



Kara Friedman  
312-873-3639  
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Mr. Michael Constantino  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street  
Springfield, Illinois 62761

**Re: Certificate of Need Application- Physicians' Surgical Centre**

Dear Mike:

O'Fallon Surgical Center, LLC d/b/a Physicians' Surgical Centre and Haris Assets, LLC (the "Applicants") hereby submit the attached application for permit to add orthopedic surgery to the Applicants' existing surgery center located at 741 Insight Avenue, O'Fallon, Illinois. For your review, I have attached an original and one copy of the completed application for permit as well as a check for \$2,500 for the application processing fee.

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

Sincerely,

A handwritten signature in black ink that reads "Kara Friedman".

Kara Friedman

**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: Physicians' Surgical Centre			
Street Address: 741 Insight Avenue			
City and Zip Code: O'Fallon, Illinois 62269			
County: St. Clair	Health Service Area: 11	Health Planning Area:	

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

Exact Legal Name: O'Fallon Surgical Center, LLC d/b/a Physicians' Surgical Centre	
Street Address: 5023 North Illinois Street	
City and Zip Code: Fairview Heights, Illinois 62208	
Name of Registered Agent: Mike Miller	
Registered Agent Street Address: 5023 North Illinois Street	
Registered Agent City and Zip Code: Fairview Heights, Illinois 62208	
Name of Chief Executive Officer: Shakeel Ahmed, M.D.	
CEO Street Address: 5023 North Illinois Street, Suite 3	
CEO City and Zip Code: Fairview Heights, Illinois 62208	
CEO Telephone Number: 618-239-0678	

**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

- 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.

**APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Primary Contact [Person to receive ALL correspondence or inquiries]**

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli PC
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606
Telephone Number: 312-873-3639
E-mail Address: <a href="mailto:kfriedman@polsinelli.com">kfriedman@polsinelli.com</a>
Fax Number:

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

Name: Shakeel Ahmed, M.D.
Title: Chief Executive Officer
Company Name: O'Fallon Surgical Center, LLC
Address: 5023 North Illinois Street, Fairview Heights, Illinois 62208
Telephone Number: 618-239-0678

Error! Unknown document property name.

E-mail Address: <a href="mailto:ShakeelAhmedGI@gmail.com">ShakeelAhmedGI@gmail.com</a>
Fax Number:

**Facility/Project Identification**

Facility Name: Physicians' Surgical Centre		
Street Address: 741 Insight Avenue		
City and Zip Code: O'Fallon, Illinois 62269		
County: St. Clair	Health Service Area: 11	Health Planning Area:

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

Exact Legal Name: Haris Assets, LLC		
Street Address: 5023 North Illinois Street		
City and Zip Code: Fairview Heights, Illinois 62208		
Name of Registered Agent: Kim Brokaw		
Registered Agent Street Address: 5023 North Illinois Street		
Registered Agent City and Zip Code: Fairview Heights, Illinois 62208		
Name of Chief Executive Officer: Shakeel Ahmed, M.D.		
CEO Street Address: 5023 North Illinois Street		
CEO City and Zip Code: Fairview Heights, Illinois 62208		
CEO Telephone Number: 618-239-0678		

**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 |
- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
  - Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**Primary Contact** [Person to receive ALL correspondence or inquiries]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli PC
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606
Telephone Number: 312-873-3639
E-mail Address: <a href="mailto:kfriedman@polsinelli.com">kfriedman@polsinelli.com</a>
Fax Number:

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

Name: Shakeel Ahmed, M.D.
Title: Chief Executive Officer
Company Name: O'Fallon Surgical Center, LLC
Address: 5023 North Illinois Street, Fairview Heights, Illinois 62208
Telephone Number: 618-239-0678
E-mail Address: <a href="mailto:ShakeelAhmedGI@gmail.com">ShakeelAhmedGI@gmail.com</a>
Fax Number:

**Post Permit Contact**

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

Name: Shakeel Ahmed, M.D.
Title: Chief Executive Officer
Company Name: O'Fallon Surgical Center, LLC
Address: 5023 North Illinois Street, Fairview Heights, Illinois 62208
Telephone Number: 618-239-0678
E-mail Address: <a href="mailto:ShakeelAhmedGI@gmail.com">ShakeelAhmedGI@gmail.com</a>
Fax Number:

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Haris Assets, LLC
Address of Site Owner: 5023 North Illinois Street, Fairview Heights, Illinois 62208
Street Address or Legal Description of the Site: 741 Insight Avenue, O'Fallon, Illinois 62269
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.
<b>APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Operating Identity/Licensee**

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

Exact Legal Name: O'Fallon Surgical Center, LLC
Address: 5023 North Illinois Street, Fairview Heights, Illinois 62208
<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"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>
<b>APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**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.

<b>APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>
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**Flood Plain Requirements**

[Refer to application instructions.]

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

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

**Historic Resources Preservation Act Requirements**

[Refer to application instructions.]

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

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

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

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

Part 1110 Classification:

- Substantive
- Non-substantive

**2. Narrative Description**

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

O'Fallon Surgical Center, LLC and Haris Assets, LLC (collectively, the "Applicants") propose to add orthopedic surgery to an existing ambulatory surgical treatment center ("ASTC") located at 741 Insight Avenue, O'Fallon, Illinois 62269 ("PSC").

The existing ASTC includes one operating room. There will not be any construction or other alterations associated with the project.

This project does not propose to establish a new category of service or a new health care facility as defined in the Illinois Health Facilities Planning Act (the "Planning Act"). Accordingly, this is a non-substantive project.

**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.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)	\$180,000	\$0	\$180,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>	<b>\$180,000</b>	<b>\$0</b>	<b>\$180,000</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Cash and Securities	\$180,000	\$0	\$180,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$180,000</b>	<b>\$0</b>	<b>\$180,000</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			



**Related Project Costs**

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

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

**Project Status and Completion Schedules**

<p><b>For facilities in which prior permits have been issued please provide the permit numbers.</b></p> <p>Indicate the stage of the project's architectural drawings:</p> <p><input checked="" type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary</p> <p><input type="checkbox"/> Schematics <input type="checkbox"/> Final Working</p> <p>Anticipated project completion date (refer to Part 1130.140): <u>December 31, 2021</u></p> <p>Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):</p> <p><input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.</p> <p><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</p> <p><input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance.</p>
<p><b>APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b></p>

**State Agency Submittals [Section 1130.620(c)]**

<p>Are the following submittals up to date as applicable:</p> <p><input type="checkbox"/> Cancer Registry - NOT APPLICABLE</p> <p><input type="checkbox"/> APORS - NOT APPLICABLE</p> <p><input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted</p> <p><input checked="" type="checkbox"/> All reports regarding outstanding permits</p> <p><b>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</b></p>
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**Cost Space Requirements**

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>							

**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.

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

**CERTIFICATION**

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

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

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



\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SIGNATURE

Shakeel Ahmed, M.D.  
PRINTED NAME

\_\_\_\_\_  
PRINTED NAME

Sole Member and Manager  
PRINTED TITLE

\_\_\_\_\_  
PRINTED TITLE

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

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

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Signature of Notary

Seal

Seal

\*Insert the EXACT legal name of the applicant

**CERTIFICATION**

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

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

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



\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SIGNATURE

Shakeel Ahmed, M.D.  
\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
PRINTED NAME

Sole Member and Manager  
\_\_\_\_\_  
PRINTED TITLE

\_\_\_\_\_  
PRINTED TITLE

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

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

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Signature of Notary

Seal

Seal

\*Insert the EXACT legal name of the applicant

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

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

#### 1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

##### BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
  - a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.
  - b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.
  - c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.
  - d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.
  - e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

**APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.**

**Criterion 1110.110(b) & (d)****PURPOSE OF PROJECT**

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

**NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.**

**APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.**

**ALTERNATIVES**

- 1) Identify **ALL** of the alternatives to the proposed project:
 

Alternative options **must** include:

  - A) Proposing a project of greater or lesser scope and cost;
  - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
  - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
  - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

**APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**

**Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

**SIZE OF PROJECT:**

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. This must be a narrative and it shall include the basis used for determining the space and the methodology applied.
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
  - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
  - c. The project involves the conversion of existing space that results in excess square footage.
  - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

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

**PROJECT SERVICES UTILIZATION:**

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

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

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

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1					
YEAR 2					

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



**UNFINISHED OR SHELL SPACE:**

Provide the following information:

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

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

**ASSURANCES:**

Submit the following:

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

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

**SECTION V. SERVICE SPECIFIC REVIEW CRITERIA**

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

**G. Non-Hospital Based Ambulatory Surgery**

Applicants proposing to establish, expand and/or modernize the Non-Hospital Based Ambulatory Surgery category of service must submit the following information.

ASTC Service
<input type="checkbox"/> Cardiovascular
<input type="checkbox"/> Colon and Rectal Surgery
<input type="checkbox"/> Dermatology
<input type="checkbox"/> General Dentistry
<input type="checkbox"/> General Surgery
<input checked="" type="checkbox"/> Gastroenterology
<input type="checkbox"/> Neurological Surgery
<input type="checkbox"/> Nuclear Medicine
<input type="checkbox"/> Obstetrics/Gynecology
<input checked="" type="checkbox"/> Ophthalmology
<input type="checkbox"/> Oral/Maxillofacial Surgery
<input checked="" type="checkbox"/> Orthopedic Surgery
<input type="checkbox"/> Otolaryngology
<input checked="" type="checkbox"/> Pain Management
<input type="checkbox"/> Physical Medicine and Rehabilitation
<input type="checkbox"/> Plastic Surgery
<input type="checkbox"/> Podiatric Surgery
<input type="checkbox"/> Radiology
<input type="checkbox"/> Thoracic Surgery
<input type="checkbox"/> Urology
<input type="checkbox"/> Other

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

APPLICABLE REVIEW CRITERIA	Establish New ASTC or Service	Expand Existing Service
1110.235(c)(2)(B) – Service to GSA Residents	X	X

1110.235(c)(3) – Service Demand – Establishment of an ASTC or Additional ASTC Service	X	
1110.235(c)(4) – Service Demand – Expansion of Existing ASTC Service		X
1110.235(c)(5) – Treatment Room Need Assessment	X	X
1110.235(c)(6) – Service Accessibility	X	
1110.235(c)(7)(A) – Unnecessary Duplication/Maldistribution	X	
1110.235(c)(7)(B) – Maldistribution	X	
1110.235(c)(7)(C) – Impact to Area Providers	X	
1110.235(c)(8) – Staffing	X	X
1110.235(c)(9) – Charge Commitment	X	X
1110.235(c)(10) – Assurances	X	X
<b>APPEND DOCUMENTATION AS <u>ATTACHMENT 24</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>		

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>_____ \$180,000 _____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>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</li> <li>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;</li> </ol> <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>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"> <li>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;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>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.;</li> <li>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;</li> </ol>
---	--

Error! Unknown document property name.

<p>_____</p> <p>_____</p>	<p>5) For any option to lease, a copy of the option, including all terms and conditions.</p> <p>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;</p> <p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p> <p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>
<p><b>\$180,000</b></p>	<p><b>TOTAL FUNDS AVAILABLE</b></p>
<p><b>APPEND DOCUMENTATION AS ATTACHMENT 33, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b></p>	

**SECTION VII. 1120.130 - FINANCIAL VIABILITY**

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

**Financial Viability Waiver**

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

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

See Section 1120.130 Financial Waiver for information to be provided

**APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
<b>Enter Historical and/or Projected Years:</b>				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

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

**Variance**

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

**APPEND DOCUMENTATION AS ATTACHMENT 35, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION VIII.1120.140 - ECONOMIC FEASIBILITY**

This section is applicable to all projects subject to Part 1120.

**A. Reasonableness of Financing Arrangements**

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
  - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
  - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

**B. Conditions of Debt Financing**

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

**C. Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
<b>TOTALS</b>									

\* Include the percentage (%) of space for circulation

**D. Projected Operating Costs**

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

**E. Total Effect of the Project on Capital Costs**

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

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



**SECTION IX. SAFETY NET IMPACT STATEMENT**

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

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

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

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

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

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Charity (cost In dollars)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Medicaid (revenue)	Year	Year	Year
Inpatient			
Outpatient			

Total				
<b>APPEND DOCUMENTATION AS <u>ATTACHMENT 37</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>				

**SECTION X. CHARITY CARE INFORMATION**

**Charity Care information MUST be furnished for ALL projects [1120.20(c)].**

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

**Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care must be provided at cost.**

**A table in the following format must be provided for all facilities as part of Attachment 39.**

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

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

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

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant Identification including Certificate of Good Standing	28 – 30
2	Site Ownership	31 – 41
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	42 – 43
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	44
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30	Clinical Service Areas Other than Categories of Service	
31	Freestanding Emergency Center Medical Services	
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**Section I, Identification, General Information, and Certification**  
**Applicants**

Certificates of Good Standing for O'Fallon Surgical Center, LLC d/b/a Physicians' Surgical Centre and Haris Assets, LLC. (collectively, the "Applicants" or "PSC") are attached at Attachment – 1.

O'Fallon Surgical Center, LLC is the licensee of Physicians' Surgical Centre. Physicians Surgical Centre is a trade name of O'Fallon Surgical Center, LLC and is not separately organized.

As the site owner of Physicians' Surgical Centre, Haris Assets, LLC is named as an applicant for this certificate of need ("CON") application.

File Number

0605307-6



**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***

O'FALLON SURGICAL CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 08, 2016, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 2108404614 verifiable until 03/25/2022  
Authenticate at: <http://www.cyberdriveillinois.com>

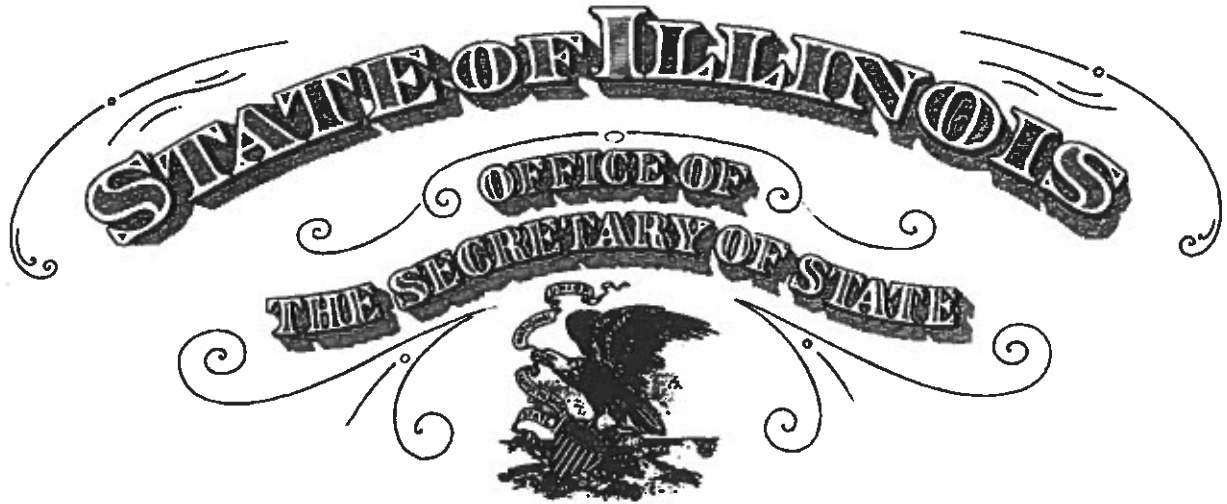
***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 25TH day of MARCH A.D. 2021 .***

*Jesse White*

SECRETARY OF STATE

File Number

0751673-8



**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*

HARIS ASSETS, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JANUARY 31, 2019, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 2029502338 verifiable until 10/21/2021  
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 21ST day of OCTOBER A.D. 2020 .***

*Jesse White*

SECRETARY OF STATE

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

A copy of the Commitment for Title Insurance documenting Haris Assets, LLC control of the site located at 741 Insight Avenue, O'Fallon, Illinois is attached at Attachment – 2.





**First American**

# Commitment

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2994576

### COMMITMENT FOR TITLE INSURANCE

Issued By

**FIRST AMERICAN TITLE INSURANCE COMPANY**

#### NOTICE

**IMPORTANT-READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

#### COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and the Commitment Conditions, **First American Title Insurance Company**, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I-Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**First American Title Insurance Company**

Dennis J. Gimore  
President

Jeffrey S. Robinson  
Secretary

**If this jacket was created electronically, it constitutes an original document.**

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its Issuing agent that may be in electronic form.*

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## COMMITMENT CONDITIONS

### 1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the company or its issuing agent that may be in electronic form.

### 4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

### 5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

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**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

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**First American**

# Schedule A

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2994576

**Transaction Identification Data for reference only:**

First American Title Insurance Company

4460 North Illinois Street, Suite 1, Swansea, IL 62226-2012

Phone : (618)277-7550

Commitment No.: 2994576

Property Address: 741 Insight Avenue, O'Fallon, IL 62269

Revision Date:

Title e-mail: escrow.swansea.il@firstam.com

Escrow e-mail: escrow.swansea.il@firstam.com

Customer Reference:

### SCHEDULE A

1. Commitment Date: September 26, 2019 8:00 AM
2. Policies to be issued:
  - (a) ALTA® Owner's Policy  
Proposed Insured: Haris Assets, LLC  
Proposed Policy Amount: \$1,128,600.00
  - (b) ALTA® Loan Policy  
Proposed Insured: FCB Banks, its successors and/or assigns as defined in the Conditions of the policy, as their interests may appear.  
Proposed Policy Amount: \$1,000.00
3. The estate or interest in the Land described or referred to in this Commitment is  
**Fee Simple**
4. The Title is, at the Commitment Date, vested in: The Storage Center of O'Fallon, an Illinois limited liability company
5. The Land is described as follows:  
SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

### **First American Title Insurance Company**

By:   
Authorized Countersignature

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**First American**

# Schedule BI & BII

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2994576

Commitment No.: 2994576

### SCHEDULE B, PART I

#### Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

### SCHEDULE B, PART II

#### Exceptions

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

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**First American**

**Schedule BI & BII (Cont.)**

**ALTA Commitment for Title Insurance**

ISSUED BY

**First American Title Insurance Company**

File No: 2994576

Commitment No.: 2994576

**SCHEDULE B, PART II**

**Exceptions (Continued)**

1. Rights or claims of parties in possession not shown by the public records.
2. Easements or claims of easements, not shown by Public Records.
3. Any encroachments, encumbrance, violation, variation, or adverse circumstance affecting Title that would be disclosed by an accurate survey of the Land pursuant to the "Minimum Standards of Practice," 68 III. Admin Code, Sec. 1270.56(b)(6)(P) for residential property or the ALTA/NSPS land title survey standards for commercial/industrial property.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Taxes, or special assessments, if any, not shown as existing liens by the Public Records.
6. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I-Requirements are met.
7. General taxes and assessments for the year 2019, and subsequent years which are not yet due and payable.

Tax identification no.: 04-30.0-303-094  
(Affects the land and other property)

**Note for informational purposes 2018 taxes:**

1st Installment in the amount of \$20,153.21 with a status of PAID. (Due Date 06/21/2019)  
2nd Installment in the amount of \$20,153.21 with a status of PAID. (Due Date 08/21/2019)

Note: If applicable, an original tax bill must be presented if taxes are to be paid at time of closing.

8. Mortgage recorded May 28, 2019 as document A02614166, as amended by document A02623504, made by The Storage Center of O'Fallon to Bank of Springfield, to secure a note in the originally stated principal amount of \$1,125,000.00, and to the terms and conditions thereof.

(Affects the land and other property)

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9. Upon a conveyance or mortgage of the property in question, a statement from the Secretary of the Board of Managers that there are no unpaid assessments arising by reason of the nonpayment of common expenses should be furnished.  
  
Note: Such statement should cover the recording date of the mortgage or if title is to be conveyed, the date of the deed, whichever is later.
10. Terms, powers, provisions and limitations of the Limited Liability Company Operating Agreement under which title to the land is held.
11. Evidence that Articles of Organization have been filed with the Secretary of State of Illinois should be furnished for the following Limited Liability Company: The Storage Center of O'Fallon
12. The Operating Agreement for The Storage Center of O'Fallon, a Limited Liability Company, together with all amendments thereto, should be furnished and this commitment is subject to such further exceptions, if any, as may then be deemed necessary.
13. We should be furnished evidence that no event of dissolution has occurred for The Storage Center of O'Fallon, a Limited Liability Company.
14. Evidence that Articles of Organization have been filed with the Secretary of State of Illinois should be furnished for the following Limited Liability Company: Haris Assets, LLC
15. The Operating Agreement for Haris Assets, LLC, a Limited Liability Company, together with all amendments thereto, should be furnished and this commitment is subject to such further exceptions, if any, as may then be deemed necessary.
16. We should be furnished evidence that no event of dissolution has occurred for Haris Assets, LLC, a Limited Liability Company.
17. Any lien, or right to a lien in favor of a property manager employed to manage the land. Note: we should be furnished either (a) an affidavit from the owner indicating that there is no property manager employed; or (b) a final lien waiver from the property manager acting on behalf of the owner.
18. Existing unrecorded leases, if any, and rights of parties in possession under such unrecorded leases.
19. Relative to the deletion of Standard Exceptions 1 through 6, we should be furnished the following:
  - a) A current survey of the land, properly certified to the Company, made in accordance with (i) the accuracy requirements of a survey pursuant to the 'Minimum Standard Detail Requirements for Land Title Surveys' Jointly Established and Adopted by the American Land Title Association and National Society of Professional Surveyors (NSPS) February 23, 2016; and (ii) the Laws of the State of Illinois.
  - b) A properly executed ALTA 2006 Loan and Extended Coverage Statement.
20. NOTE: Attention is directed to ordinances and regulations relating to connections, charges and liens for use of any public sewerage, water or other utility systems serving the land referred to therein. We call your attention to the fact that all sewer and utility bills should be obtained from the offices supplying the service. We indicate only recorded liens.

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21. Terms, conditions and provisions of the document creating the easement described in Schedule A, together with the rights of the adjoining owners in and to the concurrent use of said easement.
22. Covenants, conditions, restrictions, building lines and easements as shown on the plat of subdivision.
23. Easements for public utilities and drainage, as shown on the plat of subdivision.  
(Affects along the perimeter lines of said Lot 5)
24. Provisions on the Plat of Greenmount Market, recorded in Plat Book 96, page 93, wherein subdividers acknowledge obligation to maintain the "Private Street Right-of-Way areas shown on the plat as "Principal Drive and "Purchase Drive" and the Temporary Access Easement" area shown on the plat, as needed, which obligation will run with the land to the transferees thereof after which the subdividers shall be released from all such obligations.  
  
(Affects Parcel 2 -- see said plat for full particulars)
25. Notes shown on the plat of subdivision recorded July 1, 2019 as document A02617937, as follows:
  1. All lots are granted cross access to/from the private drives shown hereon by the common property as shown on this plat and as provided in the declaration to which this plat is attached and made a part thereof.
  2. The common area shall be maintained by and the improvements thereon shall be the responsibility of the owner or the association, as provided in the declaration.
  3. The lot lines shown hereon are approximate and are based on current planned building locations. Final lot line locations are to be established by as-built building locations. If a portion of the as-built foundation wall or attached patio of the construction as it exists prior to the first transfer of the lot to a new owner encroaches on the "common area", the final lot line at that location shall be coincident with the exterior edge(s) of the as-built foundation wall or patio at that location.
26. Easement granted to Illinois Power Company, disclosed by instrument recorded in document A01437541, in book 3257, page 567.
27. Reciprocal Easement Agreement recorded June 8, 1998 as document no. A01436161, in book 3255, page 958, and the terms and conditions contained therein.
28. Cross Easement Agreement recorded October 29, 1999 as document no. A01526047, in book 3390, page 1469, and the terms and conditions contained therein.
29. Easement granted to City of O'Fallon, disclosed by instrument recorded in document A02468555 .
30. Memorandum of Understanding made by and between Forward Generation, LLC, BMBB Real Estate, LLC, and The Storage Center of O'Fallon, LLC, recorded August 24, 2018 as document A02587979, and the terms and provisions contained therein.
31. Easement and Maintenance Agreement recorded August 24, 2018 as document no. A02587981, and the terms and conditions contained therein.

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32. Covenants, conditions and restrictions contained in the Declaration of Covenants, Restrictions, Easements, Charges, Assessments and Liens recorded as document A02620437 and any amendments thereto, relating to, among other things: association; assessments; easements; landscape; maintenance; snow removal driveway cleaning; signs; security protection; development lighting; parking areas.
33. Terms, conditions and provisions of Resolution No. 2016-84 entitled A Resolution Approving and Accepting a Subdivision of Land to be Known as the "Frieze Harley Davidson Subdivision" recorded December 16, 2016 as document A02520543.
34. Terms, conditions and provisions of Ordinance No. 4073 entitled An Ordinance Amending Ordinance 623, Zoning Districts of the City of O'Fallon, Illinois recorded February 4, 2019 as document A02603127.
35. Terms, conditions and provisions of Resolution No. 2019-14 entitled A Resolution Approving and Accepting a Subdivision of Land to be Known as "Insight Professional Park" recorded July 1, 2019 as document A02617936.

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Form 50000317 (4-24-18)	Page 9 of 10	ALTA Commitment for Title Insurance (8-1-16) Illinois
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**ALTA Commitment for Title Insurance**

ISSUED BY

**First American Title Insurance Company**

File No: 2994576

Commitment File No.: 2994576

The Land referred to herein below is situated in the County of Saint Clair, State of IL, and is described as follows:

**PARCEL 1:**

Lot 7 in Insight Professional Park Subdivision, being a resubdivision of Lot 5 in Frieze Harley Davidson Subdivision, being a part of the West Half of the Southwest Quarter of Section 30, Township 2 North, Range 7 West of the Third Principal Meridian, according to the plat thereof recorded July 1, 2019 s document A02617937, in the City of O'Fallon, St. Clair County, Illinois.

**PARCEL 2:**

An easement for ingress and egress for the benefit of Parcel 1 over the 35 foot wide and 50 foot wide strips of land as described in the Reciprocal Easement Agreement recorded June 8, 1998 as document A0143616, in deed book 3255, page 958 of said St. Clair County Recorder's Office, and the addendum to said easement as shown on the plat of Frieze Harley Davidson Subdivision.

EXCEPT the coal, oil, gas and other minerals underlying the surface of said land and all rights and easements in favor of the estate of said coal, oil, gas and other minerals, if any.

Situated in the County of St. Clair, State of Illinois.

Permanent Parcel No.: 04-30.0-303-094

Note: For informational purposes only, the land is known as :

741 Insight Avenue  
O'Fallon, IL 62269

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Form 50000317 (4-24-18)

Page 10 of 10

ALTA Commitment for Title Insurance (8-1-16)  
Illinois

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

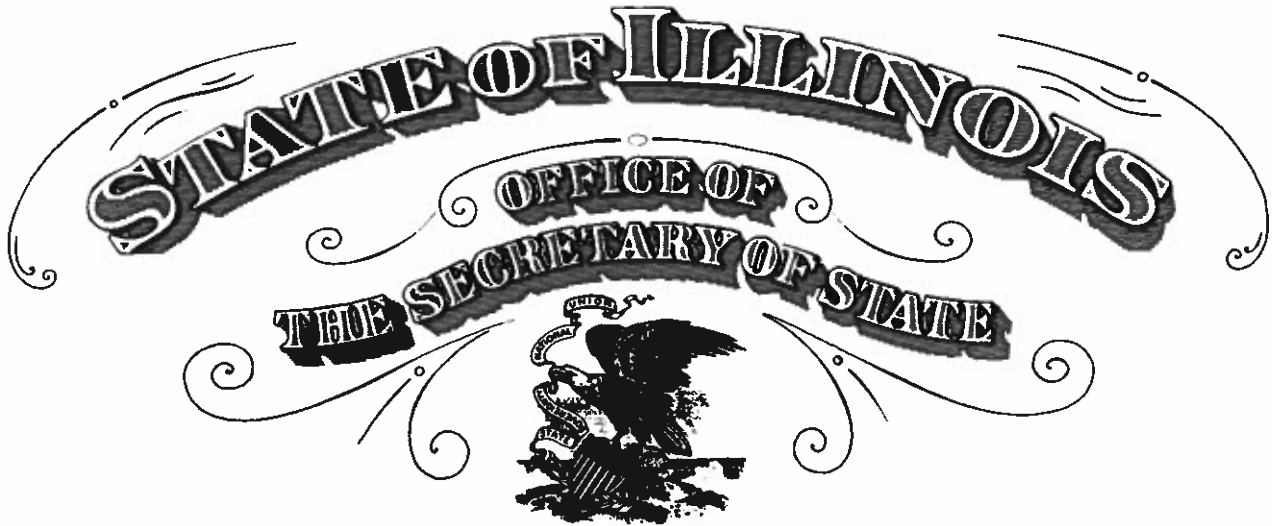
The Illinois Certificate of Good Standing for O'Fallon Surgical Center, LLC is attached at Attachment – 3.

Attachment – 3

Error! Unknown document property name.

File Number

0605307-6



**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***

O'FALLON SURGICAL CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 08, 2016, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 2108404614 verifiable until 03/25/2022  
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 25TH day of MARCH A.D. 2021 .***

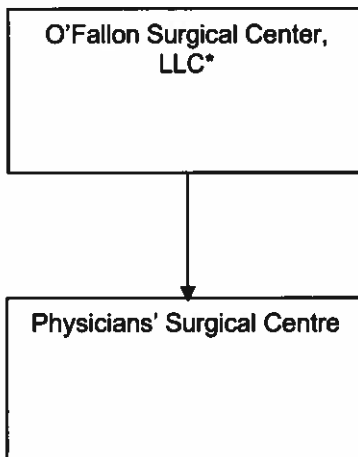
*Jesse White*

SECRETARY OF STATE

**Section I, Identification, General Information, and Certification**

**Organizational Relationships**

The organizational chart for Physicians' Surgical Centre is provided below.



\*O'Fallon Surgical Center, LLC is the licensed entity and is owned 100% by Shakeel Ahmed, M.D.

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

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

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

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

**Section I, Identification, General Information, and Certification**  
**Project Costs and Sources of Funds**

<b>Use of Funds</b>	<b>Clinical</b>	<b>Non-Clinical</b>	<b>Total</b>
<b>Preplanning Costs</b>	\$0	\$0	\$0
<b>Site Survey and Soil Investigation</b>	\$0	\$0	\$0
<b>Site Preparation</b>	\$0	\$0	\$0
<b>Off Site Work</b>	\$0	\$0	\$0
<b>New Construction Costs</b>	\$0	\$0	\$0
<b>Modernization Contracts</b>	\$0	\$0	\$0
<b>Contingencies</b>	\$0	\$0	\$0
<b>Architectural/Engineering Fees</b>	\$0	\$0	\$0
<b>Consulting and Other Fees</b>	\$0	\$0	\$0
<b>Movable and Other Equipment (not in construction contracts)</b>	\$180,000	\$0	\$180,000
<b>Bond Issuance Expense (Project related)</b>	\$0	\$0	\$0
<b>Net Interest Expense During Construction (Project related)</b>	\$0	\$0	\$0
<b>Fair Market Value of Leased Space or Equipment</b>	\$0	\$0	\$0
<b>Other Costs to be Capitalized</b>	\$0	\$0	\$0
<b>Acquisition of Building or Other Property (Excluding land)</b>	\$0	\$0	\$0
<b>Total Uses of Funds</b>	<b>\$180,000</b>	<b>\$0</b>	<b>\$180,000</b>



**Active CON Permits**

O'Fallon Surgical Center, LLC has one active permit:

**CON 20-041: Physicians' Surgical Centre, O'Fallon, Illinois**

- The CON permit for project 20-041 was approved on January 11, 2021.
- The project completion date of record is December 31, 2022. A cost report will be submitted within 90 days of the completion date.

**Cost Space Requirements**

Cost Space Table							
Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>CLINICAL</b>							
Operating Room	\$180,000	2,200				2,200	
Recovery Room		1,160				1,160	
<b>Total Clinical</b>	<b>\$180,000</b>	<b>3,360</b>				<b>3,360</b>	
<b>NON CLINICAL</b>							
Mechanical & Other Building Systems, Administrative, Other Non-Clinical Areas		915				915	
<b>Total Non-clinical</b>	<b>\$0</b>	<b>915</b>				<b>915</b>	
<b>TOTAL</b>	<b>\$180,000</b>	<b>4,275</b>				<b>4,275</b>	

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

**Background of the Applicant**

1. O'Fallon Surgical Center, LLC owns and operates the following healthcare facility:

Physicians' Surgical Centre  
License Number: 7003229  
Medicare Certification Number: 14C0001180  
Accreditation Identification Number: TJC 643948

Shakeel Ahmed, M.D. owns and operates the following healthcare facility:

Metroeast Endoscopic Surgery Center  
License Number: 7003185  
Accreditation Identification Number: TJC 508160

Proof of current licensure and accreditation for Physicians' Surgical Centre ("PSC") is attached at Attachment – 11A.

2. A letter from Shakeel Ahmed, M.D., Manager, O'Fallon Surgical Center, LLC and Haris Assets, LLC certifying no adverse action has been taken against any facility owned and/or operated by the Applicants during the three years prior to filing this application is attached at Attachment – 11B.
3. An authorization permitting the State Board and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11B.



**Illinois Department of  
PUBLIC HEALTH**

← DISPLAY THIS PART IN A  
CONSPICUOUS PLACE

HF 121401

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

**Ngozi O. Ezike, M.D.**

Issued under the authority of  
the Illinois Department of  
Public Health

**Director**  
EXPIRATION DATE

**04/07/2021**

LIC NUMBER

**7003228**

**Ambulatory Surgery Treatment Center**

Exp. Date 04/07/2021  
Lic Number 7003228

Effective: 10/01/2020

Date Printed 09/30/2020

**Ahmed 15, LLC  
dba Physician's Surgical Centre  
741 Insight Avenue**

**Ahmed 15, LLC  
dba Physician's Surgical Centre  
741 Insight Avenue  
O'Fallon, IL 62269**

**O'Fallon, IL 62269**

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/16

FEE RECEIPT NO.



November 14, 2019

Re: # 643948  
CCN: Pending  
Program: Ambulatory Surgical Center  
Accreditation Expiration Date: November 07, 2022

Shakeel Ahmed  
Medical Director  
Ahmed 15, LLC  
311 W. Lincoln St.  
Belleville, Illinois 62220

Dear Dr. Ahmed:

This letter confirms that your November 05, 2019 - November 06, 2019 unannounced initial survey was conducted for the purposes of assessing compliance with the Medicare conditions for ambulatory surgical centers through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on November 12, 2019, The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of November 12, 2019.

The Joint Commission is also recommending your organization for Medicare certification effective November 12, 2019. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is responsible for notifying the State Survey Agency that a recommendation for Medicare certification has been made. Please provide your State agency with a copy of your accreditation report, accreditation award letter, and this Medicare recommendation letter.

This recommendation applies to the following location(s):

Ahmed 15, LLC  
d/b/a Physicians' Surgical Centre  
311 W. Lincoln St., Belleville, IL, 62220

Please be assured that The Joint Commission will keep the report confidential, except as required by law or court order. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

[www.jointcommission.org](http://www.jointcommission.org)

Headquarters  
One Renaissance Boulevard  
Oakbrook Terrace, IL 60181  
630 792 5000 Voice



*Mark Pelletier*

Mark G. Pelletier, RN, MS  
Chief Operating Officer and Chief Nurse Executive  
Division of Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services  
CMS/Regional Office 5 /Survey and Certification Staff

March 12, 2021

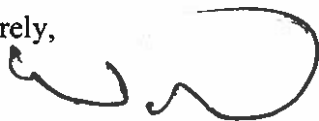
Debra Savage  
Chair  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, Illinois 62761

Dear Chair Savage:

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

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

Sincerely,



Shakeel Ahmed, M.D.  
Manager & Sole Member  
O'Fallon Surgical Center, LLC and Haris Assets, LLC

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

**Purpose of the Project**

1. The Applicants seek authority from the Illinois Health Facilities and Services Review Board (the “State Board”) to add orthopedic surgery to an existing surgery center. The primary purpose of this project is to improve access to this service to residents within the Applicants’ geographic service area and to increase utilization at PSC, which currently has capacity. Due to the ongoing COVID-19 pandemic, the Ambulatory Surgery Center Association has urged ASTCs to coordinate with local hospitals and health systems to perform elective procedures. As hospitals struggle to ensure sufficient capacity, ASCs are able to serve as an alternative setting to provide care for patients who would suffer from a delay. Going forward, with the uncertainty of the lasting effects of the COVID-19 pandemic, it will be particularly important to have a non-hospital option for patients who are at high risk for severe COVID-19 illness, such as older adults or those with co-morbidities. Fortunately, orthopedic surgery cases can be safely and efficiently performed in a freestanding ASTC setting. By providing a non-hospital option for these surgical cases, the Applicant will improve patient safety.

As shown in Table 1110.110(b) below, the Applicant identified 12 existing or approved healthcare facilities located within 17 miles of PSC. Utilizing hospitals for procedures that can be safely performed in an outpatient surgery center is not an efficient use of scarce health care resources. A 2019 article in Modern Healthcare noted hospital prices are the main driver of inflation in U.S. health care spending.<sup>1</sup> This article highlighted that hospital consolidation has led to growth in market power and an ability to not only raise prices but to resist new, more sensible payment reforms. In fact, from 2007 to 2014, hospital prices for outpatient care increased at over 4 times the rate of physician care (25% increase for hospitals compared to 6% for physician prices). Further, according to the March 2020 MedPac Report to Congress, Medicare payment rates for most ambulatory surgical procedures performed in hospital outpatient departments (HOPDs) are much higher than in surgery centers. For 2020, Medicare rates are 98% higher in HOPDs than surgery centers.<sup>2</sup>

Facility	Address	City	Driving Distance (Miles)
HSHS St Elizabeth’s Hospital	1 Saint Elizabeth Blvd	O’Fallon	0.8
Memorial Hospital East	1404 Cross Street	Shiloh	2.0
Memorial Hospital	4500 Memorial Drive	Belleville	7.8
Touchette Regional Hospital	5900 Bond Avenue	Centreville	13.6
Anderson Hospital	6800 State Route 162	Maryville	14.5
Gateway Regional Medical Center	2100 Madison Ave	Granite City	18.5
Edwardsville Ambulatory Surg Ctr, LLC	12 Ginger Creek Parkway	Glen Carbon	23.5

While there are 6 licensed ASTCs within the PSC GSA, only Edwardsville Ambulatory Surgery Center performs orthopedic surgery. As shown on the map attached at Attachment – 12A, Edwardsville Ambulatory Surgery Center is located near the northern boundary of the PSC geographic service area. Importantly, 65% of projected PSC patients reside outside the 17-mile geographic service area

<sup>1</sup> Alex Kacik, *Hospital Price Growth Driving Healthcare Spending*, MODERN HEALTHCARE, Feb. 4, 2019 available at <https://www.modernhealthcare.com/article/20190204/NEWS/190209984/hospital-price-growth-driving-healthcare-spending> (last visited Oct. 14, 2020).

<sup>2</sup> Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy 147 (Mar. 13, 2020) available at [http://medpac.gov/docs/default-source/reports/mar20\\_entirereport\\_sec.pdf](http://medpac.gov/docs/default-source/reports/mar20_entirereport_sec.pdf) (last visited Oct. 7, 2020).



of Edwardsville Ambulatory Surgery Center, with some patients residing over 30 miles away, necessitating travel of more than 40 minutes for a procedure to be performed there. PSC is a more convenient destination for these patients, as it is centrally located near their residences and multiple public transportation options. Additionally, since it is not part of a hospital campus, PSC is much more easily accessible in terms of parking, wayfinding, family waiting areas and drop-off/pick-up. Addition of a surgical specialty at PSC will provide patients and payors a convenient, high quality, lower cost alternative to hospital outpatient departments for orthopedic surgery.

2. PSC serves patients in the MetroEast area within 17 miles of the ASTC. A map of the market area of PSC is attached at Attachment – 12A. The distance from PSC to the GSA borders are as follows:
  - East: 17 miles to Aviston, IL
  - Southeast: 17 miles to Engelmann, IL
  - South: 17 miles Prairie Du Long, IL
  - Southwest: 17 miles to Columbia, IL
  - West: 17 miles to St. Louis City, MO
  - Northwest: 17 miles to Madison, IL
  - North: 17 miles to Edwardsville, IL
  - Northeast: 17 miles to Highland, IL
3. The Project would allow GSA residents to obtain orthopedic surgeries in an ASTC as opposed to the higher cost, less convenient hospital setting. It would also reduce the risk of exposure to COVID-19 for patients at high risk for severe illness, such as older adults or those with co-morbidities.

Access to ambulatory surgical care is essential to the overall well-being of the community, particularly in light of the aging population and the co-morbidities associated with that shifting age cohort. As set forth in a letter from the ASC Advocacy Committee to Secretary Sebelius regarding implementation of a value-based purchasing system for ASTCs, ASTCs are efficient providers of surgical services. ASTCs provide high quality surgical care, excellent outcomes and a high level of patient satisfaction at lower cost than hospital outpatient departments (HOPDs). Procedures performed in an ASTC are reimbursed at lower rates than HOPDs and result in lower out-of-pocket expenses to patients. In fact, based on United Healthcare's desire to cover certain procedures only in the ASTC setting, the payor has announced prior authorization guidelines in the MetroEast area for certain surgical procedures in outpatient hospital settings that will not apply to ASTCs. The Applicants expect other payors to follow suit in the near future.

#### 4. Sources

Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy 147 (Mar. 13, 2020) available at [http://medpac.gov/docs/default-source/reports/mar20\\_entirereport\\_sec.pdf](http://medpac.gov/docs/default-source/reports/mar20_entirereport_sec.pdf) (last visited Oct. 7, 2020).

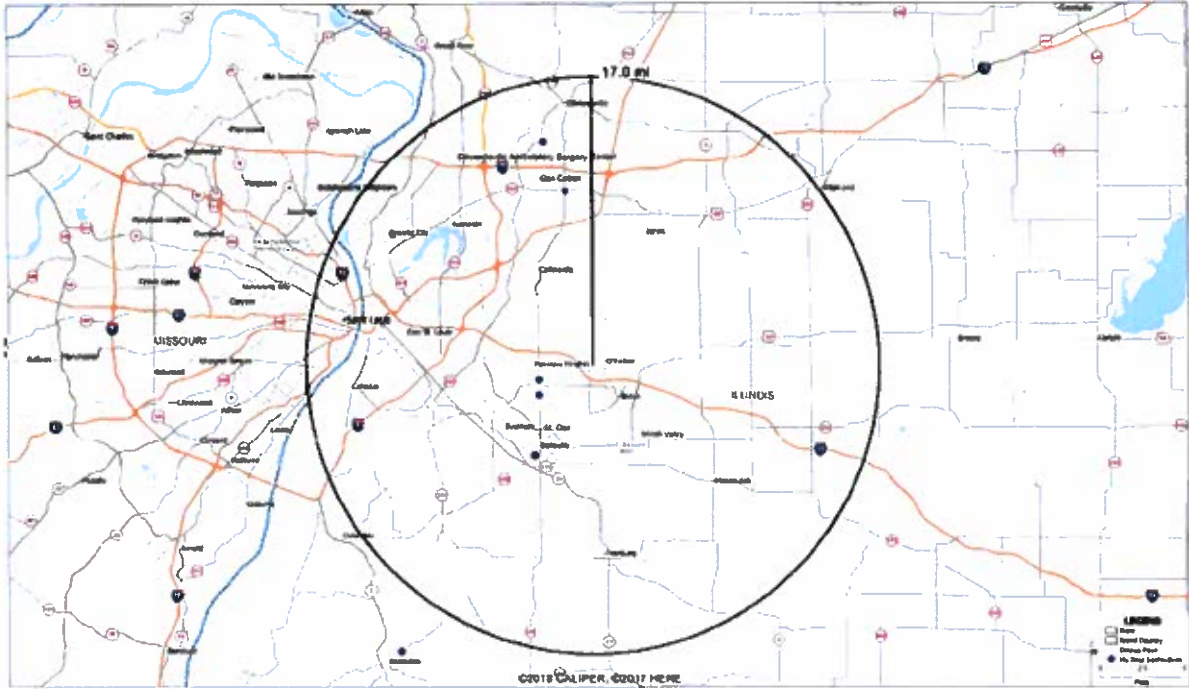
Alex Kacik, *Hospital Price Growth Driving Healthcare Spending*, MODERN HEALTHCARE, Feb. 4, 2019 available at <https://www.modernhealthcare.com/article/20190204/NEWS/190209984/hospital-price-growth-driving-healthcare-spending> (last visited Oct. 14, 2020).

Letter from ASC Advocacy Committee to Secretary Sebelius available at <http://wasca.net/wp-content/uploads/2010/10/Final-ASCAC-ASCA-VBP-letter-to-Sebelius.pdf> (last visited July 28, 2020).

United Healthcare's prior authorization requirements for HOPDs available at [https://www.uhcprovider.com/content/dam/provider/docs/public/policies/protocols/Prior\\_Authorization\\_Outpatient\\_Surgical\\_Procedures\\_FAQ.pdf](https://www.uhcprovider.com/content/dam/provider/docs/public/policies/protocols/Prior_Authorization_Outpatient_Surgical_Procedures_FAQ.pdf) (last visited May 23, 2019).

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

## Physicians' Surgery Centre 17-mile Geographic Service Area



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

**Alternatives**

The Applicants explored several options prior to determining to add orthopedic surgery to their ASTC. The options considered are as follows:

- a. Do nothing;
- b. Utilize existing facilities;
- c. Add orthopedic procedures to the existing ASTC.

After exploring these options, which are discussed in more detail below, the Applicants decided to add orthopedic procedures to their ASTC. A review of each of the options considered and the reasons they were rejected follows.

**Do Nothing (\$0)**

The first alternative considered was to maintain the status quo, whereby the Applicants would continue to perform only gastroenterology, ophthalmology and pain management procedures at PSC. The primary purpose of this project is to improve access to orthopedic surgery services to medically underserved residents within the PSC's geographic service area (GSA) and to increase utilization at PSC, which currently has capacity. This alternative would not address these goals, as it would require patients to continue undergoing procedures in the hospital setting due to the fact Edwardsville Ambulatory Surgery Center is not a viable option for many patients. It would not improve access to high-quality, lower cost ASTC care as described throughout this application. Furthermore, doing nothing would not improve access to safety net services for residents of the GSA or increase utilization at PSC. For these reasons, this alternative was rejected.

**Utilize Other Health Care Facilities (\$0)**

Another alternative the Applicants considered was utilizing existing healthcare facilities to provide an option for orthopedic surgery. However, this was not a viable alternative. As previously stated, Edwardsville Ambulatory Surgery Center is the only ASTC in the GSA that offers orthopedic surgery, and it is located near the northern boundary of the GSA. Importantly, 65% of projected PSC patients reside outside the 17-mile GSA of Edwardsville Ambulatory Surgery Center, with some patients residing over 30 miles away, necessitating travel of more than 40 minutes for a procedure to be performed there. PSC is a more convenient destination for these patients, as it is centrally located near their residences and multiple public transportation options. Additionally, since it is not part of a hospital campus, PSC is much more easily accessible in terms of parking, wayfinding, family waiting areas and drop-off/pick-up. Addition of a surgical specialty at PSC will provide patients and payors a convenient, high quality, lower cost alternative to hospital outpatient departments for orthopedic surgery.

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

**Add Orthopedic Surgery Procedures to the Existing ASTC (\$180,000)**

As more fully discussed above, PSC has capacity to add more procedures. To increase utilization at the surgery center while at the same time increasing access to orthopedic surgery in a lower cost setting, PSC decided to request the addition of this surgical specialty to its existing ASTC. After weighing this low cost option against others, it was determined that this alternative would provide the greatest benefit in terms of increased utilization and increased access to healthcare services.

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

The Applicants propose to add orthopedic surgical services to an existing ASTC. Pursuant to Section 1110, Appendix B of the State Board's rules, the State standard is 2,075 – 2,750 gross square feet per operating room. The total gross square footage of the clinical space of Physicians' Surgical Centre is 2,200 gross square feet. Accordingly, Physicians' Surgical Centre meets the State standard per operating room.

<b>SIZE OF PROJECT</b>				
<b>DEPARTMENT/SERVICE</b>	<b>PROPOSED BGSF/DGSF</b>	<b>STATE STANDARD</b>	<b>DIFFERENCE</b>	<b>MET STANDARD?</b>
ASTC	2,200	2,075 – 2,750	N/A	Within State Standard

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

The ASTC's annual utilization shall improve to be closer to the State Board's utilization standard. Importantly, Physicians' Surgical Centre is not adding capacity to the planning area, but is trying to increase utilization of its existing surgery center to be closer to the State Board standard by adding cases. The Applicant performed 61 procedures (or 36 surgical hours) in 2019. As documented in the physician referral letters attached at Appendix – 1, Dr. Felix Ungacta anticipates referring 16 orthopedic surgery cases to PSC within the first year after project completion. Based upon the state average for orthopedic surgery hours per case, additional estimated surgical hours, including prep and cleanup, in the first year after project completion are as follows:

<b>Surgical Specialty</b>	<b>Projected Referrals</b>	<b>Estimated Surgical Time</b>	<b>Estimated Total Surgical Hours After First Year Project Completion</b>
Orthopedic Surgery	16	1.51	24.2

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

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

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

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

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

- a. Attached at Attachment – 24A is a map outlining the intended GSA for PSC. As set forth in Criterion 1110.110(b), the surgery center serves patients residing in and around O'Fallon. Accordingly, the intended primary GSA consists of those areas within a 17-mile radius of PSC.
- b. Pursuant to Section 1100.510(d) of the State Board's rules, the normal travel radius should be based upon the location of the applicant facility. PSC is located in O'Fallon, and therefore the intended GSA is the radius of 17 miles from PSC. A list of all zip codes located, in whole or in part, within a 17-mile radius of PSC as well as the 2018 U.S. Census estimates for each zip code is provided in Table 1110.235(c)(2)(B)(i).

<b>Table 1110.235(c)(2)(B)(i)</b>		
<b>Population within Geographic Service Area</b>		
<b>Zip Code</b>	<b>City</b>	<b>Population</b>
62239	Dupo	4,715
62260	Millstadt	7,405
62223	Belleville	16,309
62243	Freeburg	5,795
62220	Belleville	18,302
62285	Smithton	4,436
62206	East St. Louis	15,121
62201	East St. Louis	7,570
62090	Venice	1,293
62059	Lovejoy	452
62205	East St. Louis	8,007
62204	East St. Louis	7,954
62207	East St. Louis	8,913
62203	East St. Louis	8,264
62232	Caseyville	6,705
62060	Madison	4,586
62040	Granite City	42,447
62208	Fairview Heights	16,516
62226	Belleville	28,666
62269	O'Fallon	32,029
62034	Glen Carbon	13,667
62062	Maryville	8,008
62234	Collinsville	32,426
62221	Belleville	29,949
62225	Scott Air Force Base	5,128
62258	Mascoutah	9,253
62266	New Memphis	87



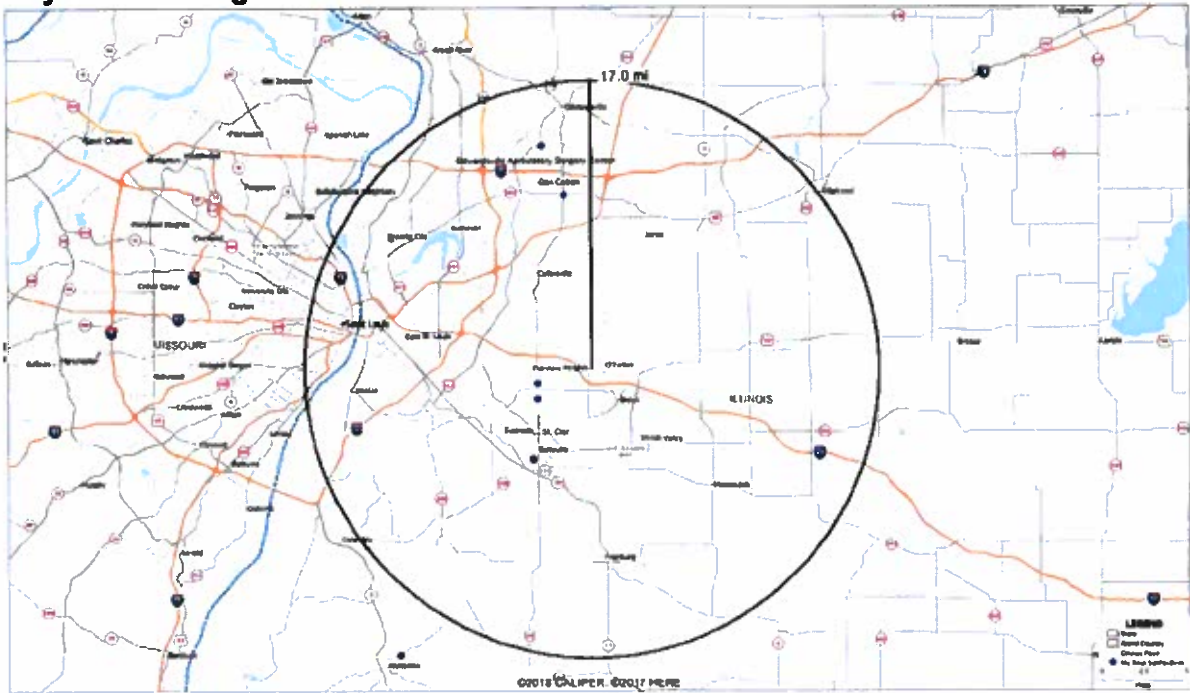
<b>Table 1110.235(c)(2)(B)(i)</b>		
<b>Population within Geographic Service Area</b>		
<b>Zip Code</b>	<b>City</b>	<b>Population</b>
62254	Lebannon	6,292
62294	Troy	14,117
62281	Saint Jacob	2,712
62289	Summerfield	351
62293	Trenton	4,427
62265	New Baden	4,391
62061	Marine	1,671
62025	Edwardsville	34,313
<b>Total</b>		<b>412,277</b>

United States Census Bureau, 2018: ACS 5-Year Estimates Data Profiles available at <https://data.census.gov/cedsci/table?t=Populations%20and%20People&tid=ACSST1Y2019.S0101&hidePreview=false> (last visited Oct. 7, 2020).

- c. Pursuant to Section 1100.510(d) of the State Board's rules, the intended geographic service area shall be a 17-mile radius time from the proposed ASTC. As set forth throughout this application, PSC serves O'Fallon and the surrounding areas within a 17-mile radius of the surgery center. The distance from PSC to the GSA borders are as follows:
- East: 17 miles to Aviston, IL
  - Southeast: 17 miles to Englemann, IL
  - South: 17 miles Prairie Du Long, IL
  - Southwest: 17 miles to Columbia, IL
  - West: 17 miles to St. Louis City, MO
  - Northwest: 17 miles to Madison, IL
  - North: 17 miles to Edwardsville, IL
  - Northeast: 17 miles to Highland, IL
- d. Patient origin information by zip code for Dr. Ungacta's projected surgical cases based on historical cases for the last 12- month period is provided in Table 1110.235(c)(2)(B)(ii) below. As documented in the referral letters, 100% of projected patients reside within the PSC GSA.

<b>Table 1110.235(c)(2)(B)(ii)</b>		
<b>Patient Origin by Zip Code</b>		
<b>Zip Code</b>	<b>City</b>	<b>Patients</b>
62025	Edwardsville	1
62040	Granite City	2
62062	Maryville	1
62265	New Baden	4
62269	O'Fallon	1
62281	Saint Jacob	2
62293	Trenton	3
62294	Troy	2
<b>Total</b>		<b>16</b>

## Physicians' Surgical Centre's 17-Mile GSA



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

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

<b>Table 1110.235(c)(3)</b>		
<b>Hospital/ASTC</b>	<b>Cases Performed In the Last 12 Months</b>	<b>Anticipated Referrals to Physicians' Surgical Centre</b>
Advanced Surgical Center of Sunset Hills Sunset Hills, Missouri	7	3
Anderson Hospital Maryville, Illinois	2	2
Apollo Surgery Center St. Louis, Missouri	3	2
Elite Ambulatory Surgery Center St. Louis, Missouri	3	2
St. Joseph's Hospital Highland, Illinois	25	7
St. Louis Spine & Orthopedic Surgery Center Town and Country, Missouri	5	0
<b>Total</b>	<b>45</b>	<b>16</b>

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

- a. Pursuant to Section 1100.640(c) of the State Board's rules, ambulatory surgical treatment centers should operate 1,500 hours per room per year (including setup and cleanup time). PSC currently has one operating room with a capacity for 1,500 hours per year. In 2019, 61 surgical procedures (or 36 surgical hours) were performed at PSC. Based on Dr. Ungacta's referral letters, PSC projects that 16 additional cases (or 24.2 surgical hours) will be referred to PSC.
- b. PSC estimates the average length of time will be 1.51 hours per orthopedic surgery procedure (including prep and cleanup).<sup>3</sup>

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<sup>3</sup> Average surgical times from 2019 Illinois Ambulatory Surgical Treatment Center State Summary available at <https://www2.illinois.gov/sites/hfsrb/InventoriesData/FacilityProfiles/Documents/2019%20ASTC%20Facility%20State%20Summary%20Report.pdf> (last visited March 15, 2021).

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

The applicants seek to add orthopedic services at an existing ASTC to improve access to orthopedic surgery services for medically underserved residents within PSC's geographic service area and to increase utilization at PSC, which currently has capacity. As discussed throughout this application, patients are currently undergoing orthopedic procedures in the hospital setting due to the fact Edwardsville Ambulatory Surgery Center is the only ASTC in the GSA that offers these procedures, and it is not a viable option for many patients.

Offering an option for patients within the GSA to obtain orthopedic services is important for a number of reasons. Not only are hospital outpatient departments (HOPDs) more costly, less efficient, and less convenient than ASTCs, they also carry an increased risk of patients being exposed to the coronavirus. By offering orthopedic surgery, PSC will allow physicians to schedule their surgeries to maximize efficiency. Furthermore, ASTCs provide high quality surgical care, excellent outcomes, and high level of patient satisfaction at a lower cost than HOPDs. Surgical procedures performed in an ASTC are reimbursed at lower rates than HOPDs and result in lower out-of-pocket expenses for patients. Additionally, patients often report an enhanced experience at ASTCs compared to HOPDs due, in part, to easier access to parking, shorter waiting times, and ease of access into and out of the operating rooms. Finally, surgeons are more efficient due to faster turnover of operating rooms, designated surgical times without risk of delay due to more urgent procedures, and specialized nursing staff. As a result of these efficiencies, more time can be spent with patients thereby improving the quality of care.

On April 8, 2019, Shakeel Ahmed, M.D., acquired Physicians' Surgical Center. Dr. Ahmed also owns and operates Metroeast Endoscopy Surgery Center ("MESc"), which is a safety net provider of outpatient surgery services to low income and Medicaid patients residing in the MetroEast area. In 2018, PSC and MESc were the only two ASTCs in HSA 11 for which Medicaid patients constituted a significant portion of their total patients. Most notably, MESc's payor mix was 6.9% for 2020. As PSC accepts all St. Clair and Madison County Medicaid managed care plans, just as MESc does, PSC anticipates it will have a similar payor mix, which is nearly twice the Medicaid mix of ASTCs in HSA 11 (about 3.5% Medicaid).

Through PSC, patients residing in the MetroEast Illinois area have access to surgical procedures that would cost 3 to 4 times more in local hospitals. Accordingly, it is imperative that PSC provides an additional surgical specialty to extend access to a larger and growing population. Based on the above, this project will improve access to care for residents of the geographic service area, including safety net patients.

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

**1. Unnecessary Duplication of Services**

- a. PSC will remain in its current location at 741 Insight Avenue, O'Fallon, Illinois. A map of PSC's market area is attached at Attachment – 24A. A list of all zip codes located, in whole or in part, within a 17-mile radius of PSC as well as the 2018 U.S. Census estimates figures for each zip code is provided in Table 1110.235(c)(7)(A).

<b>Table 1110.235(c)(7)(A)(i) Population within Geographic Service Area</b>		
<b>Zip Code</b>	<b>City</b>	<b>Population</b>
62239	Dupo	4,715
62260	Millstadt	7,405
62223	Belleville	16,309
62243	Freeburg	5,795
62220	Belleville	18,302
62285	Smithton	4,436
62206	East St. Louis	15,121
62201	East St. Louis	7,570
62090	Venice	1,293
62059	Lovejoy	452
62205	East St. Louis	8,007
62204	East St. Louis	7,954
62207	East St. Louis	8,913
62203	East St. Louis	8,264
62232	Caseyville	6,705
62060	Madison	4,586
62040	Granite City	42,447
62208	Fairview Heights	16,516
62226	Belleville	28,666
62269	O'Fallon	32,029
62034	Glen Carbon	13,667
62062	Maryville	8,008
62234	Collinsville	32,426
62221	Belleville	29,949
62225	Scott Air Force Base	5,128
62258	Mascoutah	9,253
62266	New Memphis	87
62254	Lebannon	6,292
62294	Troy	14,117
62281	Saint Jacob	2,712

Table 1110.235(c)(7)(A)(I) Population within Geographic Service Area		
Zip Code	City	Population
62289	Summerfield	351
62293	Trenton	4,427
62265	New Baden	4,391
62061	Marine	1,671
62025	Edwardsville	34,313
<b>Total</b>		<b>412,277</b>

United States Census Bureau, 2018: ACS 5-Year Estimates Data Profiles available at <https://data.census.gov/cedsci/table?t=Populations%20and%20People&tid=ACSSST1Y2019.S0101&hidePreview=false> (last visited Oct. 7, 2020)

- b. A list of all existing and approved hospitals and surgery centers located within the PSC geographic service area that offer orthopedic surgery are identified in the table below.

Table 1110.235(c)(7)(A)(II) Facilities within 17 Miles of Physicians' Surgical Centre			
Facility	Address	City	Driving Distance (Miles)
HSHS St Elizabeth's Hospital	1 Saint Elizabeth Blvd	O'Fallon	0.8
Memorial Hospital East	1404 Cross Street	Shiloh	2.0
Memorial Hospital	4500 Memorial Drive	Belleville	7.8
Touchette Regional Hospital	5900 Bond Avenue	Centreville	13.6
Anderson Hospital	6800 State Route 162	Maryville	14.5
Gateway Regional Medical Center	2100 Madison Ave	Granite City	18.5
Edwardsville Ambulatory Surg Ctr, LLC	12 Ginger Creek Parkway	Glen Carbon	23.5

## 2. Maldistribution of Services

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

a. Ratio of operating rooms to population.

As shown in Table 110.235(c)(7)(B)(i), the ratio of population to operating/procedure rooms is 109% of the State Average.

	<b>Population</b>	<b>Operating/ Procedure Rooms</b>	<b>Rooms to Population</b>	<b>Standard Met?</b>
<b>Geographic Service Area</b>	412,277	94	1:4,386	YES
<b>State</b>	12,671,821	2,639	1:4,802	

b. Historical Utilization of Existing Health Care Facilities

Since ASTCs offer patients and payors a convenient, high quality, lower cost alternative to hospital outpatient departments for orthopedic surgery, it is important that patients within the GSA have access to orthopedic surgery in the ASTC setting. As described throughout this application, Edwardsville Ambulatory Surgery Center is the only ASTC in the GSA that offers orthopedic surgery. As shown on the map attached at Attachment – 24A, Edwardsville Ambulatory Surgery Center is located near the northern boundary of the PSC geographic service area. Importantly, 65% of projected PSC patients reside outside the 17-mile geographic service area of Edwardsville Ambulatory Surgery Center, with some patients residing over 30 miles away, necessitating travel of more than 40 minutes for a procedure to be performed there. PSC is a more convenient destination for these patients, as it is centrally located near their residences and multiple public transportation options. Additionally, since it is not part of a hospital campus, PSC is much more easily accessible in terms of parking, wayfinding, family waiting areas and drop-off/pick-up.

It is also important for PSC to offer orthopedic surgery, because it is an important safety net provider to low income and Medicaid patients residing in the MetroEast area. In 2018, Dr. Ahmed's two Illinois ASTCs, PSC and MESC, were the only two ASTCs in HSA 11 for which Medicaid patients constituted a significant portion of their total patients. Most notably, MESC's Medicaid mix is 6.9% for 2020. As PSC accepts all St. Clair and Madison County Medicaid managed care plans, just as MESC does, PSC anticipates it will have a similar payor mix, which is nearly twice the Medicaid mix of ASTCs in HSA 11 (about 3.5% Medicaid).

c. Sufficient Population to Provide the Necessary Volume or Caseload

PSC currently operates an ASTC with one operating room and proposes to add orthopedic surgery to increase its utilization closer to the State Board's standard of 1,500 surgical hours per operating/procedure room. In 2018, 1,318 surgical procedures (or 1,093 surgical hours) were performed at PSC. Based on Dr. Ungacta's referral letter, PSC projects 16 cases (or 24.2 surgical hours) will be referred to PSC. Accordingly, there is sufficient population to provide the volume necessary to utilize the operating rooms proposed by the project.

**3. Impact on Other Health Care Facilities**

- a. The Project will not have an adverse impact on existing facilities in the GSA or lower utilization of other area providers that are operating below the occupancy standards. The anticipated volumes in Attachment- 15 do not exceed seven cases coming from any individual facility. Accordingly, the impact upon existing facilities will be negligible. Further, many of the anticipated cases are currently crossing the state line to obtain care in Missouri. It is important to expand access to orthopedic services within the ASTC setting, so Illinois patients can obtain care in their home state.



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

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

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

- a. A list of the procedures to be performed at PSC with the proposed charge is provided in Table 1110.235(c)(9).

<b>Table 1110.235(c)(9)</b>		
Remove Part Of Neck Vertebra	22100	\$39,897
Remove Part Thorax Vertebra	22101	\$18,363
Remove Part Lumbar Vertebra	22102	\$39,897
Closed Tx Vert Fx W/O Manj	22310	\$5,500
Closed Tx Vert Fx W/Manj	22315	\$18,363
Manipulation Of Spine	22505	\$9,193
Perq Cervicothoracic Inject	22510	\$18,363
Perq Lumbosacral Injection	22511	\$18,363
Perq Vertebral Augmentation	22513	\$39,897
Spine Surgery Procedure	22899	\$18,363
Tenotomy Shoulder Area 1 Tendon	23405	\$39,897
Tenodesis Long Tendon Biceps	23430	\$39,897
Open Tx Clavicular Fracture Internal Fixation	23515	\$39,897
Arthrt Elbow Capsular Excision Capsular Rls Spx	24006	\$18,363
Excision Olecranon Bursa	24105	\$18,363
Partial Excision Bone Humerus	24140	\$18,363
Partial Excision Bone Olecranon Process	24147	\$18,363
Tenolysis Triceps	24332	\$18,363
Rinsj Rptd Biceps/Triceps Tdn Dstl W/Wo Tdn Grf	24342	\$39,897
Tnot Elbow Lateral/Medial Debride Open	24358	\$18,363
Tnot Elbow Lateral/Medial Debride Open Tdn Rpr	24359	\$18,363
Arthroscopy Shoulder Surgical Capsulorrhaphy	29806	\$39,897
Arthroscopy Shoulder Surgical Repair Slap Lesion	29807	\$39,897
Arthroscopy Shoulder Surgical Removal Loose/Fb	29819	\$18,363
Arthroscopy Shoulder Surg Debridement Extensive	29823	\$18,363
Arthroscopy Shoulder Distal Claviclectomy	29824	\$18,363
Arthroscopy Shoulder Ahesiolysis W/Wo Manipj	29825	\$18,363
Arthroscopy Shoulder W/Coracoacrm Ligmnt Release	29826	\$19,527
Arthroscopy Shoulder Biceps Tenodesis	29828	\$39,897
Arthroscopy Elbow Surgical W/Removal Loose/Fb	29834	\$18,363
Arthroscopy Elbow Surgical Debridement Extensive	29838	\$18,363
Arthroscopy Knee Osteochondral Agrft Mosaicplast	29866	\$39,897
Arthroscopy Knee Removal Loose/Foreign Body	29874	\$18,363
Arthroscopy Knee Synovectomy 2/>Compartments	29876	\$18,363
Arthrs Kne Surg W/Meniscectomy Med/Lat W/Shvg	29881	\$18,363
Arthroscopy Shoulder Rotator Cuff Repair	29827	\$39,897

Table 1110.235(c)(9) above is a non-exhaustive list of the procedures by primary CPT code that will be typically performed within the new specialty. Each line shows anticipated maximum charges for two years for a surgical case with the primary CPT code shown.

- b. A letter from Dr. Shakeel Ahmed, Manager, Physicians' Surgical Centre, committing to maintain the charges listed in Table 1110.235(c)(9) is attached at Attachment – 24G.

March 12, 2021

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

**Re: Charge Commitment**

Dear Chair Savage:

Pursuant to 77 Ill. Admin. Code § 110.235(c)(9)(B), I hereby commit that the charge schedule included in the certificate of need application will not be increased, at a minimum, for the first two years after the addition of orthopedics at O'Fallon Surgical Center, LLC unless a permit is first obtained pursuant to 77 Ill. Admin. Code § 1130.310(a).

Sincerely,



Shakeel Ahmed, M.D.  
Manager & Sole Member  
O'Fallon Surgical Center, LLC and Haris Assets, LLC

**Section V, Service Specific Review Criteria**  
**Non-Hospital Based Ambulatory Surgery**  
**Criterion 1110.235(c)(10), Assurances**

Attached at Attachment – 24H is a letter from Dr. Shakeel Ahmed, Manager, Physicians' Surgical Centre, certifying that a peer review program exists or will be implemented for ASTC services.

March 12, 2021

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

Dear Chair Savage:

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

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

Sincerely,



Shakeel Ahmed, M.D.  
Manager & Sole Member  
O'Fallon Surgical Center, LLC and Haris Assets, LLC

March 12, 2021

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

**Re: Reasonableness of Financing Arrangements**

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the total estimated project costs and related costs will be funded in total by cash and equivalents, including but not limited to investment securities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Shakeel Ahmed', with a large, stylized flourish at the end.

Shakeel Ahmed, M.D.  
Manager & Sole Member  
O'Fallon Surgical Center, LLC and Haris Assets, LLC

**Section VI, Availability of Funds**  
**Criterion 1120.120**

The Project will be funded through cash on hand. To support the fact that there are sufficient funds to cover the cost of the proposed project, the Applicant provides the enclosed letter noting the sufficiency of cash available for the Project.





8182 Maryland Ave.  
Suite 500  
St. Louis, MO 63105

800.711.2027  
314.725.0455

March 17, 2020

To Whom It May Concern:

My name is Aaron Vickar and I serve as the Wealth Advisor for Dr. Shakeel Ahmed. I can confirm that he has well in excess of \$180,000 available that has not been earmarked for another project and can be accessed, in cash, within 24 hours.

If you have any questions, please let me know.

Thank you.

Aaron Vickar

A handwritten signature in black ink, appearing to read 'AV', written over a light blue horizontal line.

Aaron Vickar  
Wealth Advisor

**BUCKINGHAM STRATEGIC WEALTH**

[avickar@bamadvisor.com](mailto:avickar@bamadvisor.com) | 314.743.2241 (direct) | 800.711.2027, ext. 241

8182 Maryland Ave. Suite 500, St. Louis, MO 63105

**Section VII, 1120.130 Financial Viability  
Financial Viability Waiver**

The project will be funded through internal resources (cash on hand) and qualifies for the financial viability waiver.



8182 Maryland Ave.  
Suite 500  
St. Louis, MO 63105

800.711.2027  
314.725.0455

March 17, 2020

To Whom It May Concern:

My name is Aaron Vickar and I serve as the Wealth Advisor for Dr. Shakeel Ahmed. I can confirm that he has well in excess of \$180,000 available that has not been earmarked for another project and can be accessed, in cash, within 24 hours.

If you have any questions, please let me know.

Thank you.

Aaron Vickar

A handwritten signature in black ink, appearing to read 'AV' with a flourish.

Aaron Vickar  
Wealth Advisor

**BUCKINGHAM STRATEGIC WEALTH**

[avickar@bamadvisor.com](mailto:avickar@bamadvisor.com) | 314.743.2241 (direct) | 800.711.2027, ext. 241

8182 Maryland Ave. Suite 500, St. Louis, MO 63105

**VIII, Economic Feasibility Review Criteria**

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

Attached at Attachment- 36A is a letter from the Applicant attesting that the total estimated project costs will be funded entirely with cash.

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

No debt will be necessary to fund the addition of a surgical specialty. Accordingly, this criterion is not applicable.

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

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

<b>COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE</b>									
Department (list below) CLINICAL	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
<b>CLINICAL</b>									
Contingency									
<b>TOTAL CLINICAL</b>									
<b>NON- CLINICAL</b>									
Admin									
Contingency									
<b>TOTAL NON- CLINICAL</b>									
<b>TOTAL</b>									

\* Include the percentage (%) of space for circulation

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

<b>Table 1120.310(c)</b>			
	<b>Proposed Project</b>	<b>State Standard</b>	<b>Above/Below State Standard</b>
Movable or Other Equipment (Not in Construction Contracts)	\$180,000	\$519,570 per room	Below State Standard

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

Operating Expenses:	\$9,835
Procedures:	16 procedures
Operating Expense per Procedure:	\$614.70 per procedure

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

Capital Costs: \$180,000  
Procedures: 16 procedures  
Capital Costs per Procedure: \$11,250 per procedure



**Section IX, Safety Net Impact Statement**

The proposed project is non-substantive as it involves the addition of orthopedic surgery procedures to an existing ASTC. Accordingly, this criterion is not applicable.

**Section X, Charity Care Information**

The table below provides charity care information for the most recent three years for Physicians' Surgical Centre.

<b>CHARITY CARE</b>			
	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Net Patient Revenue</b>	<b>\$5,664,920</b>	<b>\$845,302</b>	<b>\$48,802</b>
Amount of Charity Care (charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0

**Appendix I – Physician Referral Letter**

Attached as Appendix - 1 is a referral letter from Dr. Felix Ungacta projecting that 16 patients will be referred to PSC within 12 to 24 months of project completion. Physicians' Surgical Centre is excited to begin offering orthopedic cases and will start with a small amount. However, given the consistent outmigration of patients from MetroEast Illinois to St. Louis and the push among payors to shift orthopedic surgeries to the ASTC setting, PSC expects orthopedic surgery volumes to grow over time.

Courtney Avery, Administrator  
 Illinois Health Facilities & Services Review Board  
 525 West Jefferson Street, 2nd Floor  
 Springfield, Illinois 62761

Dear Ms. Avery:

I am writing to provide historical and projected referral data for the Physicians' Surgical Centre certificate of need ("CON") application.

I anticipate referring patients to Physicians' Surgical Centre (741 Insight Ave. O'Fallon, Illinois 62269) in the first year after project completion as shown in the table below. Projected case volume will come from the geographic service area of Physicians' Surgical Centre. Over the past twelve months, I have performed a total of 45 outpatient procedures. Patient origin by zip code of residence for patient referrals over the past year is provided in Attachment A.

<b>Name and Location of Licensed Facility</b>	<b>Cases (1/1/20-12/31/20)</b>	<b>Projected Referrals to Physicians' Surgical Centre (Cases)</b>
Advanced Surgical Center of Sunset Hills Sunset Hills, Missouri	7	3
Anderson Hospital Maryville, Illinois	2	2
Apollo Surgery Center St. Louis, Missouri	3	2
Elite Ambulatory Surgery Center St. Louis, Missouri	3	2
St. Joseph's Hospital Highland, Illinois	25	7
St. Louis Spine & Orthopedic Surgery Center Town and Country, Missouri	5	0
<b>Total</b>	<b>45</b>	<b>16</b>

The 16 projected referrals above represent my 16 patients who reside within 17 miles of Physicians' Surgical Centre. As I work to collaborate more broadly with Dr. Ahmed who has a large base of patients in the O'Fallon area, I expect to more than double this volume.


These patient referrals have not been used to support another pending or approved CON application. Any prior referral letter will be withdrawn.

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

I support the proposed addition of orthopedic surgery at Physicians' Surgical Centre.

Courtney Avery  
Page 2

Sincerely,



Felix Ungacta, MD  
30 Apex Dr. Suite 1  
Highland, IL 62249  
Specialty: Orthopedic Surgeon

March 29, 2021

Attachment A

Historical Referrals by Zip Code

<b>Zip Code</b>	<b>Case Count</b>
62231	5
62249	4
62265	4
62215	3
62293	3
62294	2
62216	2
62281	2
62284	2
62040	2
62230	2
62246	2
62471	1
62901	1
62822	1
62088	1
62218	1
62803	1
62062	1
62865	1
62025	1
62906	1
62269	1
62275	1
<b>Total</b>	<b>45</b>