

**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: OrthoIllinois Medical Office Building Elgin			
Street Address: 1550 North Randall Road			
City and Zip Code: Elgin			
County: Kane	Health Service Area: HSA8	Health Planning Area: A-11	

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

Exact Legal Name: Elgin Medical Ventures, LLC
Street Address: 324 Roxbury Road
City and Zip Code: Rockford, Illinois 61107
Name of Registered Agent: Jan H. Ohlander
Registered Agent Street Address: 2902 McFarland Road Suite 400
Registered Agent City and Zip Code: Rockford, IL 61107
Name of Chief Executive Officer: Don Schreiner
CEO Street Address: 324 Roxbury Road
CEO City and Zip Code: Rockford, IL 61107
CEO Telephone Number: 815-484-6915

Type of Ownership of Applicants

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Don Schreiner
Title: CEO
Company Name: OrthoIllinois
Address: 324 Roxbury Road, Rockford, IL 61107
Telephone Number: 815-484-6915
E-mail Address: dons@orthoillinois.com
Fax Number: 815-381-7455

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

Name: Juan Morado Jr. and Mark J. Silberman
Title: Partner
Company Name: Benesch, Friedlander, Coplan & Aronoff, LLP
Address: 71 South Wacker Drive., 16th Floor, Chicago IL 60606
Telephone Number: 312-212-4949
E-mail Address: jmorado@beneschlaw.com; msilberman@beneschlaw.com
Fax Number: 312-767-9192

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Exact Legal Name: Rockford Orthopedic Associates, LTD. d/b/a OrthoIllinois
Street Address: 324 Roxbury Road
City and Zip Code: Rockford, Illinois 61107
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Registered Agent Street Address: 2902 McFarland Road Suite 400
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<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois certificate of good standing. o 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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Address: 71 South Wacker Drive., 16th Floor, Chicago IL 60606
Telephone Number: 312-212-4949 ; 312-212-4952
E-mail Address: jmorado@beneschlaw.com; msilberman@beneschlaw.com
Fax Number: 312-767-9192

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: Don Schreiner
Title: CEO
Company Name: Elgin Medical Ventures, LLC
Address: 324 Roxbury Road, Rockford, IL 61107
Telephone Number: 815-484-6915
E-mail Address: dons@orthoillinois.com
Fax Number: 815-381-7455

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Rockford Orthopedic Associates, Ltd. d/b/a Orthoillinois
Address of Site Owner: 324 Roxbury Road., Rockford, IL 61107
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 ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: Elgin Health Ventures, LLC
Address: 1550 North Randall Road, Elgin, IL 60123
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. 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. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (<http://www.hfsrb.illinois.gov>). **NOTE: A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM** has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.

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.

Rockford Orthopedic Associates Ltd. d/b/a OrthoIllinois is proposing to establish a Medical Office Building consisting of 49,017 square feet on a parcel of real property commonly known as 1550 North Rand Road, Elgin, Illinois 60123, and currently identified by parcel identification number 03-31-429-004.

This project is classified as non-substantive, in that it does not involve the establishment of any category of services. However, it requires an expenditure in excess of the capital expenditure threshold, thus making it reviewable by the HFSRB. The Medical Office Building will contain 16 physician office spaces, 46 patient exam rooms, a physical therapy area, 8 clinical infusion stations, an education/conference room, storage, waiting area, mechanical space, 7 administrative offices and radiological diagnostic services (MRI, general x-ray).

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	82,000	123,000	205,000
Site Survey and Soil Investigation	0	0	0
Site Preparation	241,000	241,000	482,000
Off Site Work	109,000	506,000	615,000
New Construction Contracts	6,483,256	5,984,544	12,467,800
Modernization Contracts	0	0	0
Contingencies	640,000	160,000	800,000
Architectural/Engineering Fees	478,800	361,200	840,000
Consulting and Other Fees	210,000	210,000	420,000
Movable or Other Equipment (not in construction contracts)	1,182,500	967,500	2,150,000
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	162,000	162,000	324,000
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs To Be Capitalized	375,000	375,000	750,000
Acquisition of Building or Other Property (excluding land)	0	0	0
TOTAL USES OF FUNDS	9,963,556	9,090,244	19,053,800
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	0	0	0
Pledges	0	0	0
Gifts and Bequests	0	0	0
Bond Issues (project related)	0	0	0
Mortgages	9,963,556	9,090,244	19,053,800
Leases (fair market value)	0	0	0
Governmental Appropriations	0	0	0
Grants	0	0	0
Other Funds and Sources	0	0	0
TOTAL SOURCES OF FUNDS	9,963,556	9,090,244	19,053,800
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

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

Land acquisition is related to project	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Purchase Price:	\$3,632,000	
Fair Market Value:	\$3,632,000	
The project involves the establishment of a new facility or a new category of service		
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.		
Estimated start-up costs and operating deficit cost is \$ _____.		

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
Indicate the stage of the project's architectural drawings:
<input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary <input checked="" type="checkbox"/> Schematics <input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): June 30, 2021
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):
<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.
APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable:
<input type="checkbox"/> Cancer Registry- NOT APPLICABLE <input type="checkbox"/> APORS- NOT APPLICABLE <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 Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Physical Therapy	\$2,084,866		5,683	5,683			
Diagnostic Radiology	\$768,205		2,094	2,094			
Infusion Stations	\$660,348		1800	1800			
Exam Rooms	\$5,795,657		15,798	15,798			
MRI	\$654,479		1,784	1,784			
Total Clinical	\$9,963,556		27,159	27,159			
NON REVIEWABLE							
Administrative	\$3,605,240		8,669	8,669			
Office Space	\$2,135,114		5,134	5,134			
Reception and Waiting Rooms	\$3,349,891		8,055	8,055			
Total Non-clinical	\$9,090,244		21,858	21,858			
TOTAL	\$19,053,800		49,017	49,017			

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

Facility Bed Capacity and Utilization- Not Applicable

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

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

CERTIFICATION

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

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o 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);
- o 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);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Rockford Orthopedic Associates, LTD. d/b/a Orthollinois

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.

[Handwritten Signature]
SIGNATURE

[Handwritten Signature]
SIGNATURE

RON SCHREINER
PRINTED NAME

EDDIE SCHWARTZ
PRINTED NAME

CEO
PRINTED TITLE

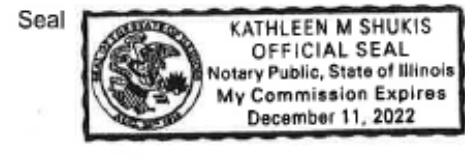
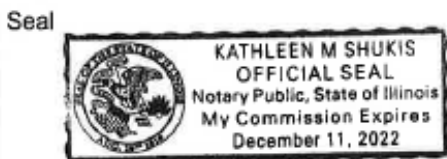
Vice President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 2nd day of February

Notarization:
Subscribed and sworn to before me
this 2nd day of February

[Handwritten Signature]
Signature of Notary

[Handwritten Signature]
Signature of Notary



*Insert the EXACT legal name of the applicant

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This Application is filed on the behalf of Elgin Health Ventures, LLC

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[Signature]
 SIGNATURE

ADAM SCHREIBER
 PRINTED NAME

CEO
 PRINTED TITLE

[Signature]
 SIGNATURE

EDDIE SCHWARTZ
 PRINTED NAME

Vice President
 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 2nd day of February

[Signature]
 Signature of Notary

Notarization:
 Subscribed and sworn to before me
 this 2nd day of February

[Signature]
 Signature of Notary



*Insert the EXACT legal name of the applicant

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

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

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

<p>BACKGROUND OF APPLICANT</p> <ol style="list-style-type: none"> 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. <ol style="list-style-type: none"> 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.
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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?
Physical Therapy	5,683	N/A	N/A	Yes
Diagnostic Radiology (3 X Ray Machines)	2,094	3,900	1,806	Yes
MRI	1,784	1,800	16	Yes

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

PROJECT SERVICES UTILIZATION:

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

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

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

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1	Diagnostic Radiology/MRI	8,200 X-Ray Procedures (per machine) 3,500-4200 MRI Scans (per machine)	8,000 X-Ray Procedures (per machine) 3,500-4200 MRI Scans (per machine)	8,000 X-Ray Procedures (per machine) 2500 MRI Scans (per machine)	YES
YEAR 2	Diagnostic Radiology/MRI	8,200 X-Ray Procedures (per machine) 3,500-4200 MRI Scans (per machine)	8,000 X-Ray Procedures (per machine) 3,500-4200 MRI Scans (per machine)	8,000 X-Ray Procedures (per machine) 2500 MRI Scans (per machine)	YES

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

UNFINISHED OR SHELL SPACE:

Provide the following information:

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

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

ASSURANCES:

Submit the following:

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

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

SECTION V. SERVICE SPECIFIC REVIEW CRITERIA

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

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 checked="" type="checkbox"/> Diagnostic Radiology/ MRI		2
<input checked="" type="checkbox"/> Physical Therapy		1
<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 ATTACHMENT 30, 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]:

			<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
			<p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p>
			<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
		<p><u>\$19,053,800</u></p>	<p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;

	5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<u>\$19,053,800</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			Historical 3 Years
	2018	2019	2020	
Enter Historical and/or Projected Years:				
Current Ratio	N/A	N/A	N/A	
Net Margin Percentage	N/A	N/A	N/A	
Percent Debt to Total Capitalization	N/A	N/A	N/A	
Projected Debt Service Coverage	N/A	N/A	N/A	
Days Cash on Hand	N/A	N/A	N/A	
Cushion Ratio	N/A	N/A	N/A	

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)	
Clinical Service Areas	\$238.71		27,159				\$6,483,256		\$6,483,256
Contingency	\$23.57		0				\$640,000		\$640,000
TOTALS	\$262.28		27,159				\$7,123,256		\$7,123,256

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

SECTION IX. SAFETY NET IMPACT STATEMENT

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

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

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

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

A table in the following format must be provided as part of Attachment 37.

Please note: The applicant is a new entity; thus has no history of services.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	2017	2018	2019
Inpatient	0	0	0
Outpatient	0	0	0
Total	0	0	0
Charity (cost in dollars)			
Inpatient	0	0	0
Outpatient	0	0	0
Total			
MEDICAID			
Medicaid (# of patients)	2017	2018	2019
Inpatient	0	0	0
Outpatient	0	0	0
Total	0	0	0
Medicaid (revenue)			
Inpatient	0	0	0
Outpatient	0	0	0
Total	0	0	0

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.



Please note: The applicant is a new entity; thus has no history of services.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	2017	2018	2019
Inpatient	0	0	0
Outpatient	0	0	0
Total	0	0	0
Charity (cost In dollars)			
Inpatient	0	0	0
Outpatient	0	0	0
Total			

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION XI -SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is located in a mapped floodplain (Special Flood Hazard Area) or a 500-year floodplain. All state agencies are required to ensure that before a permit, grant or a development is planned or promoted, the proposed project meets the requirements of the Executive Order, including compliance with the National Flood Insurance Program (NFIP) and state floodplain regulation.

1. Applicant: Elgin Health Ventures, LLC and OrthoIllinois - 324 Roxbury Road, Rockford, Illinois 61107, (815)-484-6915
2. Project Location: 1550 North Randall Road- Elgin, Illinois 60123, Kane County, Elgin Township, Section 31
3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go To NFHL Viewer** tab above the map. You can print a copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA:
Yes ___ No X

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN? NO

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.
If the determination is being made by a local official, please complete the following:

FIRM Panel Number: _____ Effective Date: _____

Name of Official: _____ Title: _____

Business/Agency: _____ Address: _____

(City) (State) (ZIP Code) (Telephone Number)

Signature: _____ Date: _____

NOTE: This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428

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	27 - 29
2	Site Ownership	30 - 34
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	35 - 36
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	37
5	Flood Plain Requirements	38
6	Historic Preservation Act Requirements	39 - 46
7	Project and Sources of Funds Itemization	47 - 49
8	Financial Commitment Document if required	n/a
9	Cost Space Requirements	50
10	Discontinuation	n/a
11	Background of the Applicant	51 - 52
12	Purpose of the Project	53 - 54
13	Alternatives to the Project	55
14	Size of the Project	56
15	Project Service Utilization	57 - 58
16	Unfinished or Shell Space	n/a
17	Assurances for Unfinished/Shell Space	n/a
Service Specific:		
18	Medical Surgical Pediatrics, Obstetrics, ICU	n/a
19	Comprehensive Physical Rehabilitation	n/a
20	Acute Mental Illness	n/a
21	Open Heart Surgery	n/a
22	Cardiac Catheterization	n/a
23	In-Center Hemodialysis	n/a
24	Non-Hospital Based Ambulatory Surgery	n/a
25	Selected Organ Transplantation	n/a
26	Kidney Transplantation	n/a
27	Subacute Care Hospital Model	n/a
28	Community-Based Residential Rehabilitation Center	n/a
29	Long Term Acute Care Hospital	n/a
30	Clinical Service Areas Other than Categories of Service	n/a
31	Freestanding Emergency Center Medical Services	n/a
32	Birth Center	n/a
Financial and Economic Feasibility:		
33	Availability of Funds	59 - 61
34	Financial Waiver	n/a
35	Financial Viability	n/a
36	Economic Feasibility	62 - 63
37	Safety Net Impact Statement	64
38	Charity Care Information	65
38	Flood Plain Information	66

ATTACHMENT 1

Type of Ownership of Applicants

Included with this attachment are:

1. The Certificate of Good Standing for Elgin Health Ventures, LLC.
2. The Certificate of Good Standing for Rockford Orthopedic Associates, Ltd. d/b/a OrthoIllinois

ATTACHMENT 1 Elgin Health Ventures, LLC Articles of Organization

Form LLC-5.5	Illinois Limited Liability Company Act Articles of Organization	FILE # 09559744
Secretary of State Jesse White Department of Business Services Limited Liability Division www.cyberdriveillinois.com	Filing Fee: \$150 Approved By: <u>MME</u>	FILED DEC 02 2020 Jesse White Secretary of State

1. Limited Liability Company Name: ELGIN MEDICAL VENTURES, LLC

2. Address of Principal Place of Business where records of the company will be kept:
324 ROXBURY ROAD
ROCKFORD, IL 61107

3. The Limited Liability Company has one or more members on the filing date.

4. Registered Agent's Name and Registered Office Address:

JAN H. OHLANDER
2902 MCFARLAND RD STE 400
ROCKFORD, IL 61107-6801

5. Purpose for which the Limited Liability Company is organized:
"The transaction of any or all lawful business for which Limited Liability Companies may be organized under this Act."

6. The LLC is to have perpetual existence.

7. Name and business addresses of all the managers and any member having the authority of manager:

ROCKFORD ORTHOPEDIC ASSOCIATES, LTD. ""
324 ROXBURY ROAD
ROCKFORD, IL 61107

8. Name and Address of Organizer

I affirm, under penalties of perjury, having authority to sign hereto, that these Articles of Organization are to the best of my knowledge and belief, true, correct and complete.

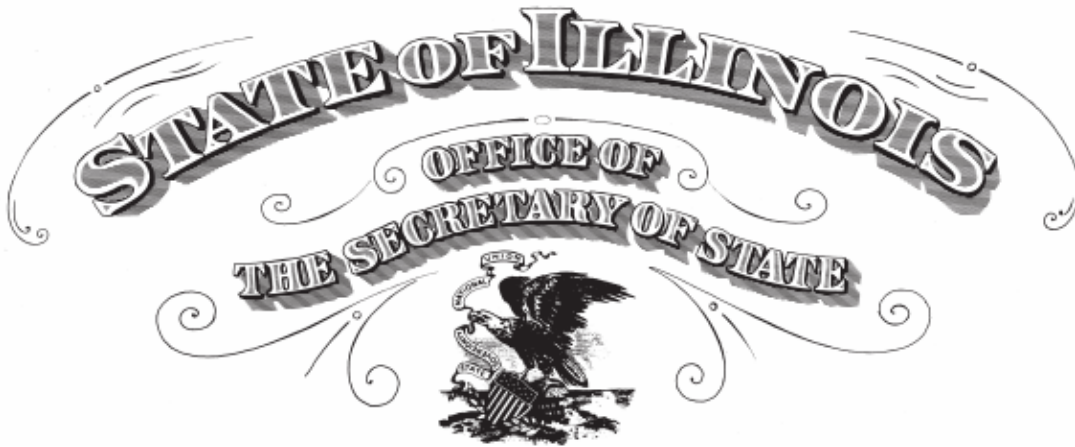
Dated: DECEMBER 02, 2020

CRAIG P. THOMAS
2902 MCFARLAND ROAD, SUITE 400
ROCKFORD, IL 61107

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ATTACHMENT 1
Rockford Orthopedic Associates Ltd. d/b/a
Orthollinois Certificate of Good Standing

File Number 4963-992-9



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

ROCKFORD ORTHOPEDIC ASSOCIATES, LTD., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 23, 1970, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 2020501164 verifiable until 07/23/2021
 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 23RD
day of JULY A.D. 2020 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 2

Site Ownership and Control

The land in which the Medical Office Building will be located is subject to a Purchase and Sales Agreement between Paul, LLC, an Illinois limited liability company ("Seller") and Orthollinois. Attached as evidence of control is a copy of the third amendment to the existing Purchase and Sale Agreement. Upon completion of the sale for this property, Orthollinois will lease the property to Elgin Health Ventures, LLC. This project assumes a rental rate of \$35 per square foot between Orthollinois and Elgin Health Ventures, LLC which is based on current market conditions. The lease rate per square foot is consistent with market conditions and other office space in the Orthollinois real estate portfolio in the area.

ATTACHMENT 2
Evidence of Control - Copy of Third Amendment to existing
Purchase and Sale Agreement

THIRD AMENDMENT TO
PURCHASE AND SALE AGREEMENT

This THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT (the "Third Amendment") is entered into this ____ day of December, 2020, by and between **Paul, LLC, an Illinois limited liability company** (the "**Seller**"), and **Rockford Orthopedic Associates, Ltd. d/b/a OrthoIllinois**, an Illinois professional corporation, or its assignee (the "**Buyer**").

RECITALS

WHEREAS, Seller and Buyer entered into a Purchase and Sale Agreement with an effective date of June 17, 2020, (the "Agreement"), pursuant to which Buyer agreed to purchase and Seller agreed to sell certain real estate located at 1550 N. Randall Road, Elgin, Illinois located in the County of Kane, State of Illinois, bearing Tax Parcel ID No. 03-31-429-004 (the "Land"); and

WHEREAS, Seller and Buyer entered into a First Amendment to Purchase and Sale Agreement with an effective date of August 18, 2020, and a Second Amendment to Purchase and Sale Agreement with an effective date of October 21, 2020, each revising the provisions relating to the due diligence period, configuration of the Land, and the purchase price within the Agreement; and

WHEREAS, Seller and Buyer acknowledge and affirm that the due diligence period and permitting period under the Agreement have expired without the Buyer having elected to terminate the Agreement; and

WHEREAS, Seller and Buyer acknowledge and affirm that (i) Seller has provided to Buyer Chicago Title Insurance Company commitment number 20NW7141313EL dated June 12, 2020 (the "Title Commitment"), and (ii) exceptions A (as to 2020 taxes only), F, I, J, K, L, M, N, O, P, Q; R, S, T, U, and V on Schedule B of the Title Commitment are all "Permitted Exceptions"; and

WHEREAS, Seller and Buyer acknowledge and affirm that Seller has provided to Buyer A CERTAIN SURVEY PREPARED BY Alan J. Coulson, P.C. dated July 30, 2020 under its job number C60, 228 ALT (the "Survey"), and that Buyer has accepted the Survey without objection; and

WHEREAS, all objections to title have been resolved, provided that as to Schedule B exception I, Seller and Buyer have agreed to endeavor to discuss reasonable modifications to the terms and provisions of said document, but with the understanding that the failure to reach such modification agreement shall not be a basis for the Buyer not proceeding to close under the Agreement; and

WHEREAS, Seller and Buyer acknowledge and affirm that, by reason of the foregoing, the Earnest Money Deposit has become non-refundable as provided in Section 4 of the Agreement; and

ATTACHMENT 2

Evidence of Control - Copy of Third Amendment to existing Purchase and Sale Agreement

WHEREAS, Seller and Buyer desire to amend the Agreement to revise the provision relating to the Closing Date; and

WHEREAS, the Seller and Buyer have engaged in subsequent discussions, and desire to amend the Agreement, on the terms set forth herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Seller and Buyer agree as follows:

1. Recitals. The above Recitals are incorporated herein by reference and are true and correct.
2. Defined Terms. Capitalized terms herein shall have the same defined meanings as those set forth in the Agreement.
3. Amendment to Paragraph 1(d). Paragraph 1(d) of the Agreement shall be deleted in its entirety and replaced as follows.

“Closing Date” shall mean on or before March 31, 2021.
4. The Agreement is hereby amended by the mutual agreement of the parties.
5. The parties agree that all other terms and conditions of the Agreement are unchanged and remain in full force and effect.
6. This Agreement may be executed in counterparts by facsimile signature or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (e.g., www.docusign.com), each of which shall be deemed an original, and all such counterparts when taken together shall for all purposes constitute a single instrument, binding on all parties hereto, notwithstanding that all parties shall not have executed the same counterparts.

[Signature Page To Follow]

ATTACHMENT 2
Evidence of Control - Copy of Third Amendment to existing
Purchase and Sale Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to Purchase and Sale Agreement as of the date first above written.

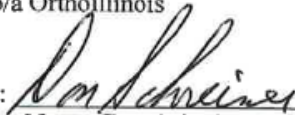
SELLER:

Paul, LLC

By: 
Name: John Paul
Its: Manager

BUYER:

Rockford Orthopedic Associates, Ltd.
d/b/a OrthoIllinois

By: 
Print Name: Don Schreiner
Its: Chief Executive Officer

ATTACHMENT 2
Evidence of Control - Copy of Third Amendment to existing
Purchase and Sale Agreement

EXHIBIT A
SITE PLAN AND LEGAL DESCRIPTION

Lot 2 of Paul Commerce Center, according to the final plat thereof recorded on July 20, 2001 as document number 2001K073663 in the office of the Recorder of Deeds of Kane County, Illinois

Tax Parcel identification number: 03-31-429-004

ATTACHMENT 3

Operating Entity/Licensee

The operating entity will be Elgin Health Ventures, LLC. Medical Office Buildings are not licensed by the Illinois Department of Public Health. Attached as evidence of the entity's good standing are the recently filed Articles of Organization.

ATTACHMENT 3 Elgin Health Ventures, LLC Articles of Organization

Form LLC-5.5	Illinois Limited Liability Company Act Articles of Organization	FILE # 09559744
Secretary of State Jesse White Department of Business Services Limited Liability Division www.cyberdriveillinois.com	Filing Fee: \$150 Approved By: <u>MME</u>	FILED DEC 02 2020 Jesse White Secretary of State

1. Limited Liability Company Name: ELGIN MEDICAL VENTURES, LLC

2. Address of Principal Place of Business where records of the company will be kept:
324 ROXBURY ROAD
ROCKFORD, IL 61107

3. The Limited Liability Company has one or more members on the filing date.

4. Registered Agent's Name and Registered Office Address:

JAN H. OHLANDER
2902 MCFARLAND RD STE 400
ROCKFORD, IL 61107-6801

5. Purpose for which the Limited Liability Company is organized:
"The transaction of any or all lawful business for which Limited Liability Companies may be organized under this Act."

6. The LLC is to have perpetual existence.

7. Name and business addresses of all the managers and any member having the authority of manager:

ROCKFORD ORTHOPEDIC ASSOCIATES, LTD. ""
324 ROXBURY ROAD
ROCKFORD, IL 61107

8. Name and Address of Organizer

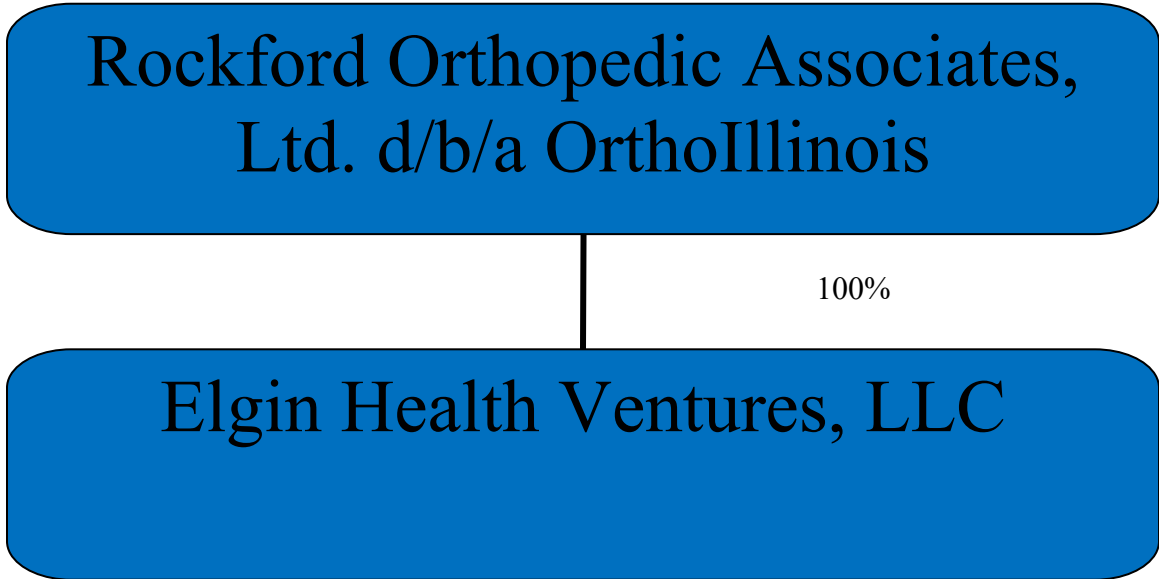
I affirm, under penalties of perjury, having authority to sign hereto, that these Articles of Organization are to the best of my knowledge and belief, true, correct and complete.

Dated: DECEMBER 02, 2020

CRAIG P. THOMAS
2902 MCFARLAND ROAD, SUITE 400
ROCKFORD, IL 61107

This document was generated electronically at www.cyberdriveillinois.com

**ATTACHMENT 4
Organizational Chart**



ATTACHMENT 5 Flood Plain Map

Legend
SEE REPORT FOR DETAILED LEGEND AND INDEX MAP FOR RRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE)
- With BFE or Depth Zone A-E, A0, A9, V0, V1, V2
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Special Conditions 1% Annual Chance Flood Hazard Zone X
- Areas with Reduced Flood Risk due to Levees, See Notes, Zone X
- Areas with Flood Risk due to Levees Zone D

OTHER AREAS

- Area of Minimal Flood Hazard Zone X
- Effective LOWRIs
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Roadwall

OTHER FEATURES

- Cross Sections with 1% Annual Chance
- Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Based Line
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an arbitratable property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The base map shown complies with FEMA's base map accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 6/28/2020 at 8:35:38 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifier, FIRM panel number, and FIRM effective date. Map imagery for unmapped and unmodembed areas cannot be used for regulatory purposes.



ATTACHMENT 6

Historical Preservation Letter

The applicant submitted a request for determination to the Illinois Department of Natural Resources- Preservation Services Division on February 26, 2021. A final determination has not yet been received, however, with the certification made with this application, the applicants certify that either a determination from the Department will be provided to the HFSRB staff prior to Board review of this CON application or if the HFSRB approves this application, the project will not be obligated until the determination is made by DNR.

ATTACHMENT 6



Juan Morado, Jr.
71 South Wacker Drive, Suite 1600
Chicago, IL 60606
Direct Dial: 312.212.4967
Fax: 312.757.9192
jmorado@beneschlaw.com

February 26, 2021

VIA EMAIL

Jeffrey Kruchten
Chief Archaeologist
Preservation Services Division
Illinois Historic Preservation Office
Illinois Department of Natural Resources
1 Natural Resources Way
Springfield, IL 62702
Jeffrey.kruchten@illinois.gov

Re: Certificate of Need Application for the Establishment of a Medical Office Building

Dear Jeffrey:

I am writing on behalf of my client, OrthoIllinois to request a review of the project area under Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). OrthoIllinois is submitting an application for a Certificate of Need from the Illinois Health Facilities and Services Review Board. OrthoIllinois is proposing to establish a Medical Office Building to be located at 1550 North Randall Road in Elgin, Illinois 60123.

The proposed medical office building will contain 16 physician office spaces, 46 patient exam rooms, a physical therapy, 8 clinical infusion stations, education/conference room space, storage, waiting area, mechanical space, 7 administrative offices and radiological diagnostic services (MRI, general x-ray). For your reference, we have included pictures of the existing lot and topographic maps (Attachments 1-2) showing the general location of the project.

There are structures on the property which my client has been told by the seller that they are not over 50 years old, and are currently used for storage. The structures include a barn and two

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10618952 v2

ATTACHMENT 6

Page 2

small sheds which will be demolished to allow for construction of a roadway by the City of Elgin and the proposed project. As you can see in the enclosed picture there are also unused tractor trailers on the site which will be removed. The seller has indicated that they constructed the barns and that they have no known historical significance. There is significant development ongoing in this area and surrounding north and south of the parcel. The City of Elgin has also already reviewed the proposed site and has plans for constructing new roadway directly through the parcel (near the north end of the barn) to connect Fox Lane with Bath Road, in an effort to ease traffic congestion.

We respectfully request review of the project area and a determination letter at your earliest convenience. Thank you in advance for all of the time and effort that will be going into this review.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP



Juan Morado, Jr.

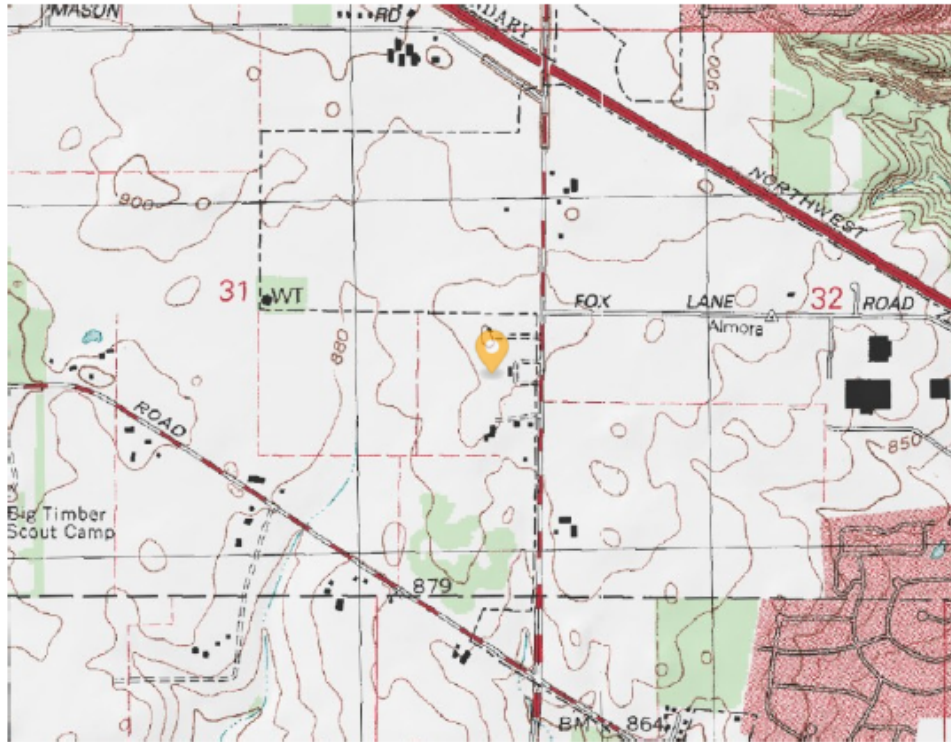
JM:
Enclosures

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ATTACHMENT 6

Page 3

Topographic Map



10618952 v2

ATTACHMENT 6

Page 4

Aerial Map



10618952 v2

ATTACHMENT 6

Page 5

Picture of Barn



10618952 v2

ATTACHMENT 6

Page 6



10618952 v2

ATTACHMENT 6

Page 7



10618952 v2

ATTACHMENT 7

Project Costs and Sources of Funds

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	82,000	123,000	205,000
Site Survey and Soil Investigation	0	0	0
Site Preparation	241,000	241,000	482,000
Off Site Work	109,000	506,000	615,000
New Construction Contracts	6,483,256	5,984,544	12,467,800
Modernization Contracts	0	0	0
Contingencies	640,000	160,000	800,000
Architectural/Engineering Fees	478,800	361,200	840,000
Consulting and Other Fees	210,000	210,000	420,000
Movable or Other Equipment (not in construction contracts)	1,182,500	967,500	2,150,000
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	162,000	162,000	324,000
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs To Be Capitalized	375,000	375,000	750,000
Acquisition of Building or Other Property (excluding land)	0	0	0
TOTAL USES OF FUNDS	9,963,556	9,090,244	19,053,800
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	0	0	0
Pledges	0	0	0
Gifts and Bequests	0	0	0
Bond Issues (project related)	0	0	0
Mortgages	9,963,556	9,090,244	19,053,800
Leases (fair market value)	0	0	0
Governmental Appropriations	0	0	0
Grants	0	0	0
Other Funds and Sources	0	0	0
TOTAL SOURCES OF FUNDS	9,963,556	9,090,244	19,053,800

ATTACHMENT 7

Project Costs and Sources of Funds

PROJECT COST DETAIL

Preplanning Costs		\$205,000.00
Evaluation of Alternatives	\$50,000.00	
Need and project scope assessment	\$40,000.00	
Feasibility assessment	\$40,000.00	
Architect & consultant selection	\$25,000.00	
Misc./Other	\$50,000.00	
Site Preparation		\$482,000.00
Site grading	\$150,000.00	
Site utilities	\$100,000.00	
Exterior signage and lighting	\$52,000.00	
Landscaping	\$95,000.00	
Misc./Other	\$25,000.00	
Site Survey and Investigation	\$60,000.00	
New Construction Contracts		\$12,467,800.00
Per Attachment		
Offsite work		\$615,000.00
Drainage, Pipes and Utilities	\$485,000.00	
Signal Improvement	\$130,000.00	
Contingencies		\$800,000.00
Construction and modernization contingencies		
Architectural and Engineering Fees		\$840,000.00
Assessment of alternatives	\$40,000.00	
Design Services	\$620,000.00	
Specifications	\$30,000.00	
Governmental agency interaction	\$40,000.00	
Inspections/Supervision	\$30,000.00	
Reimbursable Items	\$40,000.00	
Misc./Other	\$40,000.00	

ATTACHMENT 7

Project Costs and Sources of Funds

Consulting and Other Fees		\$420,000.00
Project management	\$85,000.00	
Landscape design	\$85,000.00	
Interior Signage	\$80,000.00	
Interior design	\$80,000.00	
Legal	\$40,000.00	
Insurance	\$50,000.00	
Movable Equipment		\$2,150,000.00
Communications Systems	\$55,000.00	
Security system	\$45,000.00	
Information systems	\$85,000.00	
General medical equipment	\$1,182,500.00	
Equipment support	\$200,000.00	
IS/AV Equipment	\$150,000.00	
Furniture	\$225,000.00	
Misc./Other	\$132,500.00	
Installation	\$75,000.00	
Other Costs to be Capitalized		\$750,000.00
Premium weekend signal work	\$250,000.00	
Demolition-existing building	\$370,000.00	
HVAC system commissioning	\$30,000.00	
Miscellaneous Fee	\$100,000.00	
	Sub Total	\$18,729,800.00
	Total (plus Net Interest)	\$19,053,800.00

ATTACHMENT 9 Cost Space Requirements

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Physical Therapy	\$2,084,866		5,683	5,683			
Diagnostic Radiology	\$768,205		2,094	2,094			
Infusion Stations	\$660,348		1800	1800			
Exam Rooms	\$5,795,657		15,798	15,798			
MRI	\$654,479		1,784	1,784			
Total Clinical	\$9,963,556		27,159	27,159			
NON REVIEWABLE							
Administrative	\$3,605,240		8,669	8,669			
Office Space	\$2,135,114		5,134	5,134			
Reception and Waiting Rooms	\$3,349,891		8,055	8,055			
Total Non-clinical	\$9,090,244		21,858	21,858			
TOTAL	\$19,053,800		49,017	49,017			

ATTACHMENT 11

1110.110(a) – Background of the Applicant

The following information is provided to illustrate the qualifications, background and character of the Applicant/Licensee and to assure the Review Board that the proposed Medical Office Building will provide a proper standard of health care services for the community.

Orthollinois Medical Office Building Elgin

The proposed project is brought by Orthollinois and its wholly owned subsidiary Elgin Health Ventures, LLC.

Neither applicant maintains an ownership interest in excess of 5% in any other healthcare facility, and thus can certify that there have been no adverse action during the three (3) years prior to the filing of this Application. A letter certifying to the above information is attached at Attachment 11.

We have included a letter authorizing access to the HFSRB and IDPH to verify information about Orthollinois and Elgin Health Ventures, LLC at Attachment 11.

Background of Orthollinois

This project is proposed by physicians affiliated with Orthollinois. Orthollinois is a bone and joint physician practice comprised of 40 musculoskeletal subspecialty physicians and anesthesiologists founded in 1967. The practice includes five clinics and nine rehabilitation locations serving Winnebago, McHenry and Kane counties. This expansion has required strong partnership with each of the community hospitals in which they serve, working collaboratively to offer the specialty care needed in cooperative relationships. The Orthollinois physicians maintain privileges at 7 area hospitals, and two surgery centers (one in Rockford, and the other within the HSA). Orthollinois has been committed to exceptional patient care and meeting the orthopedic needs of the community throughout its existence.

Patients are viewed holistically with their individual needs driving treatment and surgical decisions. Orthollinois utilizes highly-skilled case managers to guide patients through preparation for surgery and post-surgery planning. Patients seek care with Orthollinois for all varieties of pain and injury, often for worsening conditions negatively impacting function and quality of life such as arthritis. Their medical care reaches all members of the community regardless of their ability to pay. Just over 39% of their patients maintained either Medicare, Medicaid as their primary insurer or were uninsured patients.

Press Ganey benchmarking for patient satisfaction with Orthollinois has consistently exceeded 95% for medical patient satisfaction, and ranked in the 99% nationally for "willingness to recommend." Furthermore, Orthollinois has long been committed to community service and volunteerism as a core principle for the organization. Our physicians dedicate their time and financial support to many charitable organizations including the United Way, University of Illinois School of Medicine, and the Northern Illinois Food Bank after-school and weekend meal programs for children.

Orthollinois prides itself on the university-quality care that they deliver, and their philosophy to be a comprehensive one-stop, multi-specialty orthopedic care provider. Their model of care allows patients the efficiency of diagnosis, clinical care, diagnostic imaging, and rehabilitation therapy from one location. Their physicians are board-certified physicians who have sub-specialized in specific areas of orthopedic care including but not limited to: arthritis, hand injury, fracture, sports injury, back, neck, foot, ankle, hip or knee pain. Orthollinois physicians are similarly dedicated to the medical education of nurses and residents and are affiliated with the University of Illinois College of Medicine as clinical assistant/associate professors, and the Rush University Medical Center Residency Program as site training facilitators. Advanced surgical technique is shared with other orthopedic specialists by their physicians, who serve as guest instructors at national and international conferences. Additionally, the practice has and continues to

host surgeons from around the globe to observe technique from our ambulatory surgery center in Rockford.

ATTACHMENT 11
Certification and Authorization Letter

December 30, 2020

Courtney Avery
Board Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

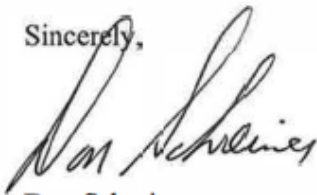
Dear Ms. Avery:

As representative of Rockford Orthopedic Associates, LTD. d/b/a OrthoIllinois, and Elgin Health Ventures, LLC, I, Don Schreiner give authorization to the Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to: official records of IDPH or other state agencies, the licensing or certification records of other states, and the records of nationally recognized accreditation organizations.

I further verify that, OrthoIllinois nor Elgin Health Ventures, LLC owns other healthcare facilities and has had no adverse action in the past three (3) years.

I hereby certify this is true and based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,



Don Schreiner
CEO
OrthoIllinois

ATTACHMENT 12

Purpose of the Project

The purpose of this project is to provide increased access to care for the existing patient population served by Orthollinois, as well as being able to increase the access available for the surrounding community. The proposed Medical Office Building will serve as a headquarters for the Eastern Division of Orthollinois. The Eastern Division is comprised of 20 physicians serving patients across a broad spectrum of care in the areas of orthopedics, podiatry, pain management, rheumatology, and sports medicine. The proposed facility will provide for additional physician office space for some of the existing Orthollinois physicians and will also be able to accommodate the up to 9 new Orthopedic Surgeons that the practice will be onboarding in the near future.

The market area (identified as the area within a 10-mile radius of the proposed facility) encompasses several north Chicago suburbs. Orthollinois, being familiar with the market, has determined that increased access to pain management and orthopedic procedures is important to improve this patient population's quality of life and to assist in reducing the reliance upon opioid pain medications. The vast majority of the expected patients are already being treated by Orthollinois physicians throughout the HSA. As experts in their respective fields, the doctors also receive referrals from a wide range of physicians in the same community as the proposed site of the facility. This project will allow for increased collaboration and will unquestionably improve access to care.

The proposed facility is part of a larger and carefully planned expansion of the practice. Orthollinois has submitted Certificate of Need application #20-040 to establish an ASTC less than a half of a mile from the proposed Medical Office Building (this application remains pending before the HFSRB). This thoughtful health planning, if approved, will provide patients with increased options for orthopedic, podiatric and pain management procedures after being diagnosed at the proposed Medical Office Building. Those same patients will then be able to have their post-surgical physical therapy within the same space that their surgeon maintains office hours. This will allow surgeons greater control over time spent in the operating room and in the Medical Office Building. The overall impact will create a benefit that will inure to the patient.

Generally speaking, the continued shift in having outpatient bone and joint care procedures provided in a ASTC setting offers several benefits, and having a companion Medical Office Building allows for increased patient access to care which maximizes the patient benefit. Procedures capable of being safely performed in the outpatient setting are a preferred option for some patients who desire the ability to be treated quickly and given a plan of treatment that allows them to promptly return to regular daily life. Furthermore, prior surveying of Orthollinois patients have yielding a notable satisfaction when they are not required to travel to several locations to obtain the care they need. While the applicants would have preferred to construct their proposed ASTC adjacent to their proposed MOB, neither site was able to provide a cost effective means to house both facilities. Thus, the practice decided to locate its Medical Office Building on this site and, based upon the desire to present this comprehensive approach to patient care, applicants found a suitable site for their proposed ASTC nearby. To be clear, these projects are not dependent upon each other, thus they are presented as two separate CON applications. If this project is approved, the applicants will move forward with construction of the proposed Medical Office Building even if the ASTC project is not approved by the Board. That said, we are hopeful the HFSRB sees the overall value to this thoughtful health planning to increase access to quality care and improve the overall patient experience.

The Medical Office Building will contain 16 physician office spaces, 46 patient exam rooms, a physical therapy area, 8 clinical infusion stations, an education/conference room, storage, waiting area, mechanical space, 7 administrative offices and radiological diagnostic services. The applicants have experience with type of equipment that are proposing to acquire for this facility. Specifically, for their general x-ray needs, the practice will acquire Konica Minolta X-Ray machines. As for the MRI, the applicants propose to acquire the GE 1.5T MRI Unit (picture enclosed) for use at the facility as they currently own the same machine at one of their other existing physician office locations.

**ATTACHMENT 12
GE 1.5T MRI Unit**



ATTACHMENT 13

Alternatives

Alternative #1: Maintain the Status Quo

This alternative has no capital costs associated with it, but also yields no benefit to the community. The Orthollinois practice continues to grow and with it, its patient base. The practice requires additional physician office space and associated clinical space to service its patients. Taking no action now ensures a significant disruption in the ongoing care necessary for patients who are reliant upon this physician group for treatment. It also will result in a notable gap in available care and would reflect poor healthcare planning. For these reasons, this alternative was not selected.

Alternative #2: Construct another Medical Office Building at another location.

Other locations in the health service area were considered. The overall cost and ultimate benefit did not support the selection of any of those sites. None of those site offered the proximity to the practice group's patient like the proposed site. The purchase price of the land associated with this site was reflective of other sites in the market. The construction costs would not have been substantially more or less than the proposed project's cost. More importantly, this site is less than a half mile away from their proposed ambulatory surgical treatment center. As mentioned in the purpose of the project section of this application, this Medical Office Building is meant to compliment the proposed ASTC and is part of the practice's holistic approach to treating their patients. For these reasons, this alternative was not selected.

Alternative #3: Project as Proposed

The project, as proposed, is the most responsible from a health planning perspective as well as from a patient care delivery perspective. Accordingly, this project enables the applicant to fulfil the CON principle of pursuing the most effective increase in access to care at the lowest appropriate cost. More importantly, it will ensure those patients reliant upon this exceptional practice group for their care will continue to have access to the physicians for regular visits, post-surgical physical therapy, and radiological services. For those reasons, and given the deficiencies of the alternatives identified above, this is the alternative that was selected and is being presented to the Board for consideration and approval.

ATTACHMENT 14 Size of Project

The Medical Office Building will contain 16 physician office spaces, 46 patient exam rooms, physical therapy, 8 clinical infusion stations, education/conference room space, storage, waiting area, mechanical space, 7 administrative offices and radiological diagnostic services (MRI, general x-ray). The Board only maintains specific standards for the Diagnostic Radiology and MRI services to be offered at the facility and the proposed project is in compliance with the standards identified in Appendix B of 77 Ill. Admin. Code Section 1110, as documented below.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Physical Therapy	5,683	N/A	N/A	Yes
Diagnostic Radiology (3 X Ray Machines)	2,094	3,900	1,806	Yes
MRI	1,784	1,800	16	Yes

ATTACHMENT 15 Project Services Utilization

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1	Diagnostic Radiology/MRI	8,200 X-Ray Procedures (per machine) 3,500-4200 MRI Scans (per machine)	8,000 X-Ray Procedures (per machine) 3,500-4200 MRI Scans (per machine)	8,000 X-Ray Procedures (per machine) 2500 MRI Scans (per machine)	YES
YEAR 2	Diagnostic Radiology/MRI	8,200 X-Ray Procedures (per machine) 3,500-4200 MRI Scans (per machine)	8,000 X-Ray Procedures (per machine) 3,500-4200 MRI Scans (per machine)	8,000 X-Ray Procedures (per machine) 2500 MRI Scans (per machine)	YES

Pursuant to 77 Illinois Admin. Code Section 1110 Appendix B, the applicant is required to provide project utilization to determine if the new equipment will meet Board target utilization standards for applicable clinical service areas. The X-Ray machines and MRI will be used by the OrthoIllinois physicians in the normal course of their practice and those are the only applicable clinical service that the Board has criteria for. To determine the project utilization of the new equipment that the applicants intend acquire for this project we reviewed their historical utilization of existing machines used within the health service area.

General X-Ray Utilization

Year	Number of Procedures (4 machines currently owned)
2020	8000-8000 Procedures (varies by machine)
2019	8000-8200 Procedures (varies by machine)
2018	8000-8200 Procedures (varies by machine)

MRI Utilization

Year	Number of Scans (2 machines currently owned)
2020	3500-4200 Procedures (varies by machine)
2019	3500-4200 Procedures (varies by machine)
2018	3500-4200 Procedures (varies by machine)

ATTACHMENT 15

Project Services Utilization

Orthollinois in the last three years has purchased 2 GE 1.5T Widebore MRI Units for their other existing physician office locations. Each of those current units performs between 3500-4200 scans per year since they were acquired. The applicants estimate they will have similar utilization of the unit for this facility in year one of operation with an increase in utilization expected year over year. The practice has also purchased 4 Konica Minolta Units for their other offices and each of those units average between 8,000-8,200 scans per year. Despite the COVID-19 pandemic utilization of the machines has remained consistent with previous years due to the additional physicians who have joined the practice and are ordering scans and x-rays for their patients. This is another indication that the new machines will also be fully utilized in accordance with state standards.

The Board does not have clinical standards for the proposed physical therapy space, physician offices, exam rooms, or infusion space. As the Orthollinois begins to see patients at the Medical Office Building it is projected that the physicians will increase utilization of the machines and as a result the other clinical service areas. As noted previously in the application the Eastern Division of Orthollinois is comprised of 20 physicians currently and the practice is slated to bring on 9 additional Orthopedic Surgeons in the near future. Factoring in a conservative increase year over year, the equipment will meet state utilization standards.

ATTACHMENT 33 Availability of Funds

The proposed project will be funded by the applicant's obtaining mortgage debt financing from Illinois Bank & Trust, their long-time financial institution. The applicants have included a loan commitment letter from the bank as evidence of the availability of financing attesting to a maximum loan amount of \$20,000,000, which exceeds the proposed project costs.

ATTACHMENT 33



February 4, 2021

Mr. Donald A. Schreiner
CEO – Rockford Orthopedic Associates d/b/a Orthollinois
5875 E. Riverside Blvd.
Rockford, IL 61114

Re: Orthollinois Elgin Medical Ventures, LLC

Dear Don:

For close to ten years now we have enjoyed representing Orthollinois as its primary financial institution. Your organization is a pillar in our community, recruiting and retaining top talent, contributing to organizations in need and consistently showing up as a good corporate citizen. We have much respect for the highly skilled and experienced administrative and financial teams you employ as well. We value the relationship that Illinois Bank & Trust has with Orthollinois, both corporately as well as working closely with 75% or more of your shareholders and their personal banking/finance needs.

At your request, we have reviewed the preliminary information presented by you with the intention of arranging for you construction and permanent first mortgage debt financing, equipment financing and an operating line for purposes of a new medical office building in Elgin, IL. These figures are preliminary and subject to further due diligence; however, we have capacity for this project and anticipate being able to support this new project. We are comfortable quoting the following terms based on the current credit market conditions:

Building:

Maximum Loan Amount:	\$20,000,000
Loan to Cost Limitation:	85%
Loan to Value Limitation:	75%
Origination Fee:	1%

Construction Loan:

Term:	18 months
Interest Rate Spread:	50 basis points
Interest Rate Index:	WSJ Prime
Indicative Floating Rate:	3.75%

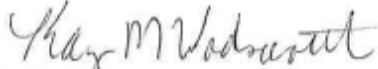
Permanent Loan:

ATTACHMENT 33

Term:	7 years
Amortization:	25 years
Estimated Fixed Interest Rate:	4.50%

This is an outline of a proposed structuring of your funding needs and is not a commitment to lend. Should the State Board approve this project, we will approve a structure for the project that is subject to formal credit underwriting and final terms and conditions to be approved by our loan committee. That structure will include additional standard terms and conditions including, but not limited to, floors on floating rates, prepayment fees, covenants, guarantees, and more similar. We expect these to be consistent with or similar to those already in place today with our existing relationship and these will be discussed as part of the final financing package.

Sincerely,



Kay M. Wadsworth
VP – Commercial Banking
Illinois Bank & Trust
4571 Guildford Road Rockford, IL 61107
815-979-4004, cell
kwadsworth@illinoisbank.com

ATTACHMENT 36 Economic Feasibility

Included with this attachment is a letter from Don Schreiner that addresses the Reasonableness of Financing Arrangements and Conditions of Debt Financing.



March 8, 2021


Courtney Avery
Board Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

RE: Reasonableness of Financing Letter and Conditions of Debt Financing

Dear Ms. Avery:

As a representative of the applicants, I hereby attest that the terms and conditions of the proposed debt financing associated with the establishment of OrthoIllinois Medical Office Building are reasonable. Borrowing is less costly than the liquidation of existing investments of OrthoIllinois and the existing investments being retained may be converted to cash or used to return debt within a 60-day period. Elgin Health Ventures, LLC is a newly formed entity, without liquid assets that could be used to fund the project. Thus, the project will be funded through debt financing obtained through Illinois Bank & Trust.

Furthermore, I certify that, as this project will require debt financing, the selected form of debt financing will be at the lowest net cost available. The project does not involve the leasing of equipment.

Sincerely,

Don Schreiner
CEO
OrthoIllinois



Notarization:

Subscribed and sworn to before me this 8 day of March, 2021.

ROCKFORD

ALSOQUIN

ELGIN

SPRINGFIELD

ATTACHMENT 36 Economic Feasibility

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)	
Clinical Service Areas	\$238.71		27,159				\$6,483,256		\$6,483,256
Contingency	\$23.57		0				\$640,000		\$640,000
TOTALS	\$262.28		27,159				\$7,123,256		\$7,123,256
* Include the percentage (%) of space for circulation									

Pursuant to 77 Ill. Admin. Code Section 1120.Appendix A (a)(3) a project's cost must be at or below the RS means for the new construction of a Medical Office Building. At the time of this application the RS Means is \$266.54 GSF. With a 3% annual increase for 2022 that standard rate increases to \$274.54. This project is slated to be completed in the 2nd quarter of 2022 and the applicable RS Means standard is \$274.54 per GSF. This proposed cost per GSF for this project is \$262.28, and thus this project meets the Board's criteria.

ATTACHMENT 37 Safety Net Information

The proposed project is a non-substantive project and the safety net impact statement should not be applicable.

ATTACHMENT 38 Charity Care Information

Please note: The applicant is a new entity; thus has no history of services. Accordingly, there is no historical charity care information to present.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	2017	2018	2019
Inpatient	0	0	0
Outpatient	0	0	0
Total	0	0	0
Charity (cost In dollars)			
Inpatient	0	0	0
Outpatient	0	0	0
Total			

ATTACHMENT 39 FEMA- National Flood Hazard Layer FIRMette

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone A, X, AE, AO, AH, VE, AR
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes, Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 3/8/2021 at 5:23 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	27 - 29
2	Site Ownership	30 - 34
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	35 - 36
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	37
5	Flood Plain Requirements	38
6	Historic Preservation Act Requirements	39 - 46
7	Project and Sources of Funds Itemization	47 - 49
8	Financial Commitment Document if required	n/a
9	Cost Space Requirements	50
10	Discontinuation	n/a
11	Background of the Applicant	51 - 52
12	Purpose of the Project	53 - 54
13	Alternatives to the Project	55
14	Size of the Project	56
15	Project Service Utilization	57 - 58
16	Unfinished or Shell Space	n/a
17	Assurances for Unfinished/Shell Space	n/a
Service Specific:		
18	Medical Surgical Pediatrics, Obstetrics, ICU	n/a
19	Comprehensive Physical Rehabilitation	n/a
20	Acute Mental Illness	n/a
21	Open Heart Surgery	n/a
22	Cardiac Catheterization	n/a
23	In-Center Hemodialysis	n/a
24	Non-Hospital Based Ambulatory Surgery	n/a
25	Selected Organ Transplantation	n/a
26	Kidney Transplantation	n/a
27	Subacute Care Hospital Model	n/a
28	Community-Based Residential Rehabilitation Center	n/a
29	Long Term Acute Care Hospital	n/a
30	Clinical Service Areas Other than Categories of Service	n/a
31	Freestanding Emergency Center Medical Services	n/a
32	Birth Center	n/a
Financial and Economic Feasibility:		
33	Availability of Funds	59 - 61
34	Financial Waiver	n/a
35	Financial Viability	n/a
36	Economic Feasibility	62 - 63
37	Safety Net Impact Statement	64
38	Charity Care Information	65
38	Flood Plain Information	66