificate No.:
189504-2018-AHC-USA-NIAHO

Initial date:
12/7/2018

Valid until:
12/7/2021

This is to certify that:

Advocate BroMenn Medical Center

1304 Franklin Avenue, Normal, IL 61761

has been found to comply with the requirements of the:

NIAHO® Hospital Accreditation Program

Pursuant to the authority granted to DNV GL Healthcare USA, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, this organization is deemed in compliance with the Medicare Conditions of Participation for Hospitals (42 C.F.R. §482).

This certificate is valid for a period of three (3) years from the Effective Date of Accreditation.

For the Accreditation Body:
DNV GL - Healthcare
Katy, TX


Patrick Morine
Chief Executive Officer

Lack of continual fulfillment of the conditions set out in the Certification/Accreditation Agreement may render this Certificate invalid.

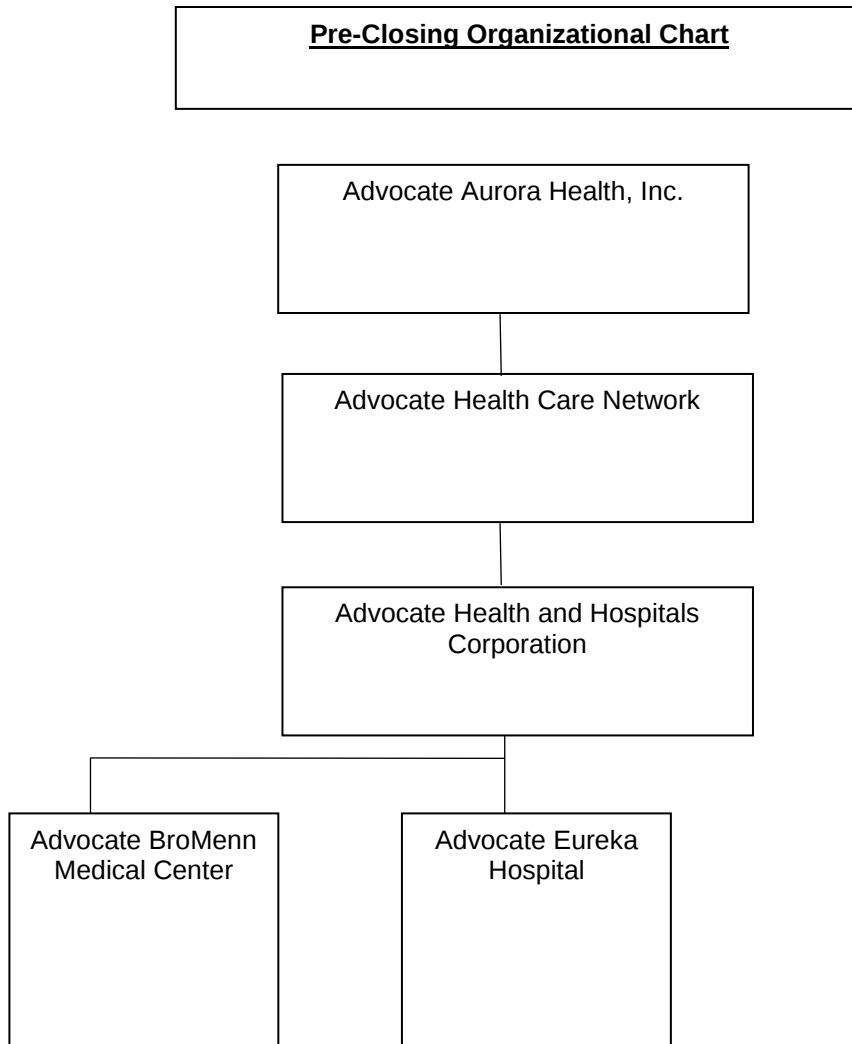
DNV GL - Healthcare, 400 Techne Center Drive, Suite 100, Milford OH, 45150. Tel: 513-947-8343

www.dnvglhealthcare.com

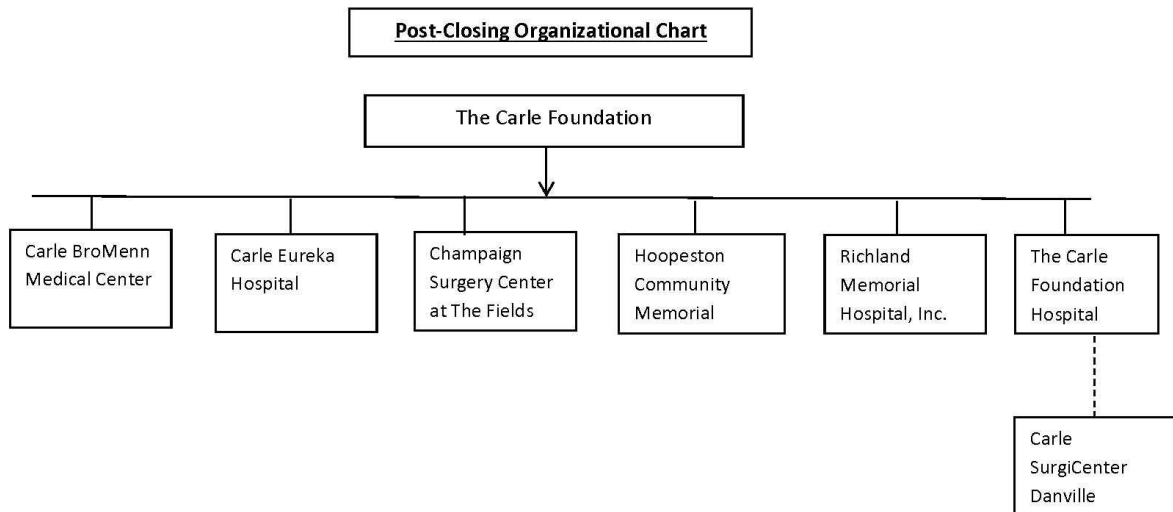
ATTACHMENT 4

Organizational Relationships

The pre-closing and post-closing organizational charts for the BroMenn Medical Center are attached hereto at Attachment 4.



Attachment 4



Key:
Solid line represents ownership
Dotted line represents operating division

Attachment 4

71517606.1

SECTION II. BACKGROUND.**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. 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. 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.
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, 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 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.

ATTACHMENT 5**Background of Applicants**

A. Advocate Health and Hospitals Corporation (“Advocate”), wholly owned by Advocate Aurora Health, Inc. (“AAH”)

1 & 2. A listing of all health care facilities owned or operated in Illinois by Advocate and/or AAH, including licensing, and certification in Illinois.

The current operator and 100% owner of Advocate BroMenn Medical Center (the “BroMenn Medical Center”) is Advocate, which, in turn, is wholly owned by AAH. The following is a list of Illinois health care facilities (as that term is defined under the Illinois Health Facilities Planning Act, 20 ILCS 3960 et seq. (the “Act”)) owned and/or operated by Advocate and/or AAH:

Facility	Location	License No.	Accreditation No.
Advocate BroMenn Medical Center	1304 Franklin Ave. Normal, IL	0005645	189504-2018-AHC-USA-NIAHO
Advocate Christ Medical Center	4440 W. 95th St. Oak Lawn, IL	0000315	197946-2019-AHC-USA-NIAHO
Advocate Condell Medical Center	801 S. Milwaukee Ave., Libertyville, IL	0005579	211487-2019-AHC-USA-NIAHO
Advocate Eureka Hospital	101 S. Major Eureka, IL	00005652	189647-2018-AHC-USA-NIAHO
Advocate Good Samaritan Hospital	3815 Highland Ave. Downers Grove, IL	0003384	176404-2018-AHC-USA-NIAHO
Advocate Good Shepherd Hospital	450 W. Highway, #22 Barrington, IL	0003475	261250-2018-AHC-USA-NIAHO
Advocate Lutheran General Hospital	1775 Dempster Park Ridge, IL	0004796	178979-2018-AHC-USA-NIAHO
Advocate Illinois Masonic Medical Center	836 W. Wellington Chicago, IL	0005165	192082-2018-AHC-USA-NIAHO
Advocate Sherman Hospital	1425 N. Randall Rd Elgin, IL	0005884	246588-2017-AHC-USA-NIAHO
Advocate South Suburban Hospital	17800 S. Kedzie Ave Hazel Crest, IL	0004697	190161-2018-AHC-USA-NIAHO
Advocate Trinity Hospital	2320 E. 93rd St. Chicago, IL	0004176	193041-2018-AHC-USA-NIAHO
BroMenn Care and Comfort Suites	2502 B East Empire Bloomington, IL	4000025	N/A

AAH also has non-controlling interests in the following health facilities.

RML Chicago	3435 W. Van Buren Street Chicago, IL	0005678	
RML Hinsdale	5601 S. County Line Road Hinsdale, IL	0004804	JC 7360
Advocate Condell Ambulatory Surgery Center	825 S. Milwaukee Ave. Libertyville, IL 60048	7003208	AAAH #116929
Golf Surgical Center	8901 Golf Road Des Plaines, Illinois 60016	7002231	AAAH #9E8F4EAA 12918

Tinley Woods Surgery Center	18200 S. LaGrange Road, Tinley Park 60487	7002652	N/A
Advocate Sherman Ambulatory Surgery Center*	1445 North Randall Road, Elgin, IL 60123-2300	N/A	N/A

*Under development and not yet licensed

Copies of BroMenn Medical Center's general acute care hospital license and accreditation are attached at Attachment 3. Copies of Advocate Eureka Hospital's general acute care hospital license and accreditation are attached at Attachment 5.

3. Attestation.

In signing this Certificate of Exemption ("COE") application, Advocate attests that, in the last three years prior to filing of this COE application, there has been no "adverse action" (as that term is defined in 77 IAC 1130.140) against any Illinois facility owned and/or operated by Advocate.

4. Authorization.

The Illinois Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") are hereby authorized by Advocate to access any documents necessary to verify the information submitted with this application pertaining to Advocate, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

B. The Carle Foundation ("Carle")

1. A listing of all health care facilities owned or operated by Carle, including licensing, and certification.

The following is a list of all Illinois health care facilities (as that term is defined in the Act) owned by Carle:

- The Carle Foundation Hospital
 - License Number: 003798
 - Accreditation Identification Number: 119139-2012-AHC-USA-NIAHO
- Richland Memorial Hospital, d/b/a Carle Richland Memorial Hospital
 - License Number: 004788
 - Accreditation Identification Number: HFAP ID: 175621
- Hoopeston Community Memorial Hospital, d/b/a Carle Hoopeston Regional Health Center
 - License Number: 004200
 - Accreditation Identification Number: 128702-2012-AHC-USA-NIAHO
- Champaign SurgiCenter, LLC
 - License Number: 7002959
 - Accreditation Identification Number: 119139-2012-AHC-USA-NIAHO
- Carle SurgiCenter – Danville
 - License Number: 7002439
 - Accreditation Identification Number: 119139-2012-AHC-USA-NIAHO

Copies of all licenses and accreditations for the facilities mentioned above are attached at Attachment 5.

2. A listing of all health care facilities owned (at least 5%) and/or operated in Illinois by Carle.

In addition to the facilities identified in item 1 above, Carle has five percent (5%) or greater ownership interests in TCOM. Carle BroMenn Medical Center does not currently own or operate any health care facilities.

3. Attestation.

The Carle Foundation attests that in the last three years prior to filing of this Certificate of Exemption application, there has been no “adverse action” (as that term is defined in 77 IAC 1130.140) against any Illinois health care facility owned and operated by Carle and subject to HFSRB jurisdiction.

4. Authorization.

HFSRB and IDPH are hereby authorized by Carle to access any documents necessary to verify the information submitted with this application relating to Carle, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

HF 119254

 **Illinois Department of
PUBLIC HEALTH**

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Ngozi O. Ezike, M.D.
Director

EXPIRATION DATE	CATEGORY	LD NUMBER
1/5/2021		0005652

Critical Access Hospital

Effective: 01/06/2020

Advocate Health and Hospitals Corporation
dba Advocate Eureka Hospital
101 South Major Street

Eureka, IL 61530

The face of this license has a colored background. Printed by Authority of the State of Illinois • PO. #19-493-001 10M 5/18

CERTIFICATE OF ACCREDITATION

Certificate No.:
189647-2018-AHC-USA-NIAHO

Initial date:
12/12/2018

Valid until:
12/12/2021

This is to certify that:

Advocate Eureka Hospital

101 South Major, Eureka, IL 61530

has been found to comply with the requirements of the:

NIAHO® Hospital Accreditation Program

Pursuant to the authority granted to DNV GL Healthcare USA, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, this organization is deemed in compliance with the Medicare Conditions of Participation for Critical Access Hospitals (42 C.F.R. §485).

This certificate is valid for a period of three (3) years from the Effective Date of Accreditation.

For the Accreditation Body:
DNV GL - Healthcare
Katy, TX



Patrick Morine
Chief Executive Officer



Lack of continual fulfillment of the conditions set out in the Certification/Accreditation Agreement may render this Certificate invalid.

DNV GL - Healthcare, 400 Tadmor Center Drive, Suite 100, Milford OH, 45158. Tel: 513-947-8349

www.dnvglhealthcare.com

 Illinois Department of PUBLIC HEALTH		HF 119066
LICENSE, PERMIT, CERTIFICATION, REGISTRATION		
The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.		
Ngozi O. Ezike, M.D. Director		Issued under the authority of the Illinois Department of Public Health
EXPIRATION DATE 12/31/2020	CATEGORY General Hospital	I.D. NUMBER 0003798
Effective: 01/01/2020		
The Carle Foundation Hospital 611 West Park Street Urbana, IL 61801		
The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18		



**Illinois Department of
PUBLIC HEALTH** HF 119457

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Ngozi O. Ezike, M.D.
Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
1/31/2021		0004788
General Hospital		
Effective: 02/01/2020		

Richland Memorial Hospital
800 East Locust Street
Olney, IL 62450

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

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

Exp. Date 1/31/2021

Lic Number 0004788

Date Printed 12/6/2019

Richland Memorial Hospital

800 East Locust Street
Olney, IL 62450

FEE RECEIPT NO.

Attachment- 11

Attachment 5

		
Illinois Department of		
PUBLIC HEALTH		
HF 118257		
LICENSE, PERMIT, CERTIFICATION, REGISTRATION		
The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.		
Ngozi O. Ezike, M.D.		Issued under the authority of the Illinois Department of Public Health
Director		
EXPIRATION DATE	CATEGORY	I.D. NUMBER
6/30/2020		0004200
Critical Access Hospital		
Effective: 07/01/2019		
Hoopeston Community Memorial Hospital		
dba Carle Hoopeston Regional Health Center		
701 E Orange St		
Hoopeston, IL 60942		
The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18		

Illinois Department of PUBLIC HEALTH HF 119508

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	L.D. NUMBER
1/31/2021		7002959

Ambulatory Surgery Treatment Center

Effective: 02/01/2020

Champaign Surgicenter, LLC
dba Champaign Surgery Center at the Fields
3103 Fields South Dr
Champaign, IL 61822

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 1/31/2021

Lic Number 7002959

Date Printed 12/12/2019

Champaign Surgicenter, LLC
dba Champaign Surgery Center at the
3103 Fields South Dr
Champaign, IL 61822-3743

FEE RECEIPT NO.

Attachment- 11

Attachment 5

 Illinois Department of PUBLIC HEALTH		HF 118383
LICENSE, PERMIT, CERTIFICATION, REGISTRATION		
The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.		
Ngozi O. Ezike, M.D. Director		Issued under the authority of the Illinois Department of Public Health
EXPIRATION DATE	CATEGORY	I.D. NUMBER
7/31/2020		7002439
Ambulatory Surgery Treatment Center Effective: 08/01/2019		
Carle Surgicenter 2300 N Vermillion Danville, IL 61832		
The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18		

CERTIFICATE OF ACCREDITATION

Certificate No.:
267775- 2018-AHC- USA- NIAHO

Initial date:
6/29/2018

Valid until:
6/29/2021

This is to certify that:

Carle Foundation Hospital

611 W. Park St., Urbana, IL 61801

has been found to comply with the requirements of the:

NIAHO® Hospital Accreditation Program

Pursuant to the authority granted to DNV GL Healthcare USA, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, this organization is deemed in compliance with the Medicare Conditions of Participation for Hospitals (42 C.F.R. §482).

This certificate is valid for a period of three (3) years from the Effective Date of Accreditation.

For the Accreditation Body:
DNV GL - Healthcare
Katy, TX

Patrick Horine
Chief Executive Officer



HFAP

AWARD OF ACCREDITATION

CARLE RICHLAND MEMORIAL HOSPITAL
OLNEY, IL

Expiration Date: September 12, 2022

*This organization has met the applicable requirements of Acute Care Hospital
and is therefore fully accredited by HFAP, a program of AAHHS.*

Dan R. Cey



Men Gravesmiller

CERTIFICATE OF ACCREDITATION

Certificate No.:
188047-2018-AHC-USA-NIAHO

Initial date:
12/19/2018

Valid until:
12/19/2021

This is to certify that:

Carle Hoopeston Regional Health Center

701 E. Orange, Hoopeston, IL 60942

has been found to comply with the requirements of the:

NIAHOO Hospital Accreditation Program

Pursuant to the authority granted to DNV GL Healthcare USA, Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, this organization is deemed in compliance with the Medicare Conditions of Participation for Critical Access Hospitals (42 C.F.R. §485).

This certificate is valid for a period of three (3) years from the Effective Date of Accreditation.

For the Accreditation Body:
DNV GL - Healthcare
Katy, TX


Patrick Horine
Chief Executive Officer




SECTION III. CHANGE OF OWNERSHIP (CHOW)**Transaction Type. Check the Following that Applies to the Transaction:**

- ☒ Purchase resulting in the issuance of a license to an entity different from current licensee.
- ☐ Lease resulting in the issuance of a license to an entity different from current licensee.
- ☐ Stock transfer resulting in the issuance of a license to a different entity from current licensee.
- ☐ Stock transfer resulting in no change from current licensee.
- ☐ Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee.
- ☐ Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee.
- ☐ Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity.
- ☐ Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets.
- ☐ Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility.
- ☐ Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee.
- ☐ Change of ownership among related persons resulting in a license being issued to an entity different from the current licensee
- ☐ Change of ownership among related persons that does not result in a license being issued to an entity different from the current licensee.
- ☐ Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets and explain in "Narrative Description."

1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X
1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X

1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X

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

ATTACHMENT 6**1130.520. Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility****Names of Parties, Post-Closing Hospital Licensee and Structure of the Transaction -(1130.520 (b)(1)(A), (b)(1)(B) and (b)(1)(C))**

The Carle Foundation, an Illinois not-for-profit corporation ("Carle"), and Advocate Health and Hospitals Corporation, an Illinois not-for-profit corporation ("Advocate") entered into an Asset Purchase Agreement (the "APA") on January 9, 2020 and scheduled to close July 1, 2020 or as soon thereafter as all closing conditions have been satisfied or waived. Under the APA, Carle, through two newly formed Illinois not-for-profit corporations, Carle BroMenn Medical Center and Carle Eureka Hospital, will acquire substantially all of the assets of Advocate BroMenn Medical Center, located at 1304 Franklin Avenue, Normal, IL 61761 (the "BroMenn Medical Center"), Advocate Eureka Hospital, located at 101 South Major Street, Eureka, IL 61530 (the "Eureka Hospital") and all related assets located in Bloomington, Eureka and Normal, Illinois and in outlying areas (the "Planned Transaction").⁴ In connection with the Planned Transaction, Carle will also employ approximately 70 Advocate Medical Group physicians of various specialties who serve the patients residing in the areas served by the BroMenn Medical Center and Eureka Hospital.

This application is part of a series of Certificates of Exemption ("COE") applications for changes of ownership/control of the HFSRB regulated facilities owned by Advocate in Normal, Bloomington and Eureka, Illinois (the "Facilities"). While a separate COE is required and will be filed for each of the Facilities, the APA relates to all the Facilities.

Carle is a fully integrated health care delivery system serving Central Illinois. Its operations include, among other things, two Illinois general acute care hospitals, one critical access hospital and two outpatient ambulatory surgical treatment centers.

Advocate is a not-for-profit corporation that operates several Illinois hospitals, including the BroMenn Medical Center and Eureka Hospital. As part of the APA, Carle BroMenn Medical Center will acquire substantially all of the assets of the BroMenn Medical Center located at 1304 Franklin Avenue, Normal, IL 61761. The BroMenn Medical Center operates 221 licensed beds with the following Categories of Service (as defined in Subpart D of Part 1100 of the HFSRB Rules⁵):

1. medical/surgical;
2. pediatric;
3. intensive care;
4. obstetrics and gynecology;
5. rehabilitation; and
6. acute mental illness.

The BroMenn Medical Center also has 3 GME programs (family medicine, neurology and neurosurgery), an outpatient center, a health and fitness center, two medical office centers and two immediate care facilities.

Under the APA, the BroMenn Medical Center's name will change to Carle BroMenn Medical Center. The legal entity that owns the physical plant and capital assets of the BroMenn Medical Center will be owned by Carle.

List of Membership Interests -1130.520(b)(1)(E)

⁴ Advocate holds membership interests in The Center for Orthopedic Medicine, LLC ("TCOM"), which operates a surgery center and recovery center. The assignment of such membership interests in TCOM is not part of this COE application and will be the subject of separately filed HFSRB applications. They are not a part of this COE and will be filed at a later date.

⁵ 77 IAC 1100.510–1100.810

Prior to the completion of the Planned Transaction, Advocate is the sole owner of the BroMenn Medical Center. AAH the ultimate parent of Advocate. After the closing of the Planned Transaction, the BroMenn Medical Center will be owned by Carle BroMenn Medical Center whose sole member shall be The Carle Foundation.

Fair Market Value of Assets -1130.520(b)(1)(F)

The fair market value of assets associated with the Planned Transaction is \$190,000,000.

Purchase Price -1130.520(b)(1)(G)

The total purchase price for all components of the Planned Transaction is \$190,000,000, subject to adjustments based on common business practices.

Affirmation regarding Outstanding CON Permits -1130.520(b)(2)

The BroMenn Medical Center has no outstanding Certificate of Need permits or exemptions.

Hospital Financial Assistance Policy Affirmation -1130.520(b)(3)

The Carle Foundation attests that for a period of at least two years following the closing of the Planned Transaction, Carle BroMenn Medical Center will not adopt a more restrictive charity care (financial assistance) policy than the policy that was in effect one year prior to closing date of the transaction.

Potential Benefits and Cost Savings of the Planned Transaction -1130.520(b)(4) and (b)(5)

Potential Benefits

As a pre-cursor to the Planned Transaction, Advocate undertook a thorough and thoughtful review of potential health care systems which would embrace and enhance the BroMenn Medical Center's mission. Carle was selected by Advocate for the Planned Transaction based on Carle's strong local footprint and a proven track record of successful partnership, enhanced access and coordination of care, and services for patients in Central Illinois.

Carle, through Carle BroMenn Medical Center, will work to define and implement the integration of the BroMenn Medical Center in a manner that:

- Furthers the charitable missions of the BroMenn Medical Center in meeting the needs of the communities it serves with a commitment to care for the vulnerable and underserved;
- Continues to improve patient access to comprehensive, convenient, high quality, inpatient and outpatient healthcare throughout the communities, including access to advanced specialty care across Carle's health care delivery system;
- Continues to improve and manage the health status of the population of the communities served;
- Promotes community health and well-being through enhanced patient care, research and educational efforts;
- Builds the medical community through Carle's strongly-aligned relationships and enhanced education and developmental opportunities among primary care, core specialist, subspecialist, group practice physicians and other members of the staff;
- Enhances sound stewardship through the efficient delivery of all services, resulting in favorable financial viability for the BroMenn Medical Center and other Carle providers; and
- Enhances community benefit and public policy advocacy.

Advocate and Carle believe the Planned Transaction will result in delivering high value and quality care to patients, physicians and payers, and will also be in the best interests of the community at large.

Potential Cost Saving.

The Planned Transaction will present opportunities to improve health care delivery and access to services provided in the BroMenn Medical Center's service area in a manner that results in cost savings and other efficiencies. Such opportunities will likely include initiatives for integration of information technology and system-wide support functions, with the goal of enhancing operational uniformity, efficiency, quality, outcomes and performance, as well as access to in-house resources of Carle's system.

Quality Improvement Program to be Utilized at the BroMenn Medical Center – 1130.520(b)(7)

Advocate and Carle each have a longstanding commitment to a culture of quality, safety, service and evidence-based practices. By aspiring to consistently engage in process improvement and improve consistency to meet the highest standards for quality and patients satisfaction, Carle, through Carle BroMenn Medical Center, will continue to advance the commitment to delivering care that is of the highest quality, and eliminates preventable harm. It is also anticipated that Carle BroMenn Medical Center will evaluate opportunities to integrate the BroMenn Medical Center's quality plan with Carle's quality plan after the closing of the Planned Transaction.

Governing Body Composition/Selection Process -1130.520(b)(7)

Upon consummation of the Planned Transaction, the Board of Directors of Carle BroMenn Medical Center will be identical to that of the Board of Directors of The Carle Foundation Hospital. That Board consists of the seven members of the Executive Committee of the sole member of Carle Foundation Hospital, The Carle Foundation. Consistent with the Board structure of the Carle Foundation Hospital, the CEO of the Carle Foundation Hospital, James Leonard, M.D. will be a non-voting ex-officio member the Carle BroMenn Medical Center Board.

Scope of Services – 1130.520(b)(9)

There will be no changes in the Categories of Service provided by the BroMenn Medical Center within 24 months following the closing of the Planned Transaction with Carle BroMenn Medical Center unless it applies for and obtains approval from the HFSRB to make any adjustments necessary to best address the health care needs of the community served by the BroMenn Medical Center.

SECTION IV. CHARITY CARE INFORMATION

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 7.

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

APPEND DOCUMENTATION AS ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ATTACHMENT 7

1. Charity Care Information – Advocate Health and Hospitals Corporation d/b/a Advocate BroMenn Medical Center

CHARITY CARE			
	FY 2016	FY 2017	FY 2018
Net Patient Revenue	\$166,978,660	\$180,810,537	\$174,795,753
Amount of Charity Care (charges)	\$1,804,000	\$1,266,000	\$2,059,000
Cost of Charity Care	\$1,804,00	\$1,266,000	\$2,059,000

2. Charity Care Information – The Carle Foundation Hospital

CHARITY CARE			
	FY 2016	FY 2017	FY 2018
Net Patient Revenue	\$723,353,000	\$783,720,000	\$821,613,000
Amount of Charity Care (charges)	\$96,109,671	\$98,860,547	\$107,874,527
Cost of Charity Care	\$17,876,187	\$19,081,957	\$20,642,677

3. Charity Care Information – Carle BroMenn Medical Center

CHARITY CARE			
	FY 2016	FY 2017	FY 2018
Net Patient Revenue	N/A	N/A	N/A
Amount of Charity Care (charges)	N/A	N/A	N/A
Cost of Charity Care	N/A	N/A	N/A

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

INDEX OF ATTACHMENTS			
ATTACHMENT NO.		PAGES	
1	Applicant Identification including Certificate of Good Standing	17-20	
2	Site Ownership	21-22	
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	23-25	
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	26-28	
5	Background of the Applicant	30-41	
6	Change of Ownership	45-47	
7	Charity Care Information	49	