

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: Silver Cross Hospital (Fifth and Sixth Floor Expansion)		
Street Address: 1900 Silver Cross Boulevard		
City and Zip Code: New Lenox, Illinois 60451		
County: Will	Health Service Area: 009	Health Planning Area: A-13

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

Exact Legal Name: Silver Cross Hospital and Medical Centers	
Street Address: 1900 Silver Cross Boulevard	
City and Zip Code: New Lenox, Illinois 60451	
Name of Registered Agent: Vincent Pryor	
Registered Agent Street Address: 1900 Silver Cross Boulevard	
Registered Agent City and Zip Code: New Lenox, Illinois 60451	
Name of Chief Executive Officer: Ruth Colby	
CEO Street Address: 1900 Silver Cross Boulevard	
CEO City and Zip Code: New Lenox, Illinois 60451	
CEO Telephone Number: (815) 300-7000	

Type of Ownership of Applicants

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Edward J. Green, Esq.
Title: Attorney
Company Name: Foley & Lardner LLP
Address: 321 North Clark Street, Suite 2800, Chicago, Illinois 60654
Telephone Number: (312) 832-4375
E-mail Address: egreen@foley.com
Fax Number: (312) 832-4700

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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Facility/Project Identification

Facility Name: Silver Cross Hospital (Fifth and Sixth Floor Expansion)		
Street Address: 1900 Silver Cross Boulevard		
City and Zip Code: New Lenox, Illinois 60451		
County: Will	Health Service Area: 009	Health Planning Area: A-13

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

Exact Legal Name: Silver Cross Health System	
Street Address: 1900 Silver Cross Boulevard	
City and Zip Code: New Lenox, Illinois 60451	
Name of Registered Agent: Edward J. Green, Esq., c/o Foley & Lardner LLP	
Registered Agent Street Address: 321 North Clark Street, Suite 2800	
Registered Agent City and Zip Code: Chicago, Illinois 60654	
Name of Chief Executive Officer: Ruth Colby	
CEO Street Address: 1900 Silver Cross Boulevard	
CEO City and Zip Code: New Lenox, Illinois 60451	
CEO Telephone Number: (815) 300-7000	

Type of Ownership of Applicants

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
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- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

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Name: Edward J. Green, Esq.
Title: Attorney
Company Name: Foley & Lardner LLP
Address: 321 North Clark Street, Suite 2800, Chicago, Illinois 60654
Telephone Number: (312) 832-4375
E-mail Address: egreen@foley.com
Fax Number: (312) 832-4700

Additional Contact

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

Name: Ruth Colby
Title: President and Chief Executive Officer
Company Name: Silver Cross Hospital & Medical Centers
Address: 1900 Silver Cross Boulevard, New Lenox, Illinois 60451
Telephone Number: (815) 300-7000
E-mail Address: rcolby@silvercross.org
Fax Number: 815-300-4965

Additional Contact

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

Name: Mary Bakken
Title: Executive Vice President and Chief Operating Officer
Company Name: Silver Cross Hospital & Medical Centers
Address: 1900 Silver Cross Boulevard, New Lenox, Illinois 60451
Telephone Number: (815) 300-7107
E-mail Address: mbakken@silvercross.org
Fax Number: (815) 300-7047

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: Mary Bakken
Title: Executive Vice President and Chief Operating Officer
Company Name: Silver Cross Hospital & Medical Centers
Address: 1900 Silver Cross Boulevard, New Lenox, Illinois 60451
Telephone Number: (815) 300-7107
E-mail Address: mbakken@silvercross.org
Fax Number: (815) 300-7047

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Silver Cross Hospital and Medical Centers
Address of Site Owner: 1900 Silver Cross Boulevard, New Lenox, Illinois 60451
Street Address or Legal Description of Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: Silver Cross Hospital and Medical Centers

Address: 1900 Silver Cross Boulevard, New Lenox, Illinois 60451

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

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

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

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>). **NOTE: A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.**

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT**1. Project Classification**

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

Part 1110 Classification:

- ☒ Substantive
☐ Non-substantive

2. Narrative Description

Provide in the space below, 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.

Silver Cross Hospital and Medical Centers, an Illinois not-for-profit corporation ("Silver Cross"), and Silver Cross Health System, an Illinois not-for-profit corporation ("Silver Cross Health System," collectively with Silver Cross, the "Applicants") seek authority from the Illinois Health Facilities & Services Review (the "Review Board") to add twenty-four (24) Medical/Surgical ("Med/Surg") Beds (the "Project") to address the increasing demand (and need) for Med/Surg Beds at Silver Cross Hospital and Medical Centers in New Lenox, Illinois ("Silver Cross Hospital") and the need for Med/Surg Beds in Planning Area A-13. Planning Area A-13 is currently showing a need for an additional 81 Med/Surg Beds (as of the March 18, 2021 inventory update).

By way of background, the Applicants have three previously approved projects currently under construction. On December 4, 2018, the Review Board approved the Applicants' Certificate of Need ("CON") Application to establish an open heart surgery category of service and expand Silver Cross Hospital's foot print by 32,020 square feet (the "Open Heart Application"). See Project No. 18-020. As set forth in the Open Heart Application, the Applicants originally proposed to add 21,005 square feet of administrative space, public space, staff support space, and storage space to the first floor and basement at Silver Cross Hospital and proposed to add an 11,015 square foot Open Heart Suite on the second floor, at a total cost of \$22,146,300. This two-story (and basement) addition is commonly referred to as the "Open Heart Addition." Project No. 18-020 is on schedule to be completed by June 30, 2021. As altered pursuant to the CON Application for Project No. 20-023 (see below discussion), Project No. 18-020 now has an approved square footage of 23,874 and an approved permit amount of \$21,073,050.

On September 17, 2019, the Review Board, by action of its Chairwoman, approved the Applicants' Certificate of Exemption ("COE") Application to establish a 24 bed, Level III Neonatal Intensive Care Unit ("NICU") and expand Silver Cross Hospital's foot print by 24,380 square feet (the "NICU Application"). See Project No. E-039-019. As set forth in the NICU Application, the Applicants proposed to add 13,162 square feet of space for the NICU on the third floor (i.e., a new floor on top of the Open Heart Addition) and 11,218 square feet of interstitial space immediately above the NICU to house HVAC and mechanical units to support the NICU. This two-story addition is commonly referred to as the "NICU Addition." Project No. E-039-019 has a scheduled Project completion date of September 30, 2022 (due to the State's delay in enacting the new perinatal regulations). Project No. E-039-019 has an approved permit amount of \$12,830,625.

On July 14, 2020, the Review Board, by action of its Chairwoman, approved the Applicants' CON Application to establish a dedicated sixteen (16) bed observation unit (the "Observation Unit") occupying 8,146 square feet of space on the first floor of the Open Heart Addition (i.e., Project No. 18-020); and (b) reducing the square footage on Project No. 18-020 by 8,146 square feet and reducing the costs on Project No. 18-020 by \$1,073,250. See Project No. 20-023. Project No. 20-023 is on schedule to be completed by June 30, 2021. Project No. 20-023 has an approved permit amount of \$6,895,573.

The Project proposed under this CON Application would add two additional floors on top of the NICU Addition (which is on top of the Open Heart Addition floors). This Project also adds an elevator penthouse on the roof. Each additional floor for this Project (i.e., the fifth floor and sixth floor) would have twelve (12) Med/Surg Beds.

So, once this Project and all of the other projects referenced above are completed, Silver Cross Hospital will have added/expanded 6 floors (and a basement):

Floor	Occupancy
Basement	Administrative Space, Staff Support Space, and Storage Space
First Floor	Public Space and 16 Bed Observation Unit
Second Floor	Open Heart Suite
Third Floor	24 Bed NICU
Fourth Floor	Interstitial Space Housing HVAC and Mechanical Units
Fifth Floor	12 Bed Med/Surg Unit
Sixth Floor	12 Bed Med/Surg Unit
Roof	Elevator Penthouse

As set forth herein, the Applicants have filed this Application to address the increasing demand for inpatient Med/Surg Beds at Silver Cross Hospital and in Planning Area A-13, which is currently showing a need for an additional 81 Med/Surg Beds.

Silver Cross Hospital has experienced strong growth in Med/Surg admissions and Med/Surg patients days since it opened its new hospital in New Lenox in 2012. Since 2013, there has been an average yearly increase in Med/Surg patient days of 2.6%. Med/Surg admissions at Silver Cross Hospital have grown from 12,293 in 2013 to 13,701 in 2020, a nearly 12% increase. Med/Surg patient days have also increased. From 2013 to 2020, Med/Surg patient days have increased by almost 20% (from 54,789 in Calendar Year 2013 to 65,416 in Calendar Year 2020). Although Silver Cross Hospital has increased the number of its Med/Surg Beds from 185 Med/Surg Beds in 2012 to 207 Med/Surg Beds in 2020, Silver Cross Hospital has consistently had high occupancy rates, ranging from 81% to most currently 86.3% in 2020. And, in order to address the increasing, immediate demand for Comprehensive Rehab Beds, on March 18, 2021, Silver Cross Hospital submitted notice to the Review Board and Public Health that it would like to increase the number of its Comprehensive Rehabilitation Beds by 3 (from 25 to 28) and to decrease the number of its Med/Surg Beds by 3 (from 207 to 204), which will drive the Med/Surg Bed utilization even higher.

New service lines such as open heart surgery, thoracic, and vascular surgery have increased the demand for Med/Surg Beds at Silver Cross Hospital. The addition of 24 Med/Surg Beds will address these issues.

This Project will add a total of 21,984 department gross square feet of space (and 23,250 building gross square feet) to Silver Cross Hospital and will cost \$21,285,032 to complete.

It is anticipated that this Project will be completed on January 31, 2023.

Pursuant to 77 Il. Admin. § 1110.20(c)(1)B(i), this Project is considered "Substantive."

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts	\$12,350,199	\$1,684,801	\$14,035,000
Modernization Contracts			
Contingencies	\$1,234,580	\$168,420	\$1,403,000
Architectural/Engineering Fees	\$871,158	\$118,842	\$990,000
Consulting and Other Fees	\$352,863	\$48,137	\$401,000
Movable or Other Equipment (not in construction contracts)	\$4,240,032	\$216,000	\$4,456,032
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)			
TOTAL USES OF FUNDS	\$19,048,831	\$2,236,201	\$21,285,032
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$19,048,831	\$2,236,201	\$21,285,032
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$19,048,831	\$2,236,201	\$21,285,032
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

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

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: \$ _____
Fair Market Value: \$ _____

The project involves the establishment of a new facility or a new category of service
☐ Yes ☒ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ _____.

Project Status and Completion Schedules

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

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): **January 31, 2023**

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

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

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

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable:

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

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

Cost Space Requirements

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Fifth Floor Med/Surg Unit (Clinical Portions)			9,691 DGSF	9,691 DGSF			
Sixth Floor Med/Surg Unit (Clinical Portions)			9,691 DGSF	9,691 DGSF			
Total Clinical Department			19,382 DGSF	19,382 DGSF			
Building Allocation (Prorata Clinical)			1,165 BGSF	1,165 BGSF			
Total Reviewable Building (Clinical)			20,547 BGSF	20,547 BGSF			
NON REVIEWABLE							
Fifth Floor Med/Surg Unit (Non-Clinical Portions)			827 DGSF	827 DGSF			
Sixth Floor Med/Surg Unit (Non-Clinical Portions)			827 DGSF	827 DGSF			
Elevator Penthouse			948 DGSF	948 DGSF			
Total Non-Clinical Department			2,602 DGSF	2,602 DGSF			
Building Allocation (Prorata Non-Clinical)			201 BGSF	201 BGSF			
Total Building Non-Clinical			2,803 BGSF	2,803 BGSF			
Total Department			21,984 DGSF	21,984 DGSF			
Total Building			23,350 BGSF	23,350 BGSF			

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

Facility Bed Capacity and Utilization

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 the data are available**. Include **observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: Silver Cross Hospital		CITY: 1900 Silver Cross Blvd., New Lenox, Illinois			
REPORTING PERIOD DATES: From: 01/01/2020 to: 12/31/2020					
Category of Service	Authorized** Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	204	13,701	65,416	+24	228
Obstetrics	30	3,109	7,669	0	30
Pediatrics	8	97	458	0	8
Intensive Care	30	1,810	10,477	0	30
Comprehensive Physical Rehabilitation	28	688	8,137	0	28
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:	300	19,405	92,157	0	324

** Please see the following notes which impact the above chart:

On September 17, 2019, the Review Board, by action of its Chairwoman, approved the Applicants' Certificate of Exemption ("COE") Application to establish a 24 bed, Level III Neonatal Intensive Care Unit at Silver Cross Hospital. See Project No. E-039-019. Project No. E-039-019 has a scheduled Project completion date of September 30, 2022 (due to the State's delay in enacting the new perinatal regulations).

On June 4, 2020, pursuant to 77 Ill. Admin. § 1130.240, Silver Cross Hospital notified the Review Board and Public Health that Silver Cross Hospital added temporary beds and re-allocated various beds in response to the COVID-19 pandemic. Silver Cross Hospital has since returned to its normal, authorized bed levels and allocations.

On July 14, 2020, the Review Board, by action of its Chairwoman, approved the Applicants' CON Application to establish a dedicated 16 bed observation unit. See Project No. 20-023. Project No. 20-023 is on schedule to be completed by June 30, 2021.

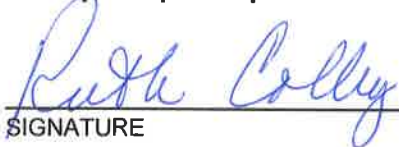
On March 18, 2021, Silver Cross Hospital submitted notice to the Review Board and Public Health that it would like to increase the number of its Comprehensive Rehabilitation Beds by 3 (from 25 to 28) and to decrease the number of its Med/Surg Beds by 3 (from 207 to 204). This chart assumes that Public Health will allow Silver Cross to increase the number of its Comprehensive Rehabilitation Beds by 3 and to decrease the number of its Med/Surg Beds by 3.

CERTIFICATION

The Application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) 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 Silver Cross Hospital & Medical Centers* 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 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

Ruth Colby
PRINTED NAME

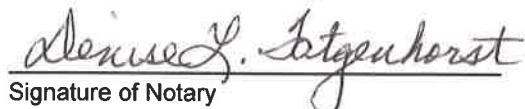
President & CEO
PRINTED TITLE


SIGNATURE

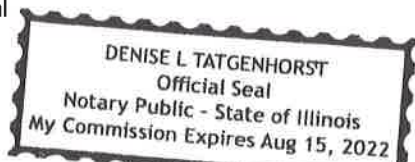
Vincent Pryor
PRINTED NAME

Executive Vice President & CFO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 31 day of March, 2021


Signature of Notary

Seal

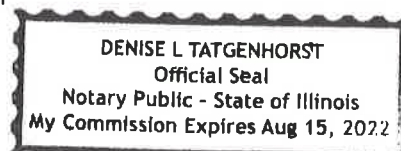


*Insert EXACT legal name of the applicant

Notarization:
Subscribed and sworn to before me
this 31 day of March, 2021


Signature of Notary

Seal



CERTIFICATION

The Application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

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

This Application is filed on the behalf of Silver Cross Health System* 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

Ruth Colby
PRINTED NAME

President & CEO
PRINTED TITLE

SIGNATURE

Vincent Pryor
PRINTED NAME

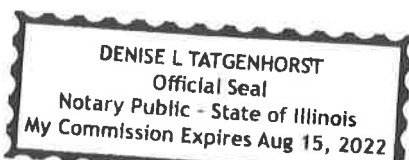
Assistant Treasurer & CFO
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 31 day of March, 2021

Denise L. Tatgenhorst
Signature of Notary

Seal



*Insert EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
this 31 day of March, 2021

Denise L. Tatgenhorst
Signature of Notary

Seal



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

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

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

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

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

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

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

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

ALTERNATIVES

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

Alternative options **must** include:

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

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

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

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

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

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

UNFINISHED OR SHELL SPACE:

Provide the following information:

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

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

ASSURANCES:

Submit the following:

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

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

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:**

A. Criterion 1110.200 - Medical/Surgical, Obstetric, Pediatric and Intensive Care

- Applicants proposing to establish, expand and/or modernize the Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:
- Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input checked="" type="checkbox"/> Medical/Surgical	204**	228**
<input type="checkbox"/> Obstetric		
<input type="checkbox"/> Pediatric		
<input type="checkbox"/> Intensive Care		

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.200(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.200(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.200(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.200(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.200(b)(5) - Planning Area Need - Service Accessibility	X		
1110.200(c)(1) - Unnecessary Duplication of Services	X		
1110.200(c)(2) - Maldistribution	X	X	
1110.200(c)(3) - Impact of Project on Other Area Providers	X		
1110.200(d)(1), (2), and (3) - Deteriorated Facilities			X
1110.200(d)(4) - Occupancy			X

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.200(e) - Staffing Availability	X	X	
1110.200(f) - Performance Requirements	X	X	X
1110.200(g) - Assurances	X	X	
APPEND DOCUMENTATION AS <u>ATTACHMENT 18</u> IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

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

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

VI. 1120.120 - AVAILABILITY OF FUNDS

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

<u>\$21,285,032</u>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion; <p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p> <p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p> <p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions. <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>
<u>\$21,285,032</u>	TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT 33 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

Variance

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

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

SECTION VIII.1120.140 - ECONOMIC FEASIBILITY

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

A. Reasonableness of Financing Arrangements

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

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

B. Conditions of Debt Financing

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

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

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

SECTION IX. SAFETY NET IMPACT STATEMENT

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

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

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

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

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

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

APPEND DOCUMENTATION AS ATTACHMENT 37 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. CHARITY CARE INFORMATION

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

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

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

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

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


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


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

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

1. Applicant: Silver Cross Hospital and Medical Centers, 1900 Silver Cross Boulevard, New Lenox, Illinois, 60451
2. Project Location: 1900 Silver Cross Boulevard, New Lenox, Illinois, 60451
3. Project Location: Will County, Village of New Lenox, 1170706, 17197C0190G (eff. 2/15/2019)

4. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go To NFHL Viewer** tab above the

map. You can print a copy of the floodplain map by selecting the  icon in the top corner of the page.

Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

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

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

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN? Yes: X (Zone X) No: ___

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.

If the determination is being made by a local official, please complete the following:

FIRM Panel Number: 17197C0190G

Effective Date: 2/15/2019

Name of Official: _____

Title: _____

Business/Agency: _____

Address: _____

Signature: _____

Date: _____

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

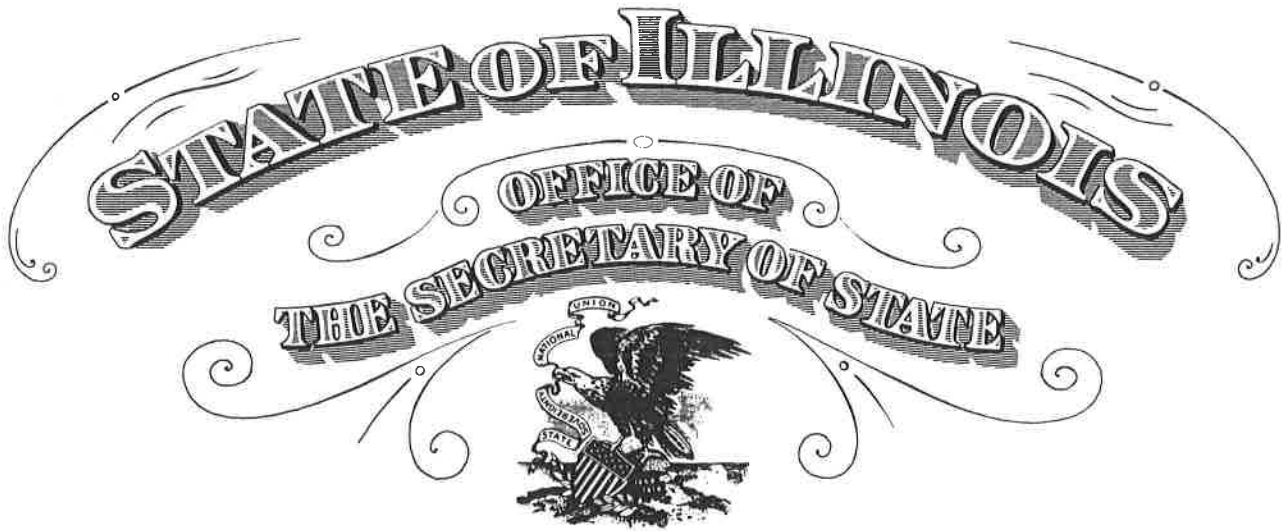
If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428

Section I
Attachment 1
Applicant Identification

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

File Number

0548-203-8



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

SILVER CROSS HOSPITAL AND MEDICAL CENTERS, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 16, 1891, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 16TH
day of DECEMBER A.D. 2020 .

Jesse White

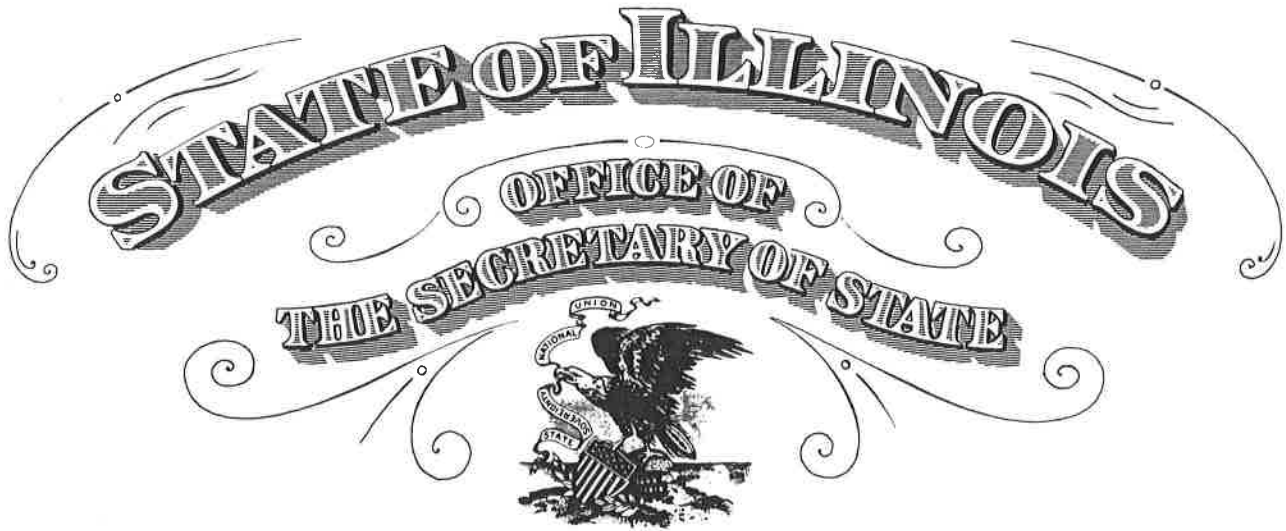
SECRETARY OF STATE

Authentication #: 2035101364 verifiable until 12/16/2021

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

File Number

5257-283-5



To all to whom these Presents Shall Come, Greeting:

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

SILVER CROSS HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 19, 1981, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 16TH
day of DECEMBER A.D. 2020 .

Jesse White

SECRETARY OF STATE

Authentication #: 2035101664 verifiable until 12/16/2021

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

Section I
Attachment 2
Site Ownership

Silver Cross owns and operates Silver Cross Hospital. An Affidavit from Ruth Colby, the President and CEO of Silver Cross, in support of this Criterion is attached at ATTACHMENT 2.

March 31, 2021

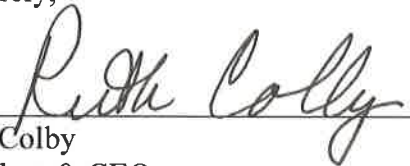
Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Certification of Corporate Ownership of Silver Cross Hospital and Medical Centers (Med/Surg Expansion Certificate of Need)

Dear Mr. Constantino:

I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, that Silver Cross Hospital and Medical Centers, an Illinois not-for-profit, owns and operates Silver Cross Hospital and Medical Centers, a general acute care hospital located at 1900 Silver Cross Boulevard, New Lenox, Illinois.

Sincerely,



Ruth Colby
President & CEO
Silver Cross Health System
Silver Cross Hospital and Medical Centers

SUBSCRIBED AND SWORN
to before me this 31 day
of March, 2021.



Notary Public



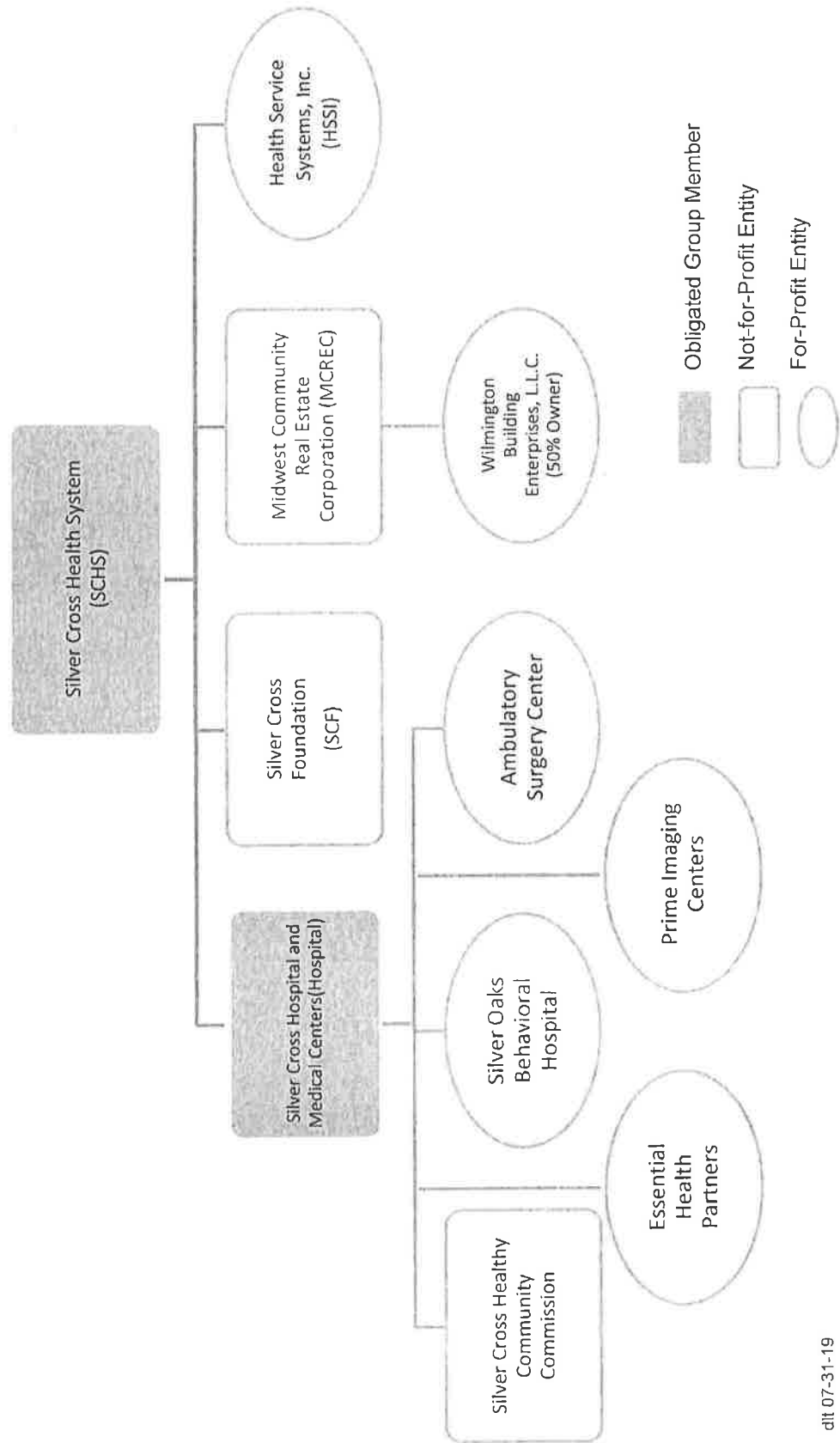
Section I
Attachment 3
Operating Entity/Licensee

Silver Cross owns and operates Silver Cross Hospital. The Certificate of Good Standing for Silver Cross is attached at ATTACHMENT 1.

Section I
Attachment 4
Organizational Relationships

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

Silver Cross Health System & Affiliates



dlt 07-31-19

Section I
Attachment 5
Flood Plain Compliance

As set forth in ATTACHMENT 5, Silver Cross Hospital is located in flood plain Zone X, which is designated as an area of low flood risk not requiring flood insurance. See Flood Insurance Rate Map No. 17197C0190G (revised February 15, 2019), which is attached at ATTACHMENT 5. An Affidavit from Ruth Colby, the President and CEO of Silver Cross Hospital, attesting to the fact that the Applicants will comply with Executive Order #5 (2006), to the extent Executive Order #5 (2006) is applicable, is also attached at ATTACHMENT 5.

The Applicants have also completed the Special Flood Hazard Area and 500-Year Flood Plain Determination Form now required by the Review Board. See Section XI of this Application.



FEMA's National Flood Hazard Layer (NFHL) Viewer

with Web App



0.2mi

87.968 41.541 Degrees



Illinois State Water Survey

Main Office • 2204 Griffith Drive • Champaign, IL 61820-7495 • Tel (217) 333-2210 • Fax (217) 333-6540
 Peoria Office • P.O. Box 697 • Peoria, IL 61652-0697 • Tel (309) 671-3196 • Fax (309) 671-3106



Special Flood Hazard Area Determination pursuant to Governor's Executive Order 5 (2006) (supersedes Governor's Executive Order 4 (1977))

Requester: Sara Jackson, Director, Planning
 Address: Silver Cross Hospital, 1200 Maple Road
 City, state, zip: Joliet, IL 60432 Telephone: (815) 740-1234 x7544

Site description of determination:

Site address: SE corner Maple Rd. (US 6) & Clinton St.
 City, state, zip: New Lenox, IL 60451
 County: Will Sec#: W1/2 of SW1/4 Section: 4 T. 35 N. R. 11 E. PM: 3rd
 Subject area: Parcel IDs 15-08-04-300-008-0000, 15-08-04-300-011-0000, & 15-08-04-300-012-0000, which comprise the W1/2 SW1/4 Sec. 4, T. 35 N., R. 11 E., 3rd P.M., Will County IL, except the S 250 ft thereof, and except U.S. 6 and Clinton St. rights-of-way.

The property described above IS NOT located in a Special Flood Hazard Area or a shaded Zone X floodzone.

Floodway mapped: N/A Floodway on property: No
 Sources used: FEMA Flood Insurance Rate Map (FIRM - copy attached); Will Co. tax parcel map 08-04-C-W (9/15/2006)
 Community name: Village of New Lenox, IL Community number: 170706
 Panel/map number: 17197C0190 E Effective Date: September 6, 1995
 Flood zone: X (unshaded) Base flood elevation: N/A R NOVD 1929

- N/A a. The community does not currently participate in the National Flood Insurance Program (NFIP). NFIP flood insurance is not available; certain State and Federal assistance may not be available.
N/A b. Panel not printed: no Special Flood Hazard Area on the panel (panel designated all Zone C or unshaded X).
N/A c. No map panels printed: no Special Flood Hazard Areas within the community (NSFHA).

The primary structure on the property:

- N/A d. Is located in a Special Flood Hazard Area. Any activity on the property must meet State, Federal, and local floodplain development regulations. Federal law requires that a flood insurance policy be obtained as a condition of a federally-backed mortgage or loan that is secured by the building.
N/A e. Is located in shaded Zone X or B (500-yr floodplain). Conditions may apply for local permits or Federal funding.
X f. Is not located in a Special Flood Hazard Area or a 500-year floodplain. (Flood insurance may still be available.)
N/A g. A determination of the building's exact location cannot be made on the current FEMA flood hazard map.
N/A h. Exact structure location is not available or was not provided for this determination.

Note: This determination is based on the current Federal Emergency Management Agency (FEMA) flood hazard map for the community. This letter does not imply that the referenced property will or will not be free from flooding or damage. A property or structure not in a Special Flood Hazard Area may be damaged by a flood greater than that predicted on the FEMA map or by local drainage problems not mapped. This letter does not create liability on the part of the Illinois State Water Survey, or employee thereof for any damage that results from reliance on this determination. This letter does not exempt the project from local stormwater management regulations.

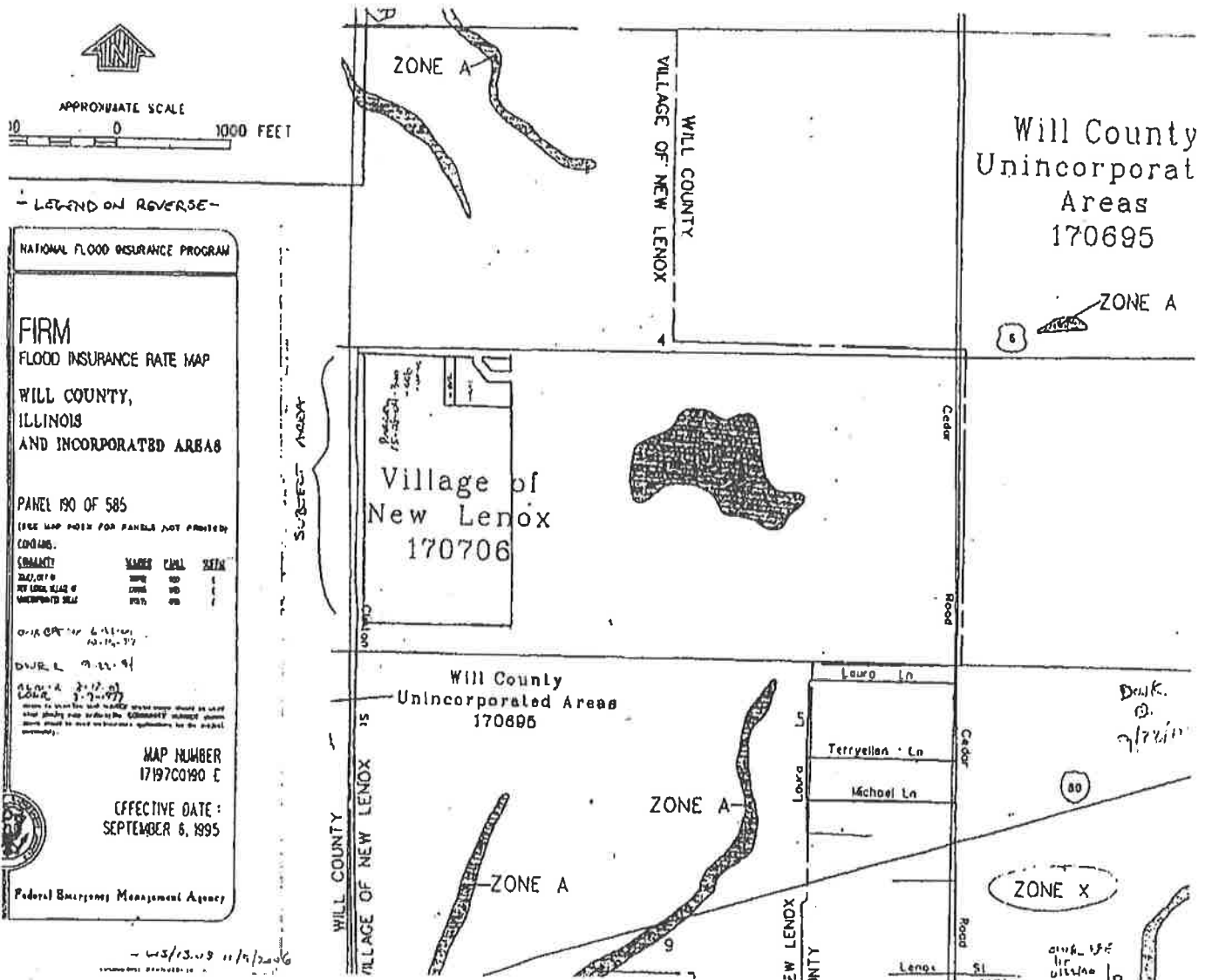
Questions concerning this determination may be directed to Bill Saylor (217/333-0447) at the Illinois State Water Survey. Questions concerning requirements of Governor's Executive Order 5 (2006), or State floodplain regulations, may be directed to John Lentz (847/608-3100) at the IDNR Office of Water Resources.

William Saylor
 William Saylor, CEM 443-00101, Illinois State Water Survey

Title: ISWS Surface Water & Floodplain Information Date: 11/9/2006

to 7671 Date 11/9/2006

Attachment



#E-U33-13

LEGEND



SPECIAL FLOOD HAZARD AREAS INUNDATED BY 100-YEAR FLOOD

- ZONE A No base flood elevations determined
- ZONE AE Base flood elevations determined
- ZONE AH Flood depths of 1 to 3 feet (usually areas of ponding); base flood elevations determined
- ZONE AD Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined. For areas of alluvial fan flooding, velocities also determined.
- ZONE A99 To be protected from 100-year flood by Federal flood protection system under construction; no base flood elevations determined
- ZONE V Coastal flood with velocity hazard (wave action); base flood elevations determined.
- ZONE VE Coastal flood with velocity hazard (wave action); base flood elevations determined.



FLOODWAY AREAS IN ZONE AE

OTHER FLOOD AREAS



- ZONE X Areas of 500-year flood; areas of 100-year flood with average depths of less than 1 foot; or with drainage areas less than 1 square mile, and areas protected by levees from 100-year flood

OTHER AREAS



- ZONE X Areas determined to be outside 500-year floodplain.



- ZONE D Areas in which flood hazards are undetermined

UNDEVELOPED COASTAL BARRIERS

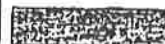
Identified
1993Identified
1990Otherwise
Protected Areas

Undeveloped coastal barrier areas are normally located within or adjacent to Special Flood

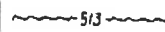
Boundary

Floodway Boundary

Zone D Boundary



Boundary Dividing Special Flood Hazard Zones and Boundary Dividing Areas of Different Coastal Base Flood Elevations Within Special Flood Hazard Zones



Base Flood Elevation Line: Elevation in Feet



Cross Section Line

(EL 987)

Base Flood Elevation in Feet Where Uniform Within Zone

RM7x

Elevation Reference Mark

M1.5

River Mile

Referenced to the National Geodetic Vertical Datum of 1929

MAP REPOSITORY

Refer to Repository Listing on Map Index

EFFECTIVE DATE OF COUNTYWIDE
FLOOD INSURANCE RATE MAP
SEPTEMBER 6, 1995

EFFECTIVE DATE(S) OF REVISION(S) TO THIS PANEL

Refer to the FLOOD INSURANCE RATE MAP effective date shown on the map determine when actuarial rates apply to structures in the zones where elevations or depths have been established.

To determine if flood insurance is available in this community, contact your insurance agent or call the National Flood Insurance Program at 1-800-638-1464.



APPROXIMATE SCALE

0048

ATTACHMENT
10

#E-UCR-19

March 31, 2021

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

Re: Certification Re: Compliance with Illinois Executive Order #5
(Med/Surg Expansion Certificate of Need)

Dear Mr. Constantino:

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

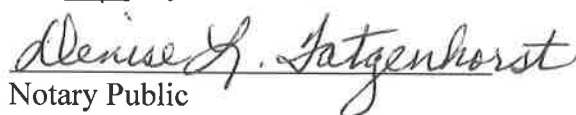
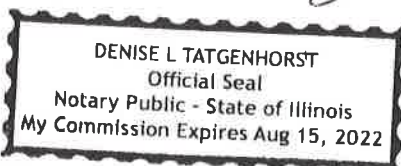
1. Silver Cross Hospital and Medical Centers, ("Silver Cross Hospital"), a general acute care hospital located at 1900 Silver Cross Boulevard, New Lenox, Illinois, is owned and operated by Silver Cross Hospital and Medical Centers, an Illinois not-for-profit corporation ("Silver Cross").
2. Silver Cross Hospital is not located within a flood plain area.
3. Silver Cross has reviewed and will comply with the development requirements of Illinois Executive Order #5 (2006), to the extent Illinois Executive Order #5 (2006) is applicable.

Sincerely,



Ruth Colby
President & CEO
Silver Cross Health System
Silver Cross Hospital and Medical Centers

Subscribed and Sworn to before me
this 31 day of March, 2021.


Notary Public

Section 1
Attachment 6
Historic Resources Preservation Act Compliance

By way of background, Silver Cross Hospital (at its New Lenox location) opened in 2012, and stands on what was formerly farmland. In 2006, the Illinois State Historic Preservation Office (the "Historic Preservation Office") determined that the construction of Silver Cross Hospital (in New Lenox) presented no issues. In 2018, as part of Project No. 18-020 (the "Open Heart Addition"), the Historic Preservation Office issued a clearance letter to Silver Cross Hospital which authorized the expansion of the Silver Cross Hospital footprint by 32,020 feet. See ATTACHMENT 6.

The Project proposed under this CON Application would add two additional floors on top of the NICU Addition floors (see Project No. E-039-019), which sits on top of the Open Heart Addition floors. Thus, like Project No. 18-020, this Project is in compliance with the requirements of the Illinois Historic Resources Preservation Act.



Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271

www.dnr.illinois.gov

Mailing Address: 1 Old State Capitol Plaza, Springfield, IL 62701

JB Pritzker, Governor

Colleen Callahan, Director

FAX (217) 524-7525

Will County

New Lenox

CON - New Construction of Two for a Neonatal Intensive Care Unit, Silver Cross Hospital

1900 Silver Cross Blvd.

SHPO Log #010082019

December 6, 2019

Edward Green

Foley & Lardner LLP

321 N. Clark St., Suite 2800

Chicago, IL 60654

Dear Mr. Green:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please call 217/782-4836.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert F. Appleman".

Robert F. Appleman
Deputy State Historic
Preservation Officer



FOLEY & LARDNER LLP

ATTORNEYS AT LAW

321 N CLARK STREET, SUITE 2800
CHICAGO, ILLINOIS, 60654-5313
312.832.4500 TEL
312.832.4700 FAX
www.foley.com

WRITER'S DIRECT LINE

312.832.4375
egreen@foley.com EMAIL

CLIENT/MATTER NUMBER
026141-0101

August 12, 2019

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

Mr. Robert Appleman
Deputy State Historic Preservation Officer
Preservation Services Division
Illinois Historic Preservation Office
1 Natural Resources Way
Springfield, Illinois 62702-1271

Re: Silver Cross Hospital and Medical Centers – Expansion

Dear Mr. Appleman:

I am writing on behalf of Silver Cross Hospital and Medical Centers ("Silver Cross Hospital"), a general acute care hospital located at 1900 Silver Cross Boulevard, New Lenox, Illinois 60451. We are in the process of preparing a Certificate of Exemption Application for Silver Cross Hospital, pursuant to which Silver Cross Hospital will seek permission from the Illinois Health Facilities and Services Review Board to establish a neonatal intensive care unit (the "NICU") at Silver Cross Hospital. As part of the establishment of the NICU, Silver Cross Hospital will be adding two floors to Silver Cross Hospital. Pursuant to Section 4 of the Illinois State Agency Historic Resources Preservation Act (the "Act"), we are seeking a formal determination from the Illinois Historic Preservation Agency as to whether the Act applies to the expansion of Silver Cross Hospital. The legal description and parcel identification number for the land upon which Silver Cross Hospital sits is attached as Exhibit A. A drawing of Silver Cross Hospital and the proposed expansion is attached as Exhibit B.

By way of background, Silver Cross Hospital (at its New Lenox location) opened in 2012, and stands on what was formerly farmland. In 2006, your office determined that the construction of Silver Cross Hospital presented no issues. A copy of that clearance letter is attached as Exhibit C. On August 27, 2018, your office cleared the construction of a two-story addition to the immediate east of the existing Silver Cross Hospital structure (to accommodate the establishment of a structural heart program at Silver Cross Hospital). A copy of that clearance letter is attached as Exhibit D. The NICU expansion will simply add two floors (technically, one floor for the NICU and one floor of interstitial space to accommodate HVAC and mechanical units to support the NICU) above the floors for the structural heart program.

AUSTIN
BOSTON
CHICAGO
DALLAS
DENVER

DETROIT
HOUSTON
JACKSONVILLE
LOS ANGELES
MADISON

MEXICO CITY
MIAMI

0044

SACRAMENTO
SAN DIEGO
SAN FRANCISCO
SILICON VALLEY
TALLAHASSEE

TAMPA
WASHINGTON, D.C.
BRUSSELS
TO

Attachment



FOLEY & LARDNER LLP

Mr. Robert Appleman

August 12, 2019

Page 2

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

Best regards,

A handwritten signature in dark ink, appearing to read 'Edward J. Green'.

Edward J. Green

EJG:src

Encls.

Will County Supervisor of Assessments

Attachment

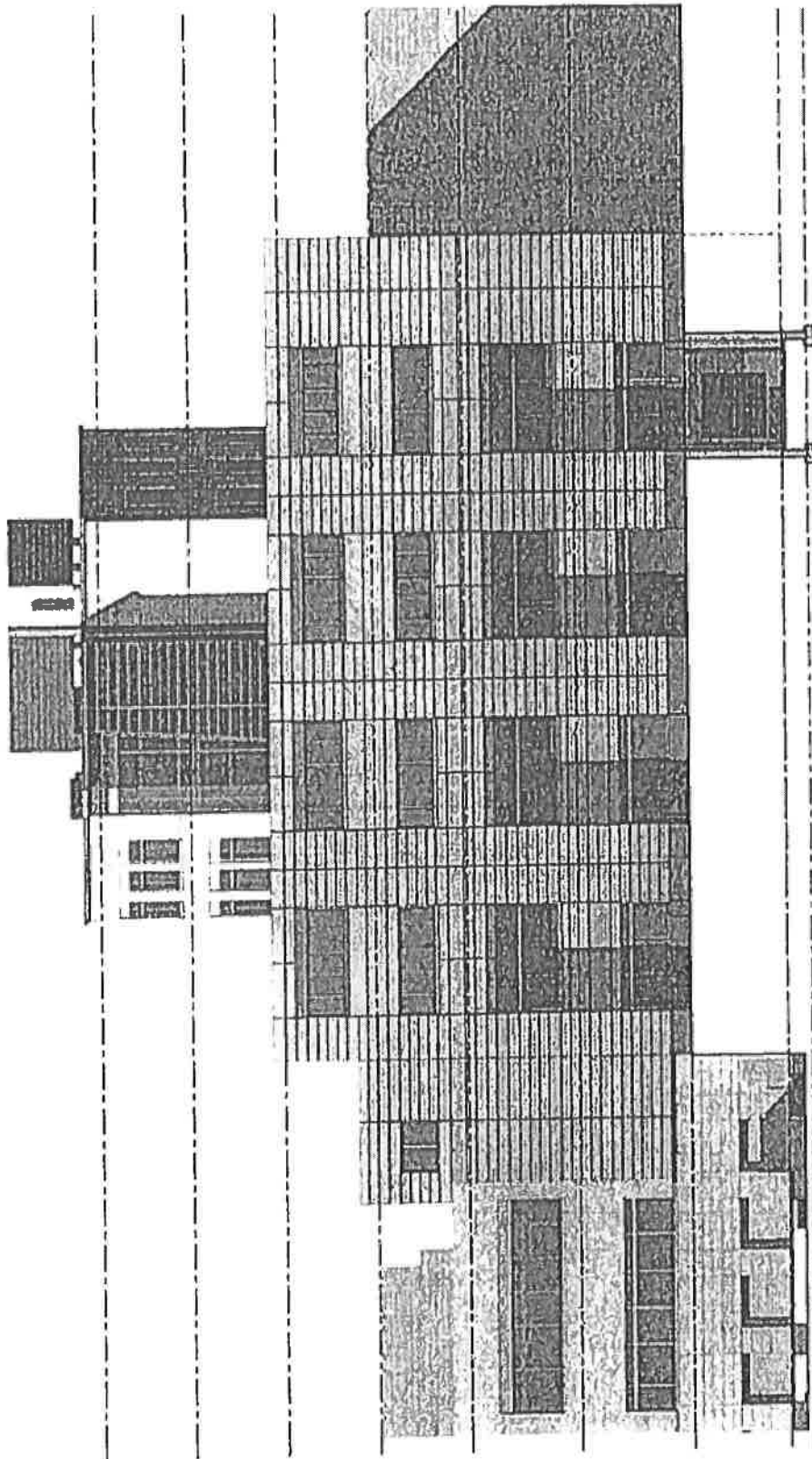
5/24/2018

Will County Supervisor of Assessments

OF 351.18 FT AND HAVING A CHORD BEARING AND DIST OF S 89 DEG 12'08" E, 59.37 FT, TO A PT OF COMPOUND CURVE; THC NE'LY 29.78 FT ALG A CURVE TO THE LEFT WITH A RADIUS OF 349.88 FT AND HAVING A CHORD BEARING AND DIST OF N 83 DEG 30'17" E, 29.77 FT, TO A PT OF COMPOUND CURVE; THC NE'LY 37.39 FT ALG A CURVE TO THE LEFT WITH A RADIUS OF 350.31 FT AND HAVING A CHORD BEARING AND DIST OF N 78 DEG 00'30" E, 37.37 FT; THC S 01 DEG 33'43" E, 2.66 FT, TO A PT ON A CURVE; THC NE'LY 32.55 FT ALG A CURVE TO THE LEFT WITH A RADIUS OF 351.45 FT AND HAVING A CHORD BEARING AND DIST OF N 72 DEG 25'31" E, 32.54 FT; THC S 77 DEG 05'53" E, 3.82 FT; THC S 20 DEG 02'19" E 25 FT; THC S 16 DEG 42'17" W 15 FT; THC N 72 DEG 31'48" W, 15.48 FT; THC N 22 DEG 30'03" W, 6.56 FT, TO A PT ON A CURVE; THC SW'LY 21.89 FT, ALG A CURVE TO THE RIGHT WITH A RADIUS OF 379.27 FT AND HAVING A CHORD BEARING AND DIST OF S 74 DEG 15'46" W, 21.89 FT; THC S 01 DEG 32'59" E, 135.71 FT; THC S 88 DEG 27'02" W, 81.82 FT; THC N 01 DEG 39'30" W, 3.08 FT; THC S 88 DEG 19'18" W, 12.32 FT; THC N 46 DEG 32'58" W, 2.31 FT; THC S 88 DEG 26'54" W, 91.70 FT; THC S 44 DEG 47'03" W, 6.79 FT; THC S 88 DEG 27'02" W 30.45 FT, TO THE POB. (6) THAT PRT OF THE W1/2 OF THE SW1/4 OF SEC 4, T35N-R11E, DAF: COMM AT THE NW COR OF SD SW1/4; THC S 01 DEG 39'30" E 1785.41 FT, ALG THE W LN OF SD SW1/4; THC N 88 DEG 20'30" E 313.19 FT, TO THE POB; THC N 01 DEG 39'10" W 54.67 FT; THC 88 DEG 20'50" E 12.06 FT; THC N 01 DEG 39'10" W 39.47 FT; THC 88 DEG 20'50" E 42.24 FT; THC N 01 DEG 39'10" W 30.38 FT; THC N 88 DEG 20'50" E 62.36 FT; THC N 01 DEG 39'10" W, 31.89 FT; THC N 43 DEG 20'50" E 7.07 FT; THC N 88 DEG 20'50" E 11 FT; THC S 48 DEG 39'10" E 7.07 FT; THC S 01 DEG 39'10" E 31.89 FT; THC N 88 DEG 20'50" E 10.08 FT; THC S 01 DEG 39'10" E 103.44 FT; THC S 88 DEG 20'50" W, 12.01 FT; THC S 01 DEG 38'07" E, 12.54 FT; THC S 88 DEG 20'50" W 16.93 FT; THC S 01 DEG 39'10" E 8.53 FT; THC S 88 DEG 20'50" W, 108.77 FT, TO THE POB). TOGETHER WITH: OUTLOT 1, LOTS 1 & 2 IN CEDAR CROSSINGS PHASE 1 PUD, BEING A SUB OF PRT OF THE S1/2 OF SEC 4, T35N-R11E. REM AFTER DIV PER PET.#2011-79 NDA:

* Property Information is retrieved periodically from the Local Township Assessor; therefore, the property characteristics may not be the most current. For the most current information regarding your property, please contact your Local Township Assessor and review your property's record card.

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NOV-08-2007 13:42

IL HISTORIC PRES AGY

217 782 8161 P.01/01



Illinois Historic Preservation Agency

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Will County
New Lenox

CON - New Construction for Freestanding Health Care Facility
Maple Road (Route 6) and Clinton St., 790, 850 W. Maple Road (Route 6).
IHPA Log #052111306

December 6, 2006

Sara Jackson
Silver Cross Hospital
1200 Maple Rd.
Joliet, IL 60432

Dear Ms. Jackson:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact Andrew Heckenkamp, Manager, 1 Old State Capitol Plaza, Springfield, IL 62701, 217/782-8168.

Sincerely,

Anne E. Haaker

Anne E. Haaker
Deputy State Historic
Preservation Officer



Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

Bruce Rauner, Governor
Wayne A. Rosenthal, Director

FAX (217) 524-7525

Will County

New Lenox

CON - New Addition for Structural Heart Program, Silver Cross Hospital
1900 Silver Cross Blvd.
SHPO Log #017062818

August 27, 2018

Edward Green
Foley & Lardner LLP
321 N. Clark St., Suite 2800
Chicago, IL 60654

Dear Mr. Green:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please call 217/782-4836.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert F. Appleman".

Robert F. Appleman
Deputy State Historic
Preservation Officer

Attachment 7
Project Costs & Sources of Funds

An equipment listing/summary is attached at ATTACHMENT 7.

FF&E
5th & 6th Floor Project

<u>Quantity</u>	<u>Item</u>	<u>Unit Cost</u>	<u>Total Cost</u>
24	Peggy Cabinet	\$2,000	\$48,000
4	Office Furniture - Nurse Care Center System	\$8,000	\$32,000
2	Supply Cart	\$5,000	\$10,000
	Shelving for Clean Rooms		\$4,000
4	Ice Machine	\$4,000	\$16,000
	Breakroom Furniture		\$4,000
80	Locker	\$50	\$4,000
26	Television	\$800	\$20,800
24	Patient Chair	\$3,500	\$84,000
24	Patient Overbed Table	\$540	\$12,960
24	Patient Bed	\$17,000	\$408,000
24	Couch	\$4,000	\$96,000
24	Small Table	\$250	\$6,000
24	Patient Room Computer/Cart	\$5,283	\$126,800
4	Nurse Station Furniture		\$40,000
24	Cisco Phone	\$110	\$2,640
24	Bar Coder	\$1,069	\$25,656
	Telemetry Expansion		\$460,000
	IT Equipment for TRs		\$340,000
	Smartphone	\$1,606	\$28,908
	Accucheck	\$1,027	\$8,216
16	Nurse Chair	\$651	\$10,416
2	Crash Cart	\$17,000	\$34,000
2	Procedure Light	\$2,186	\$8,744
2	Pyxis Refrigerator	\$2,032	\$4,064
2	Pyxis Station	\$92,862	\$185,724
4	Sara Lift	\$8,444	\$33,776
14	Nurse Station Computer	\$1,500	\$21,000
2	Bard Ultrasound	\$35,919	\$71,838
24	Thermometer	\$157	\$3,768
24	Chair Alarm	\$80	\$1,920
	Artwork		\$25,000
24	Otoscope	\$458	\$10,992
4	Patient Lift	\$10,000	\$40,000
24	Stool	\$355	\$8,520
24	Clock	\$185	\$4,440
	DAS/Antenna Systems		\$468,000
4	Multifunction Printer	\$2,000	\$8,000
8	Patient Tracking Board	\$2,000	\$16,000
	Miscellaneous Furniture		\$183,000
	IT Infrastructure (nurse call, security, automated controls, low voltage cabling)	\$888,850	\$888,850
	Pneumatic Tube Expansion	\$650,000	\$650,000
	TOTAL		\$4,456,032

Section II
Attachment 11
Background of the Applicants

Silver Cross Hospital and Medical Centers

1. Silver Cross Hospital and Medical Centers, an Illinois not-for-profit corporation, owns and operates Silver Cross Hospital and Medical Centers. Silver Cross Hospital is a fully licensed, Medicare-certified, Joint Commission accredited, 300 bed general acute care hospital, located at 1900 Silver Cross Boulevard, New Lenox, Illinois 60451. Copies of the current license and Joint Commission accreditation for Silver Cross Hospital are attached at ATTACHMENT 11.
2. Silver Cross Hospital has been recognized as a 5 star hospital by the Centers for Medicare and Medicare Services, a Truven Health Analytics 100 Top Hospitals National Award winner for seven consecutive years, a Hospital of Choice by the American Alliance of Healthcare Providers, and was honored with an "A" Hospital Safety GradeSM by The Leapfrog Group for eleven consecutive periods.
3. Silver Cross Hospital has forged partnerships with several "best in breed" organizations to deliver state-of-the-art medicine on its campus in New Lenox. Those partners include the Shirley Ryan AbilityLab (formerly the Rehabilitation Institute of Chicago) on rehabilitation, Ann & Robert H. Lurie Children's Hospital of Chicago on pediatrics, and the University of Chicago on cancer care.
4. In 2020, Silver Cross Hospital provided \$44,787,785 in charity care and other community benefits.
5. Silver Cross Hospital (through a joint venture with USPI and certain physicians) owns an interest in Silver Cross Ambulatory Surgery Center, a fully licensed, Medicare-certified, three operating room, nine recovery room, ambulatory surgery center on the Silver Cross Hospital campus. See Project No. 16-021.
6. Silver Cross Hospital (through a joint venture with US HealthVest and various US Healthvest affiliates) owns an interest in Silver Oaks Hospital, a fully licensed, Medicare-certified, 100 bed behavioral health hospital on the Silver Cross Hospital Campus. See Project No. 17-009.
7. There have been no adverse actions taken against any facility owned or operated by Silver Cross Hospital during the three (3) years prior to the filing of this Application. A letter certifying the above information is attached at ATTACHMENT 11.
8. An authorization letter granting access to the Board and the Illinois Department of Public Health ("IDPH") to verify information about Silver Cross Hospital is attached at ATTACHMENT 11.


Silver Cross Health System

1. Silver Cross Health System, an Illinois not-for-profit corporation, is the sole member of Silver Cross Hospital and Medical Centers.

2. There have been no adverse actions taken against any facility owned or operated by Silver Cross Health System during the three (3) years prior to the filing of this Application. A letter certifying the above information is attached at ATTACHMENT 11.
3. An authorization letter granting access to the Board and IDPH to verify information about Silver Cross Health System is attached at ATTACHMENT 11.

The Hospital of Choice!

1. NRC Market Insights is the largest online healthcare consumer perception survey in the U.S., measuring the opinions, behaviors and profiles of 310,000 consumers annually with 25,000 new individuals reached every month. Through Market Insights, hospitals are able to glean important consumer data and information that uncovers key insights and strategies to help improve overall performance. The nationally syndicated survey includes a consistent set of questions fielded in markets across the country, allowing for benchmarking and tracking over time. In the Chicago-Naperville-Joliet market, they collect 9,300 responses year, and in Silver Cross Hospital's Total Service Area, 900 responses a year. A consumer is only able to take NRC's survey every 6 months so the panel changes month to month. In Silver Cross Hospital's Total Service Area, the 900 respondents are spread fairly evenly across the 33 zip codes.
2. Silver Cross Hospital is the hospital of choice for patients in Silver Cross Hospital's Total Service Area. In a calendar year 2020 survey conducted by NRC, Silver Cross Hospital was chosen as the leading hospital of preference in all surveyed categories, with over 80% of the respondents listing Silver Cross Hospital as their preferred hospital or the only hospital they would use.
3. With the addition of 24 new Med/Surg Beds, Silver Cross Hospital will ensure that patients in Silver Cross Hospital's Total Service Area will continue to have access to care at their preferred hospital with an exceptional experience.

 Illinois Department of PUBLIC HEALTH		HF 121923
LICENSE, PERMIT, CERTIFICATION, REGISTRATION		
<small>The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.</small>		
Ngozi O. Ezike, M.D. Director		<small>Issued under the authority of the Illinois Department of Public Health</small>
<small>EXPIRATION DATE</small> 02/25/2022	<small>PATIENTS</small>	<small>LIC. NUMBER</small> 0005827
General Hospital		
Effective: 02/26/2021		
Silver Cross Hospital and Medical Centers 1900 Silver Cross Blvd New Lenox, IL 60451		
<small>The face of this license has a colored background. Printed by Authority of the State of Illinois • PO #19-493-031 10M 9/18</small>		

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 02/25/2022

Lic Number 0005827

Date Printed 12/28/2020

Silver Cross Hospital and Medical Cent

1900 Silver Cross Blvd
New Lenox, IL 60451

FEE RECEIPT NO.



February 25, 2020

Ruth Colby
President and CEO
Silver Cross Hospital
1900 Silver Cross Blvd
New Lenox, IL 60451

Joint Commission ID #: 7365
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of Standards
Compliance
Accreditation Activity Completed : 2/25/2020

Dear Ms. Colby:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Hospital

This accreditation cycle is effective beginning November 1, 2019 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

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

March 31, 2021

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

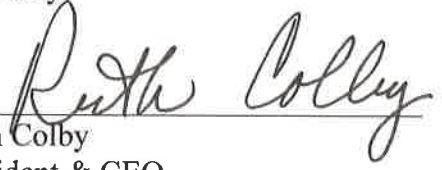
Re: No Adverse Actions Certification (Med/Surg Expansion Certificate of Need)

Dear Mr. Constantino:

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

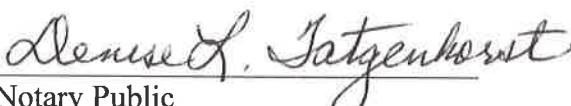
1. There have been no adverse actions taken against any facility owned or operated by Silver Cross Health System during the three (3) years prior to the filing of this Certificate of Need Application.
2. There have been no adverse actions taken against any facility owned or operated by Silver Cross Hospital and Medical Centers during the three (3) years prior to the filing of this Certificate of Need Application.

Sincerely,

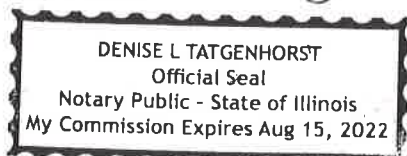


Ruth Colby
President & CEO
Silver Cross Health System
Silver Cross Hospital and Medical Centers

Subscribed and Sworn to before me
this 31 day of March, 2021.



Notary Public



March 31, 2021


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

Re: Authorization to Access Information (Med/Surg Expansion Certificate of Need)

Dear Mr. Constantino:

I hereby authorize the Illinois Health Facilities & Services Review Board (the "Board") and the Illinois Department of Public Health ("IDPH") to access all information necessary to verify any documentation or information submitted by Silver Cross Health System and Silver Cross Hospital and Medical Centers with this Certificate of Need Application. I further authorize the Board and IDPH to obtain any additional documentation or information which the Board or IDPH finds pertinent and necessary to process this Certificate of Need Application.

Sincerely,



Ruth Colby
President & CEO
Silver Cross Health System
Silver Cross Hospital and Medical Centers

Subscribed and Sworn to before me
this 31 day of March, 2021.



Notary Public



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

Purpose Statement

Silver Cross Hospital and Medical Centers, an Illinois not-for-profit corporation ("Silver Cross"), and Silver Cross Health System, an Illinois not-for-profit corporation ("Silver Cross Health System," collectively with Silver Cross, the "Applicants") seek authority from the Illinois Health Facilities & Services Review (the "Review Board") to add twenty-four (24) Medical/Surgical ("Med/Surg") Beds (the "Project") to address the increasing demand (and need) for Med/Surg Beds at Silver Cross Hospital and Medical Centers in New Lenox, Illinois ("Silver Cross Hospital") and the need for Med/Surg Beds in Planning Area A-13. Planning Area A-13 is currently showing a **need** for an additional 81 Med/Surg Beds (as of the March 18, 2021 inventory update).

Supporting Statements & Documentation

Background Facts

1. The two new Med/Surg floors will be located on the newly constructed 5th and 6th floors of the Open Heart Addition (Project 18-020).
2. An elevator penthouse will be located on the roof.
3. This Project will add a total of 21,984 department gross square feet of space (and 23,250 building gross square feet) to Silver Cross Hospital and will cost \$21,285,032 to complete.
4. It is anticipated that this Project will be completed on January 31, 2023.

Define the Planning Area or Market Area

1. The Health Planning Area for Silver Cross Hospital is A-13. The A-13 planning area currently has a **need for 81** Medical-Surgical Inpatient beds, as indicated in the IDPH Monthly Bed Need Determination as of March 18, 2021.

2. Silver Cross Hospital's Total Service Area consists of 33 Zip Codes, 26 of which reside in Planning Area A-13 (Will and Grundy Counties). Silver Cross Hospital's patient population comes mainly from this Total Service Area, with 89% of its Medical-Surgical Inpatient Admissions residing in these zip codes. See the following chart.

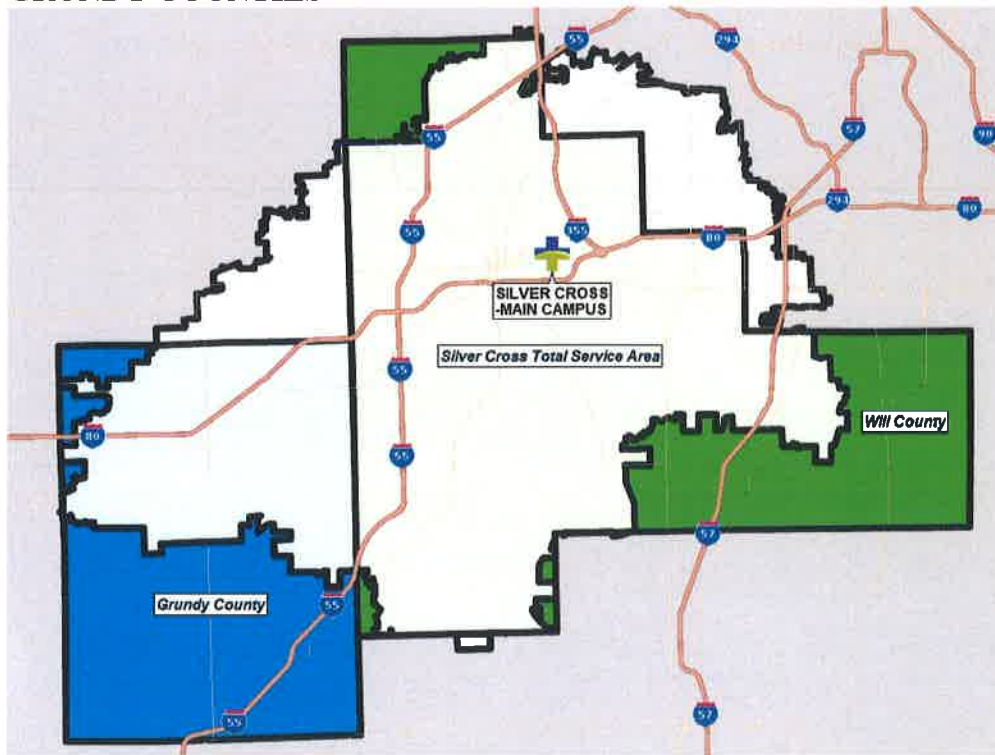
Medical-Surgical Adult Admissions by Zip Code: Calendar Year 2020			
Zip Code	County	Medical-Surgical Inpatient Admissions	Cumulative Percentage of Total Adult Medical-Surgical Admissions
Primary Service Area			
60403 - CREST HILL	Will	170	1.2%
60421 - ELWOOD	Will	153	2.4%
60423 - FRANKFORT	Will	869	8.7%
60432 - JOLIET	Will	798	14.5%
60433 - JOLIET	Will	739	19.9%
60435 - JOLIET	Will	515	23.7%
60436 - JOLIET	Will	295	25.8%
60441 - LOCKPORT	Will	1,240	34.9%
60442 - MANHATTAN	Will	321	37.2%
60448 - MOKENA	Will	832	43.3%
60451 - NEW LENOX	Will	1,330	53.0%
60491 - HOMER GLEN	Will	912	59.7%
60439 - LEMONT	Cook	564	63.8%
60467 - ORLAND PARK	Cook	834	69.9%
Primary Service Area Total		9,572	69.9%
Secondary Service Area			
60449 - MONEE	Will	81	70.5%
60440 - BOLINGBROOK	Will	33	70.7%
60446 - ROMEOVILLE	Will	167	71.9%
60490 - BOLINGBROOK	Will	6	72.0%
60544 - PLAINFIELD	Will	70	72.5%
60586 - PLAINFIELD	Will	117	73.3%
60408 - BRAIDWOOD	Will	41	73.6%
60481 - WILMINGTON	Will	139	74.6%
60404 - SHOREWOOD	Will	126	75.6%
60410 - CHANNAHON	Will	99	76.3%
60431 - JOLIET	Will	194	77.7%
60416 - COAL CITY	Grundy	45	78.0%
60447 - MINOOKA	Grundy	73	78.6%
60450 - MORRIS	Grundy	61	79.0%
60443 - MATTESON	Cook	93	79.7%
60462 - ORLAND PARK	Cook	310	81.9%
60464 - PALOS PARK	Cook	52	82.3%
60477 - TINLEY PARK	Cook	455	85.6%
60487 - TINLEY PARK	Cook	389	88.5%
Secondary Service Area Total		2,551	
Total Service Area (Primary & Secondary)		12,123	88.5%
Outside Service Area		1,578	11.5%
Grand Total		13,701	100.0%

3. The below maps of Health Planning Area A-13, which consists of Will and Grundy Counties, show the considerable overlap between Silver Cross Hospital's Total Service Area and Health Planning Area A-13.

HEALTH PLANNING AREA A-13 WILL AND GRUNDY COUNTIES



SILVER CROSS TOTAL SERVICE AREA OVERLAP WITH A-13 WILL AND GRUNDY COUNTIES



Identify the Existing Problems or Issues that Need to be Addressed

1. Silver Cross Hospital has experienced strong growth in Med/Surg Admissions and Patients Days since it opened its new Hospital in New Lenox in 2012. From Calendar Years 2013 to 2020:

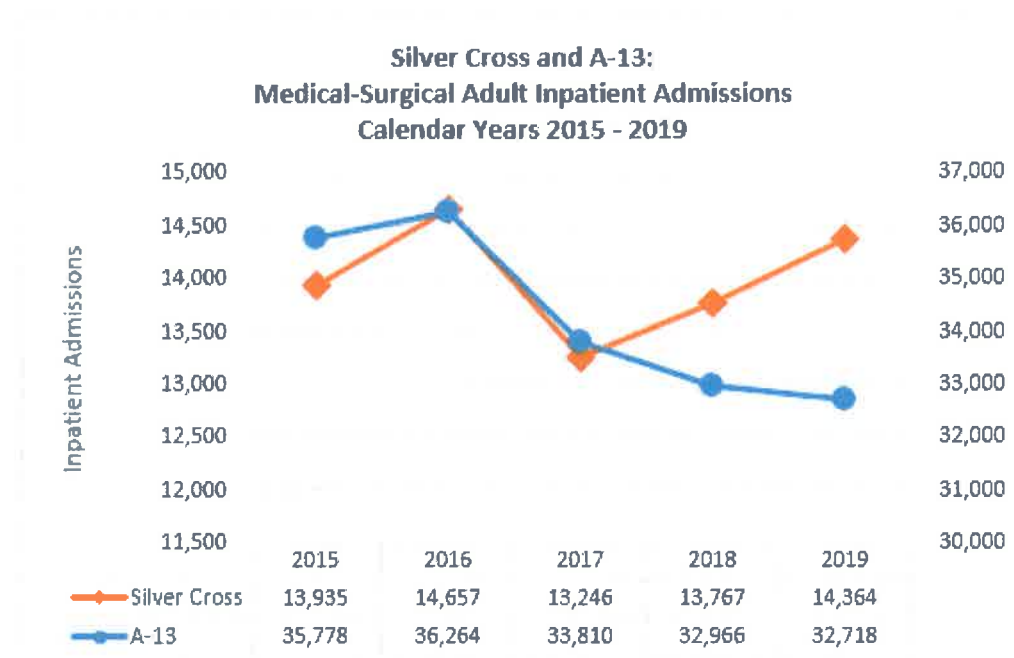
- Admissions at Silver Cross Hospital have increased by 12%, from 12,293 to 13,701.
- Med/Surg patient days have increased by 2.6%, from 54,789 to 65,416.
- The average length of stay (ALOS) in the Med-Surg Units at Silver Cross Hospital has increased from 4.5 to 4.8. This is due to increased complexity of cases and adding new services such as open heart surgery.
- Occupancy rates in Silver Cross Hospital's Med-Surg Units have ranged from 81% to most currently 86.3%. Occupancy has remained above 80%, even with the addition of new Med/Surg Beds over the years.

Calendar Year	Licensed Med/Surg Beds	Peak Census	Admissions	Inpatient Days	Observation Days	Total Days	Average Length of Stay (Inpatient and Observation)	ADC	CON Occupancy Rate
2013	185	185	12,293	48,865	5,924	54,789	4.5	150.1	81.1%
2014	185	185	13,862	50,009	6,699	56,708	4.1	155.4	84.0%
2015	185	185	13,935	50,756	7,883	58,639	4.2	160.7	86.8%
2016	185	185	14,657	53,504	9,002	62,506	4.3	170.8	92.3%
2017	191	191	13,246	50,842	10,874	61,716	4.7	169.1	88.5%
2018	205	205	13,767	51,070	10,525	61,595	4.5	168.8	82.3%
2019	207	207	14,364	53,792	10,011	63,803	4.4	174.8	84.4%
2020	207	207	13,701	56,862	8,554	65,416	4.8	178.7	86.3%

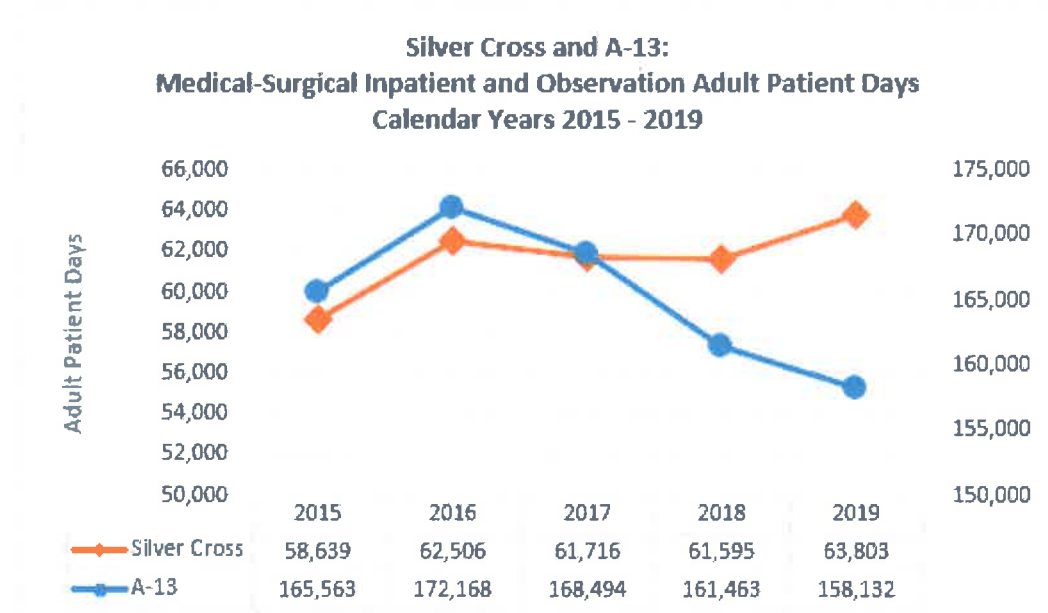
- Silver Cross Hospital is consistently operating above the 80% occupancy rate. In the most recent calendar year (2020), occupancy exceeded the 80% threshold for expansion.
- High occupancy has put severe pressure on the Emergency Department (ED). If beds are not available, patients may wait an extended period of time in the ED, which is not the appropriate place of care.
- Overall acuity has increased with new volume from cardiac, thoracic and vascular surgery.
- Efforts are underway to improve efficiency and discharges before noon.
- The population of A-13, which includes both Will and Grundy Counties, continues to grow. The population is projected to increase by 7% or 61,409 people from 2020 to 2025. This growth will increase the need for hospital services.
- Within this population growth there is an increase in the number of older adults. The age group of 65 and older is projected to grow by 26% or 28,369 people from 2020 to 2025. This age group tends to be high utilizers of health care and will increase the demand for complex inpatient hospital services.

Population Projections for A-13 by County	Census	Projections		
	2010	2015	2020	2025
Grundy County	50,063	53,015	55,970	58,944
Will County	677,560	736,406	795,161	853,596
Total A-13	727,623	789,421	851,131	912,540
Year to Year Growth		8%	8%	7%
Population Projections for A-13 for Age 65+	2010	2015	2020	2025
	2010	2015	2020	2025
Grundy	5,546	6,634	8,116	9,801
Will	62,814	81,390	102,891	129,575
Total	68,360	88,024	111,007	139,376
Year to Year Growth		29%	26%	26%
Source: Planning Board's Website, Population Projections Report https://www2.illinois.gov/sites/hfsrb/InventoriesData/Pages/Population-Projections.aspx				

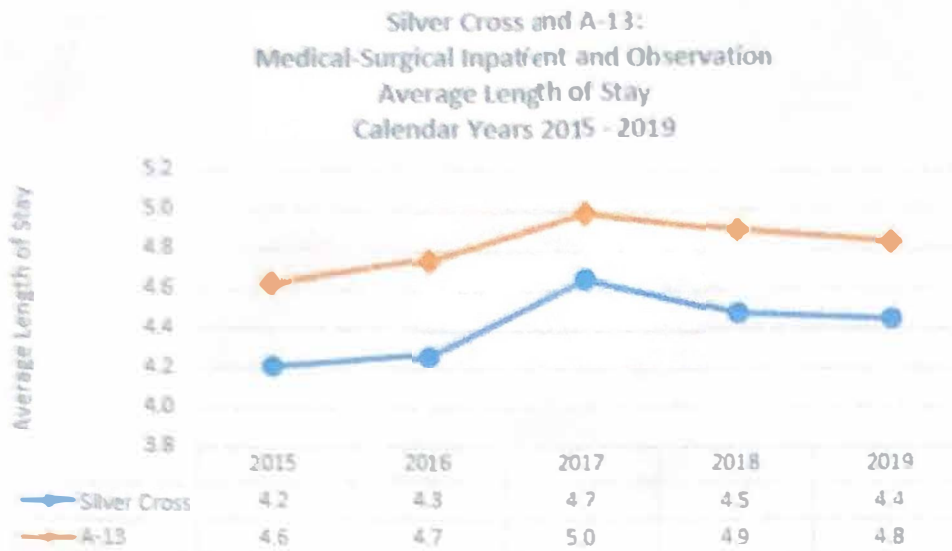
2. The following graphs demonstrate the trends in Admissions, Patient Days, ALOS, and Occupancy as described above and compares them to the A-13 health planning area. The source of the A-13 data is the Annual Hospital Questionnaires (AHQ) by year, located on the Review Board's website.



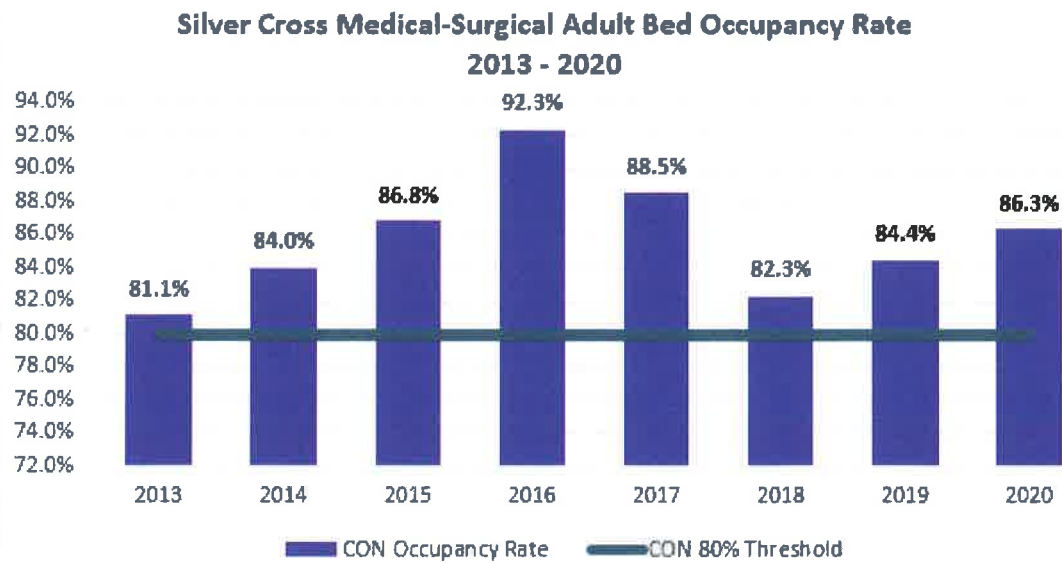
Silver Cross Inpatient Admissions have increased the last 2 years, while the A-13 admissions declined.



Silver Cross Patient Days have increased an average of 2.6% over the last 5 years. The A-13 Patient Days have been declining since 2016.



Silver Cross performs well managing length of stay as compared to the rest of the market.



Silver Cross has exceeded the Medical-Surgical 80% occupancy rate in each year since 2013, highlighting the need for additional beds.

3. In addition, Silver Cross Hospital has been expanding its service lines and the demand for services has been increasing markedly at Silver Cross Hospital.

Open Heart Cases: Silver Cross Hospital began performing Open Heart Surgeries in May of 2019. Silver Cross Hospital performed 173 open heart cases in Calendar Year 2020. Silver Cross Hospital is on track to meet or exceed the stated goal of the program (i.e., to complete 240 cases in 2022 -- the third full year of operation for the Open Heart Program). This new service line has increased the need for Med/Surg Beds.

Thoracic and Vascular Cases: Silver Cross has brought on new Thoracic Surgeons and a new Group of Vascular Surgeons. The projected number of new surgical cases in 2021 is 216 with an average length of stay of 7.9 days. These cases have increased the demand for Med/Surg Beds.

Fluctuations in Daily Census: The growth in Admissions and Patient days fluctuates on a daily basis and can periodically result in 100% census on Med/Surg Units at Silver Cross Hospital. This requires the Hospital to temporarily board patients in the Emergency Department and/or other overflow locations until a Med/Surg Bed becomes available.

Consumer Preference: Silver Cross Hospital is the hospital of choice for patients in our Total Service Area. In a calendar year 2020 survey conducted by NRC, Silver Cross Hospital was chosen as the leading hospital of preference in all surveyed categories. For the category of Hospital Inpatient Stay, 24% of consumers mentioned Silver Cross Hospital as their first choice for services. For Hospital Emergency Room, 25% of consumers mentioned Silver Cross Hospital first. With the addition of 24 new Med/Surg Beds, Silver Cross Hospital will ensure that patients in our Total Service Area will have access to care at their preferred hospital close to home.

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

1. The Project will address the bed need in A-13 and provide better access and quality of care for those needing hospitalization.
2. The Project will also help ensure patients in A-13 can receive care at their preferred hospital of choice.

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

1. It is projected that the 24 new Med/Surg Beds will maintain (at a minimum) an Average Daily Census of 20.4 (85% utilization) patients two years after Project completion.

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

Alternatives

Alternative No. 1: Do Nothing

Silver Cross Hospital has experienced strong growth in Med/Surg Admissions and Patients days since it opened its new Hospital in New Lenox in 2012. Since 2013, there has been an average yearly increase in patient days of 2.6%. Med/Surg Admissions at Silver Cross Hospital have grown from 12,293 in 2013 to 13,701 in 2020, a nearly 12% increase. Med/Surg Patient Days have also increased. From 2013 to 2020, the Patient Days have increased by almost 20% (from 54,789 in Calendar Year 2013 to 65,416 in Calendar Year 2020). Although Silver Cross Hospital has increased its number of Med/Surg Beds from 185 to 207 over the years, Silver Cross Hospital has consistently had high occupancy rates, ranging from 81% to most currently 86.3% in 2020.

New service lines such as open heart surgery, thoracic, and vascular surgery have increased the demand for Med/Surg Beds.

Thus, Silver Cross needs to address the increasing demand for Medical-Surgical Beds. "Doing nothing" would mean ignoring the need for Med/Surg Beds identified by the State and the needs of the community.

Alternative No. 2 Build 1 Floor on the Structural Heart Addition

Silver Cross Hospital considered building one new Med/Surg Unit (i.e., 12 Beds) on the 5th floor. This alternative was rejected as it only partially meets the bed need demand reflected in our models and could create future disruption. The estimated cost of this alternative would be \$11.7 million. If Silver Cross Hospital decided to add the 6th floor unit at a later date, it would require closing down the 5th floor during construction. The cost of building the 6th floor at a later date is estimated at \$14.1 million. If the decision was made to build the 2 floors separately, it would be at a cost of \$25.8 million versus the proposed \$21.3 million. This is a considerable increase of \$4.5 million from the current proposed project.

Alternative No. 3: Build on top of the Existing (Main) Hospital

This alternative would involve adding a 7th floor on top of the existing (main) hospital structure. This would consist of 2 wings with 18 beds each. This alternative was also rejected. It would involve closing all of the 36 beds underneath the new wings during construction. The estimated cost of this alternative would be \$36 million.

Alternative No. 4: Build 24 New Medical-Surgical Beds

Silver Cross Hospital has chosen to file this Application to build 24 new Med/Surg Beds. This option is the most feasible option because of the following reasons: (a) This option will allow Silver Cross Hospital to efficiently add 24 new Med/Surg Beds to improve bed availability in Health Planning Area A-13; (b) Construction of the new Med/Surg Units could take place on an addition that is not yet in use, without needing to close down existing patient care units; (c) Two

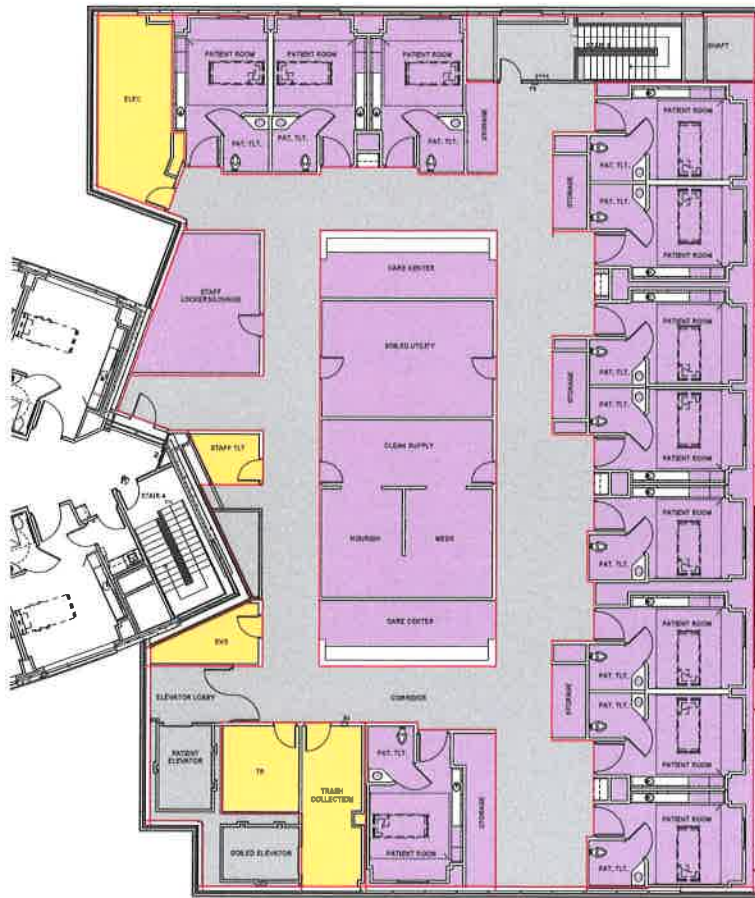
new Med/Surg Units of this size will help alleviate overcrowding in the Emergency Room; and
(d) This is the most cost effective and least disruptive alternative.

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

1. The two new Med/Surg floors will be located on the newly constructed 5th and 6th floors of the Open Heart Addition (Project 18-020).
2. An elevator penthouse will be located on the roof.
3. This Project will add a total of 21,984 department gross square feet of space (and 23,250 building gross square feet) to Silver Cross Hospital and will cost \$21,285,032 to complete.
4. The floor plan for each 12 bed unit is attached at ATTACHMENT 14. The plans are identical for each floor.
5. The department sizing standard for a Med/Surg Bed is 660 feet per Med/Surg Bed.
6. This Project exceeds the sizing standards because the Project is proposing private rooms (which is the norm now in the industry and every room at Silver Cross Hospital is private). Each floor will also have sufficient storage space for supplies, medications, and equipment to enhance efficiency and to improve the patient experience (and staff experience). The small size of the units (bed wise) also impacts the sizing because the smaller sized units have to "allocate" the storage space across fewer beds.
7. The following chart summarizes the sizing analysis of the clinical and non-clinical portions of the proposed Project:

Sizing Analysis (Department Gross Square Footage)					
Department/Area	Beds	Proposed DGSF	State Standard DGSF	Difference DGSF	Meets State Standard?
Fifth Floor Med/Surg Unit (Clinical Portions)	12 Beds	9,691	660 DGSF Per Bed (12*660 = 7,920)	1,771 DGSF Above State Norm	No
Sixth Floor Med/Surg Unit (Clinical Portions)	12 Beds	9,691	660 DGSF Per Bed (12*660 = 7,920)	1,771 DGSF Above State Norm	No
Fifth Floor Med/Surg Unit (Non Clinical Portions)	N/A	827	N/A	N/A	N/A
Sixth Floor Med/Surg Unit (Non Clinical Portions)	N/A	827	N/A	N/A	
Elevator Penthouse	N/A	948	N/A	N/A	
Total		21,984			N/A

LEVEL 05 AND 06



PENTHOUSE



LEVEL 05 AND 06 DEPARTMENTAL AREAS	
Clinical Designation	Area
CIRCULATION TOTAL	3527 SF
CIRCULATION	3527 SF
CLINICAL TOTAL	6164 SF
CLINICAL	1571 SF
CLINICAL	2877 SF
CLINICAL	314 SF
CLINICAL	981 SF
CLINICAL	421 SF
NON-CLINICAL TOTAL	827 SF
NON-CLINICAL	103 SF
NON-CLINICAL	70 SF
NON-CLINICAL	361 SF
NON-CLINICAL	293 SF
TOTAL PER FLOOR	10518 SF

PENTHOUSE AREAS	
Clinical Designation	Area
CIRCULATION TOTAL	187 SF
CIRCULATION	98 SF
CIRCULATION	89 SF
NON-CLINICAL TOTAL	761 SF
NON-CLINICAL	761 SF
TOTAL PENTHOUSE	948 SF

TOTAL SQUARE FOOTAGE SUMMARY		
LEVEL	DEPARTMENTAL	BUILDING GROSS
LEVEL 05	10518 SF	11150 SF
LEVEL 06	10518 SF	11150 SF
PENTHOUSE	948 SF	1050 SF
TOTAL	21984 SF	23350 SF

ECKENHOFF SAUNDERS

© 2015 Eckenhoff Saunders Architects Inc.

Clinical Designations Diagram | CON-01

Silver Cross Hospital

Level 05 and 06 Expansion
198 Main Street, Springfield, MA 01103
Architect: Eckenhoff Saunders Architects Inc.

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

Twenty Four (24) Medical-Surgical Beds

The utilization standard for existing Medical-Surgical Beds is 85%.

The utilization standard for adding 1 to 99 new inpatient Medical-Surgical Beds is 80%.

The historical Medical-Surgical utilization at Silver Cross Hospital for patients 15 years and older is set forth as below:

Silver Cross Med Surg Historical Utilization by Year - Excludes Patients 14 and Under									
Calendar Year	Licensed Med/Surg Beds	Peak Census	Admissions	Inpatient Days	Observation Days	Total Days	Average Length of Stay (Inpatient and Observation)	ADC	CON Occupancy Rate
2013	185	185	12,293	48,865	5,924	54,789	4.5	150.1	81.1%
2014	185	185	13,862	50,009	6,699	56,708	4.1	155.4	84.0%
2015	185	185	13,935	50,756	7,883	58,639	4.2	160.7	86.8%
2016	185	185	14,657	53,504	9,002	62,506	4.3	170.8	92.3%
2017	191	191	13,246	50,842	10,874	61,716	4.7	169.1	88.5%
2018	205	205	13,767	51,070	10,525	61,595	4.5	168.8	82.3%
2019	207	207	14,364	53,792	10,011	63,803	4.4	174.8	84.4%
2020	207	207	13,701	56,862	8,554	65,416	4.8	178.7	86.3%

Note: In order to address the increasing, immediate demand for Comprehensive Rehab Beds, on March 18, 2021, Silver Cross Hospital submitted notice to the Review Board and Public Health that it would like to increase the number of its Comprehensive Rehabilitation Beds by 3 (from 25 to 28) and to decrease the number of its Med/Surg Beds by 3 (from 207 to 204).

Silver Cross Hospital has developed various Medical-Surgical bed need models. These models take into consideration the Hospital's historical growth rates, the population growth rate of the Hospital's Total Service Area, the addition of new service lines, patient acuity, the shift to outpatient procedures, projected innovations in the standard of care for certain disease states, and other factors.

The following chart reflects simplest med/surg bed need model (which just assumes the historical 2.61% average daily census growth rate at the Hospital continues into the future) if the 24 additional med/surg beds are added.

Silver Cross Hospital Projected Med/Surg Utilization (Simple Model)								
Calendar Year	Existing Licensed Med/Surg Beds	Projected ADC	CON Target Occupancy Standard for Existing Beds	Med/Surg Beds Needed (85% Standard)	Additional Beds Needed (85% Standard)	CON Target Occupancy Standard for Adding New Beds	Med/Surg Beds Needed (80% Standard)	Additional Beds Needed (80% Standard)
2021	204*	183.35	85%	215.70	11.70	80%	229.18	25.18
2022	204	188.11	85%	221.31	17.31	80%	235.14	31.14
2023	204	193.00	85%	227.06	23.06	80%	241.26	37.26

2024	228	198.02	85%	232.97	4.97	80%	247.53	19.53
2025	228	203.17	85%	239.02	11.02	80%	253.96	25.96

The advanced med/surg bed need model show an even greater need for med/surg beds. The following chart reflects the “advanced model.”

Silver Cross Hospital Projected Med/Surg Utilization (Advanced Model)								
Calendar Year	Existing Licensed Med/Surg Beds	Projected ADC	CON Target Occupancy Standard for Existing Beds	Med/Surg Beds Needed (85% Standard)	Additional Beds Needed (85% Standard)	CON Target Occupancy Standard for Adding New Beds	Med/Surg Beds Needed (80% Standard)	Additional Beds Needed (80% Standard)
2021	204	205	85%	217.65	13.65	80%	231.25	27.25
2022	204	210	85%	223.53	19.53	80%	237.50	33.50
2023	204	216	85%	230.59	26.59	80%	245.00	41.00
2024	228	220	85%	237.65	9.65	80%	252.50	24.50
2025	228	224	85%	244.71	16.71	80%	260.00	32.00

Thus, based on any of these bed projection models, the Hospital easily satisfies the utilization standards for existing and additional inpatient med/surg beds.

The same conclusion can be drawn if the A-13 need models for inpatient med/surg beds developed by the Review Board. Currently, the A-13 planning area is showing a **need** for 81 additional med/surg inpatient beds.

See Affidavit from Christopher W. Udovich, M.D., Chief Medical Officer at Silver Cross Hospital, wherein Dr. Udovich estimates that the current medical staff at Silver Cross Hospital have enough “pent up” admissions to increase the average daily census in the Med/Surg Units at Silver Cross Hospital in the range of 20 to 40, attached as ATTACHMENT 18.

See also the Utilization Affidavit of Ruth Colby, attached as ATTACHMENT 15.

March 31, 2021

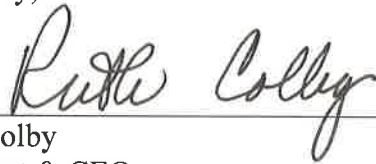
Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Utilization Assurance (Med/Surg Expansion Certificate of Need)

Dear Mr. Constantino:

I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, that Silver Cross Hospital and Medical Centers ("Silver Cross Hospital") will achieve and maintain the utilization projections set forth in its Certificate of Need Application to add 24 medical-surgical beds at Silver Cross Hospital.

Sincerely,



Ruth Colby
President & CEO
Silver Cross Health System
Silver Cross Hospital and Medical Centers

Subscribed and Sworn to before me
this 31 day of March, 2021.


Notary Public

Section V
Attachment 18
Medical/Surgical Category of Service
Criterion 1110.200

Criterion 1110.200(a), Introduction

The Applicants are seeking authority to add twenty-four (24) Med/Surg Beds to address the increasing demand (and need) for Med/Surg Beds at Silver Cross Hospital and the need for Med/Surg Beds in Planning Area A-13. Planning Area A-13 is currently showing a **need** for an additional 81 Med/Surg Beds (as of the March 18, 2021 inventory update).

Silver Cross Hospital currently has 207 Med/Surg Beds. On March 18, 2021, Silver Cross Hospital submitted notice to the Review Board and Public Health that it would like to increase the number of its Comprehensive Rehabilitation Beds by 3 (from 25 to 28) and to decrease the number of its Med/Surg Beds by 3 (from 207 to 204).

The Review Board approved the 3 bed re-allocation on March 24, 2021, and Public Health is already working with Silver Cross Hospital on the final details of the re-allocation from a life-safety and licensure point of view.

Thus, assuming Public Health approves that request, this Project would increase the Med/Surg Bed count at Silver Cross Hospital from 204 to 228.

Criterion 1110.200(b)(1), Planning Area Need, Formula Calculation

Planning Area A-13 is currently showing a **need** for an additional 81 Med/Surg Beds (as of the March 18, 2021 inventory update).

Criterion 1110.200(b)(1), Planning Area Need, Service Demand, Expansion of Existing Category of Service

The Applicants are seeking authority to add twenty-four (24) Med/Surg Beds to address the increasing demand (and need) for Med/Surg Beds at Silver Cross Hospital and the need for Med/Surg Beds in Planning Area A-13.

Silver Cross Hospital's Total Service Area consists of 33 Zip Codes, 26 of which reside in Planning Area A-13 (Will and Grundy Counties). Silver Cross Hospital's patient population comes mainly from this Total Service Area. In 2020, 88.5% of Silver Cross Hospital's Med/Surg Inpatient Admissions came from patients who resided in Silver Cross Hospital's Total service Area. See the following chart. Thus, the Applicants have satisfied this Criterion.

Medical-Surgical Adult Admissions by Zip Code: Calendar Year 2020			
Zip Code	County	Medical-Surgical Inpatient Admissions	Cumulative Percentage of Total Adult Medical-Surgical Admissions
Primary Service Area			
60403 - CREST HILL	Will	170	1.2%
60421 - ELWOOD	Will	153	2.4%
60423 - FRANKFORT	Will	869	8.7%
60432 - JOLIET	Will	798	14.5%
60433 - JOLIET	Will	739	19.9%
60435 - JOLIET	Will	515	23.7%
60436 - JOLIET	Will	295	25.8%
60441 - LOCKPORT	Will	1,240	34.9%
60442 - MANHATTAN	Will	321	37.2%
60448 - MOKENA	Will	832	43.3%
60451 - NEW LENOX	Will	1,330	53.0%
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60439 - LEMONT	Cook	564	63.8%
60467 - ORLAND PARK	Cook	834	69.9%
Primary Service Area Total		9,572	69.9%
Secondary Service Area			
60449 - MONEE	Will	81	70.5%
60440 - BOLINGBROOK	Will	33	70.7%
60446 - ROMEOVILLE	Will	167	71.9%
60490 - BOLINGBROOK	Will	6	72.0%
60544 - PLAINFIELD	Will	70	72.5%
60586 - PLAINFIELD	Will	117	73.3%
60408 - BRAIDWOOD	Will	41	73.6%
60481 - WILMINGTON	Will	139	74.6%
60404 - SHOREWOOD	Will	126	75.6%
60410 - CHANNAHON	Will	99	76.3%
60431 - JOLIET	Will	194	77.7%
60416 - COAL CITY	Grundy	45	78.0%
60447 - MINOOKA	Grundy	73	78.6%
60450 - MORRIS	Grundy	61	79.0%
60443 - MATTESON	Cook	93	79.7%
60462 - ORLAND PARK	Cook	310	81.9%
60464 - PALOS PARK	Cook	52	82.3%
60477 - TINLEY PARK	Cook	455	85.6%
60487 - TINLEY PARK	Cook	389	88.5%
Secondary Service Area Total		2,551	
Total Service Area (Primary & Secondary)		12,123	88.5%
Outside Service Area		1,578	11.5%
Grand Total		13,701	100.0%

Criterion 1110.200(b)(4), Service Demand, Expansion of Existing Category of Service**Criterion 1110.200(b)(4)(A), Historical Service Demand**

1. The historical Medical-Surgical utilization at Silver Cross Hospital for patients 15 years and older is set forth as below:

Silver Cross Med Surg Historical Utilization by Year - Excludes Patients 14 and Under									
Calendar Year	Licensed Med/Surg Beds	Peak Census	Admissions	Inpatient Days	Observation Days	Total Days	Average Length of Stay (Inpatient and Observation)	ADC	CON Occupancy Rate
2013	185	185	12,293	48,865	5,924	54,789	4.5	150.1	81.1%
2014	185	185	13,862	50,009	6,699	56,708	4.1	155.4	84.0%
2015	185	185	13,935	50,756	7,883	58,639	4.2	160.7	86.8%
2016	185	185	14,657	53,504	9,002	62,506	4.3	170.8	92.3%
2017	191	191	13,246	50,842	10,874	61,716	4.7	169.1	88.5%
2018	205	205	13,767	51,070	10,525	61,595	4.5	168.8	82.3%
2019	207	207	14,364	53,792	10,011	63,803	4.4	174.8	84.4%
2020	207	207	13,701	56,862	8,554	65,416	4.8	178.7	86.3%

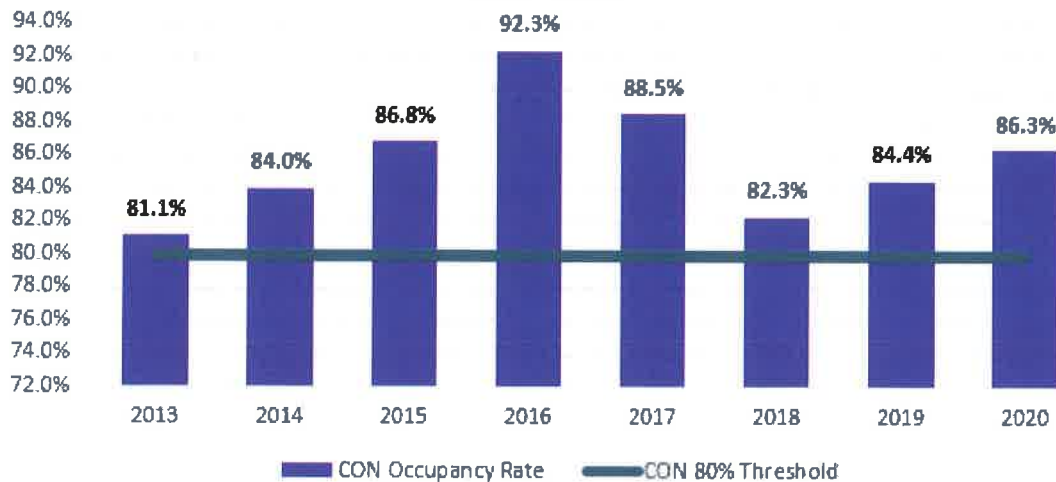
2. See Affidavit from Christopher W. Udovich, M.D., Chief Medical Officer at Silver Cross Hospital, wherein Dr. Udovich confirms the above admission data for 2019 and 2020 by zip code, attached as ATTACHMENT 18.

3. In order to meet the rising demand for inpatient med/surg beds and observation beds, Silver Cross Hospital has added 22 inpatient Med/Surg Beds to its inventory since 2013.

Criterion 1110.200(b)(4)(B), Projected Referrals

1. If one reviews the below chart, and cross references when Silver Cross Hospital added additional Med/Surg Beds (i.e., 6 Med/Surg Beds in 2017 and 14 Med/Surg Beds in 2018, and 2 Med/Surg Beds in 2019), one can easily see that Silver Cross Hospital is once again experiencing the need for additional Med/Surg Beds, having jumped from a 82.3% Med/Surg occupancy rate to a 86.3% Med/Surg occupancy rate in just 3 years (despite adding 22 Med/Surg Beds since 2017).

**Silver Cross Medical-Surgical Adult Bed Occupancy Rate
2013 - 2020**



Silver Cross has exceeded the Medical-Surgical 80% occupancy rate in each year since 2013, highlighting the need for additional beds.

2. Silver Cross Hospital has developed various Medical-Surgical bed need models. These models take into consideration the Hospital's historical growth rates, the population growth rate of the Hospital's Total Service Area, the addition of new service lines, patient acuity, the shift to outpatient procedures, projected innovations in the standard of care for certain disease states, and other factors.

3. The following chart reflects simplest med/surg bed need model (which just assumes the historical 2.61% average daily census growth rate at the Hospital continues into the future) if the 24 additional med/surg beds are added.

Silver Cross Hospital Projected Med/Surg Utilization (Simple Model)								
Calendar Year	Existing Licensed Med/Surg Beds	Projected ADC	CON Target Occupancy Standard for Existing Beds	Med/Surg Beds Needed (85% Standard)	Additional Beds Needed (85% Standard)	CON Target Occupancy Standard for Adding New Beds	Med/Surg Beds Needed (80% Standard)	Additional Beds Needed (80% Standard)
2021	204	183.35	85%	215.70	11.70	80%	229.18	25.18
2022	204	188.11	85%	221.31	17.31	80%	235.14	31.14
2023	204	193.00	85%	227.06	23.06	80%	241.26	37.26
2024	228	198.02	85%	232.97	4.97	80%	247.53	19.53
2025	228	203.17	85%	239.02	11.02	80%	253.96	25.96

4. The advanced med/surg bed need model show an even greater need for med/surg beds. The following chart reflects the “advanced model.”

Silver Cross Hospital Projected Med/Surg Utilization (Advanced Model)								
Calendar Year	Existing Licensed Med/Surg Beds	Projected ADC	CON Target Occupancy Standard for Existing Beds	Med/Surg Beds Needed (85% Standard)	Additional Beds Needed (85% Standard)	CON Target Occupancy Standard for Adding New Beds	Med/Surg Beds Needed (80% Standard)	Additional Beds Needed (80% Standard)
2021	204	205	85%	217.65	13.65	80%	231.25	27.25
2022	204	210	85%	223.53	19.53	80%	237.50	33.50
2023	204	216	85%	230.59	26.59	80%	245.00	41.00
2024	228	220	85%	237.65	9.65	80%	252.50	24.50
2025	228	224	85%	244.71	16.71	80%	260.00	32.00

5. Thus, based on any of these bed projection models, the Hospital easily satisfies the utilization standards for existing and additional inpatient med/surg beds. For the specific purposes of this Criterion, under either model, Silver Cross Hospital is projecting the 24 added Med/Surg beds will achieve 85% utilization (or an ADC of 20.4) within 2 years of Project completion.

6. The same conclusion can be drawn if the A-13 need models for inpatient med/surg beds developed by the Review Board. Currently, the A-13 planning area is showing a need for 81 additional med/surg inpatient beds.

7. See Affidavit from Christopher W. Udovich, M.D., Chief Medical Officer at Silver Cross Hospital, wherein Dr. Udovich estimates that the current medical staff at Silver Cross Hospital have enough “pent up” admissions to justify an additional 20 to 40 med/surg beds, attached as ATTACHMENT 18.

8. See also the Utilization Affidavit of Ruth Colby, attached as ATTACHMENT 15.

Criterion 1110.200(b)(4)(C), Projected Service Demand (Rapid Population Growth)

1. The population of A-13, which includes both Will and Grundy Counties, continues to grow. The population is projected to increase by 7% or 61,409 people from 2020 to 2025. This growth will increase the need for hospital services. See following chart.

2. Within this population growth there is an increase in the number of older adults. The age group of 65 and older is projected to grow by 26% or 28,369 people from 2020 to 2025. This age group tends to be high utilizers of health care and will increase the demand for complex inpatient hospital services. See following chart.

Population Projections for A-13 by County	Census	Projections		
	2010	2015	2020	2025
Grundy County	50,063	53,015	55,970	58,944
Will County	677,560	736,406	795,161	853,596
Total A-13	727,623	789,421	851,131	912,540
Year to Year Growth		8%	8%	7%
Population Projections for A-13 for Age 65+	2010	2015	2020	2025
	2010	2015	2020	2025
Grundy	5,546	6,634	8,116	9,801
Will	62,814	81,390	102,891	129,575
Total	68,360	88,024	111,007	139,376
Year to Year Growth		29%	26%	26%
Source: Planning Board's Website, Population Projections Report https://www2.illinois.gov/sites/hfsrb/InventoriesData/Pages/Population-Projections.aspx				

Criterion 1110.200(e), Staffing Availability

Silver Cross Hospital already has the clinical and professional staffing needed for this Project. Indeed, during the COVID-19 pandemic, Silver Cross Hospital easily staffed up beyond surge capacity.

To the extent any staff positions are needed in the future, Silver Cross Hospital would post the job openings internally and externally on Indeed.com, Nurse.com, Silver Cross Hospital's webpage (www.Careers.SilverCross.org), Silver Cross Hospital's Twitter page (@SilverCrossCareers) and Silver Cross Hospital's Facebook page (@SilverCrossCareers).

The average time to fill a nurse opening is only 56 days at Silver Cross Hospital.

Criterion 1110.200(f), Performance Requirements-Bed Capacity Minimum

Silver Cross Hospital is already operating more than 100 Med/Surg Beds.

Criterion 1110.200(g), Assurances

See Utilization Affidavit of Ruth Colby, attached as ATTACHMENT 15.

March 31, 2021

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

Re: Affidavit Regarding Past & Future Med/Surg Admissions

Dear Mr. Constantino:

I am currently the Chief Medical Officer at Silver Cross Hospital & Medical Centers ("Silver Cross Hospital") in New Lenox, Illinois.

Between January 1, 2019 and December 31, 2019, I can attest that the Medical Staff at Silver Cross Hospital admitted a total of 14,364 Medical-Surgical ("Med/Surg") inpatients to Silver Cross Hospital and the Silver Cross Hospital Med/Surg Units had an average daily census ("ADC") of 174.8 patients. A HIPAA compliant list of those 2019 admissions by zip code is attached hereto as Exhibit A.

Between January 1, 2020 and December 31, 2020, I can attest that the Medical Staff at Silver Cross Hospital admitted a total of 13,701 Med/Surg inpatients to Silver Cross Hospital and the Silver Cross Hospital Med/Surg Units had an ADC of 178.7 patients. A HIPAA compliant list of those 2020 admissions by zip code is attached hereto as Exhibit A.

If the Illinois Health Facilities and Services Review Board (the "Review Board") authorizes Silver Cross Hospital to add twenty-four (24) Med/Surg Beds to address the increasing demand (and need) for Med/Surg Beds at Silver Cross Hospital and the need for Med/Surg Beds in Planning Area A-13, it is my professional opinion that the Medical Staff at Silver Cross Hospital would admit even more patients to the Med/Surg Units.

More specifically, it is my professional opinion that the Medical Staff at Silver Cross Hospital would increase the ADC in the Med/Surg Units from its current levels to an ADC in the range of 200 to 220 if Silver Cross Hospital is allowed to add twenty-four (24) Med/Surg Beds.

I certify, under oath and penalties as provided by law pursuant to 735 ILCS 5/1-109, that the information contained in this letter is true and correct to the best of my knowledge.

Sincerely,



Christopher Udovich, M.D.
Vice President & Chief Medical Officer

Subscribed and Sworn to before me
this 31 day of March 31, 2021.


Notary Public



Calendar Year 2019: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
Primary Service Area			
60403 - Crest Hill	174	Will	1.2%
60421 - Elwood	167	Will	1.2%
60423 - Frankfort	902	Will	6.3%
60432 - Joliet	778	Will	5.4%
60433 - Joliet	847	Will	5.9%
60435 - Joliet	513	Will	3.6%
60436 - Joliet	273	Will	1.9%
60441 - Lockport	1,278	Will	8.9%
60442 - Manhattan	370	Will	2.6%
60448 - Mokena	966	Will	6.7%
60451 - New Lenox	1,498	Will	10.4%
60491 - Homer Glen	926	Will	6.4%
60439 - Lemont	594	Cook	4.1%
60467 - Orland Park	941	Cook	6.6%
Primary Service Area Total	10,227		71.2%
Secondary Service Area			
60416 - Coal City	59	Grundy	0.4%
60447 - Minooka	65	Grundy	0.5%
60450 - Morris	73	Grundy	0.5%
60443 - Matteson	94	Cook	0.7%
60462 - Orland Park	340	Cook	2.4%
60464 - Palos Park	47	Cook	0.3%
60477 - Tinley Park	422	Cook	2.9%
60487 - Tinley Park	387	Cook	2.7%
60404 - Shorewood	171	Will	1.2%
60408 - Braidwood	51	Will	0.4%
60410 - Channahon	89	Will	0.6%
60431 - Joliet	182	Will	1.3%
60440 - Bolingbrook	24	Will	0.2%
60446 - Romeoville	176	Will	1.2%
60449 - Monee	97	Will	0.7%
60481 - Wilmington	154	Will	1.1%
60490 - Bolingbrook	6	Will	0.0%
60544 - Plainfield	69	Will	0.5%
60586 - Plainfield	112	Will	0.8%
Secondary Service Area Total	2,618		18.2%
Total Service Area (Primary & Secondary)	12,845		89.4%
Outside Service Area			
00771 - Las Piedras	1		0.0%
04259 - Monmouth	1		0.0%
07305 - Jersey City	1		0.0%
14468 - Hilton	1		0.0%
19958 - Lewes	2		0.0%
23513 - Norfolk	1		0.0%
27519 - Cary	1		0.0%
28382 - Roseboro	1		0.0%
29205 - Columbia	1		0.0%
29593 - Society Hill	1		0.0%
29708 - Fort Mill	1		0.0%
29710 - Clover	1		0.0%
30135 - Douglasville	1		0.0%
31721 - Albany	1		0.0%
32067 - Orange Park	1		0.0%

Calendar Year 2019: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
32141 - Edgewater	1		0.0%
32163 - The Villages	1		0.0%
32780 - Titusville	1		0.0%
32962 - Vero Beach	1		0.0%
33012 - Hialeah	1		0.0%
33020 - Hollywood	1		0.0%
33062 - Pompano Beach	1		0.0%
33331 - Fort Lauderdale	1		0.0%
33437 - Boynton Beach	1		0.0%
33907 - Fort Myers	1		0.0%
33912 - Fort Myers	1		0.0%
33917 - North Fort Myers	2		0.0%
33947 - Rotonda West	2		0.0%
34113 - Naples	1		0.0%
34291 - North Port	1		0.0%
34608 - Spring Hill	1		0.0%
34695 - Safety Harbor	1		0.0%
34714 - Clermont	1		0.0%
36619 - Mobile	1		0.0%
37040 - Clarksville	1		0.0%
37146 - Pleasant View	1		0.0%
37640 - Butler	1		0.0%
37923 - Knoxville	1		0.0%
39212 - Jackson	1		0.0%
40351 - Morehead	1		0.0%
43620 - Toledo	1		0.0%
44125 - Cleveland	2		0.0%
44236 - Hudson	1		0.0%
46041 - Frankfort	1		0.0%
46224 - Speedway	1		0.0%
46303 - Cedar Lake	2		0.0%
46307 - Crown Point	5		0.0%
46310 - Demotte	2		0.0%
46311 - Dyer	2		0.0%
46320 - Hammond	1		0.0%
46321 - Munster	2		0.0%
46323 - Hammond	4		0.0%
46324 - Hammond	1		0.0%
46342 - Hobart	4		0.0%
46349 - Lake Village	1		0.0%
46356 - Lowell	3		0.0%
46368 - Portage	2		0.0%
46373 - Saint John	3		0.0%
46375 - Schererville	7		0.0%
46383 - Valparaiso	2		0.0%
46385 - Valparaiso	1		0.0%
46404 - Gary	3		0.0%
46408 - Gary	1		0.0%
46528 - Goshen	1		0.0%
46530 - Granger	1		0.0%
46534 - Knox	2		0.0%
47960 - Monticello	1		0.0%
47963 - Morocco	1		0.0%
47970 - Otterbein	1		0.0%

Calendar Year 2019: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
48212 - Hamtramck	1		0.0%
48329 - Waterford	1		0.0%
49070 - Martin	1		0.0%
49117 - New Buffalo	2		0.0%
49221 - Adrian	1		0.0%
49316 - Caledonia	1		0.0%
49346 - Stanwood	1		0.0%
49424 - Holland	1		0.0%
52722 - Bettendorf	1		0.0%
52732 - Clinton	1		0.0%
53090 - West Bend	1		0.0%
53222 - Milwaukee	1		0.0%
53511 - Beloit	2		0.0%
53532 - De Forest	1		0.0%
53534 - Edgerton	1		0.0%
54201 - Algoma	1		0.0%
54534 - Hurley	1		0.0%
54935 - Fond Du Lac	1		0.0%
54956 - Neenah	1		0.0%
56021 - Courtland	1		0.0%
60005 - Arlington Heights	1		0.0%
60007 - Elk Grove Village	2		0.0%
60025 - Glenview	1		0.0%
60047 - Lake Zurich	3		0.0%
60050 - Mchenry	2		0.0%
60074 - Palatine	2		0.0%
60076 - Skokie	1		0.0%
60077 - Skokie	1		0.0%
60083 - Wadsworth	1		0.0%
60098 - Woodstock	1		0.0%
60101 - Addison	1		0.0%
60102 - Algonquin	2		0.0%
60104 - Bellwood	1		0.0%
60110 - Carpentersville	1		0.0%
60112 - Cortland	2		0.0%
60119 - Elburn	1		0.0%
60126 - Elmhurst	4		0.0%
60131 - Franklin Park	1		0.0%
60133 - Hanover Park	1		0.0%
60135 - Genoa	2		0.0%
60137 - Glen Ellyn	2		0.0%
60148 - Lombard	3		0.0%
60153 - Maywood	1		0.0%
60169 - Hoffman Estates	1		0.0%
60174 - Saint Charles	1		0.0%
60181 - Villa Park	2		0.0%
60185 - West Chicago	2		0.0%
60187 - Wheaton	1		0.0%
60193 - Schaumburg	3		0.0%
60401 - Beecher	26		0.2%
60402 - Berwyn	3		0.0%
60406 - Blue Island	28		0.2%
60407 - Braceville	9		0.1%
60409 - Calumet City	6		0.0%

Calendar Year 2019: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
60411 - Chicago Heights	27		0.2%
60415 - Chicago Ridge	13		0.1%
60417 - Crete	24		0.2%
60418 - Crestwood	13		0.1%
60419 - Dolton	6		0.0%
60420 - Dwight	5		0.0%
60422 - Flossmoor	24		0.2%
60424 - Gardner	8		0.1%
60425 - Glenwood	5		0.0%
60426 - Harvey	7		0.0%
60428 - Markham	13		0.1%
60429 - Hazel Crest	18		0.1%
60430 - Homewood	28		0.2%
60437 - Kinsman	1		0.0%
60438 - Lansing	7		0.0%
60444 - Mazon	6		0.0%
60445 - Midlothian	21		0.1%
60452 - Oak Forest	121		0.8%
60453 - Oak Lawn	30		0.2%
60455 - Bridgeview	11		0.1%
60456 - Hometown	5		0.0%
60457 - Hickory Hills	10		0.1%
60458 - Justice	3		0.0%
60459 - Burbank	7		0.0%
60461 - Olympia Fields	7		0.0%
60463 - Palos Heights	33		0.2%
60465 - Palos Hills	21		0.1%
60466 - Park Forest	33		0.2%
60468 - Peotone	65		0.5%
60469 - Posen	8		0.1%
60470 - Ransom	1		0.0%
60471 - Richton Park	17		0.1%
60472 - Robbins	1		0.0%
60473 - South Holland	9		0.1%
60474 - South Wilmington	4		0.0%
60475 - Steger	19		0.1%
60476 - Thornton	2		0.0%
60478 - Country Club Hills	29		0.2%
60480 - Willow Springs	8		0.1%
60482 - Worth	12		0.1%
60484 - University Park	8		0.1%
60501 - Summit Argo	3		0.0%
60502 - Aurora	1		0.0%
60503 - Aurora	1		0.0%
60504 - Aurora	4		0.0%
60505 - Aurora	3		0.0%
60506 - Aurora	1		0.0%
60510 - Batavia	1		0.0%
60511 - Big Rock	1		0.0%
60513 - Brookfield	2		0.0%
60514 - Clarendon Hills	1		0.0%
60515 - Downers Grove	4		0.0%
60516 - Downers Grove	5		0.0%
60517 - Woodridge	15		0.1%

Calendar Year 2019: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
60521 - Hinsdale	1		0.0%
60523 - Oak Brook	5		0.0%
60525 - La Grange	2		0.0%
60526 - La Grange Park	1		0.0%
60527 - Willowbrook	15		0.1%
60532 - Lisle	3		0.0%
60537 - Millington	1		0.0%
60538 - Montgomery	1		0.0%
60540 - Naperville	1		0.0%
60541 - Newark	3		0.0%
60543 - Oswego	2		0.0%
60548 - Sandwich	1		0.0%
60551 - Sheridan	3		0.0%
60554 - Sugar Grove	1		0.0%
60555 - Warrenville	1		0.0%
60558 - Western Springs	1		0.0%
60559 - Westmont	10		0.1%
60560 - Yorkville	6		0.0%
60561 - Darien	3		0.0%
60563 - Naperville	5		0.0%
60564 - Naperville	4		0.0%
60565 - Naperville	8		0.1%
60585 - Plainfield	13		0.1%
60601 - Chicago	2		0.0%
60607 - Chicago	1		0.0%
60608 - Chicago	6		0.0%
60609 - Chicago	1		0.0%
60611 - Chicago	1		0.0%
60612 - Chicago	1		0.0%
60615 - Chicago	2		0.0%
60616 - Chicago	1		0.0%
60617 - Chicago	6		0.0%
60618 - Chicago	2		0.0%
60619 - Chicago	3		0.0%
60620 - Chicago	4		0.0%
60621 - Chicago	1		0.0%
60622 - Chicago	1		0.0%
60623 - Chicago	1		0.0%
60625 - Chicago	1		0.0%
60628 - Chicago	14		0.1%
60629 - Chicago	7		0.0%
60630 - Chicago	1		0.0%
60632 - Chicago	3		0.0%
60633 - Chicago	2		0.0%
60634 - Chicago	1		0.0%
60638 - Chicago	13		0.1%
60639 - Chicago	1		0.0%
60640 - Chicago	2		0.0%
60642 - Chicago	1		0.0%
60643 - Chicago	17		0.1%
60644 - Chicago	3		0.0%
60646 - Chicago	1		0.0%
60647 - Chicago	1		0.0%
60649 - Chicago	1		0.0%

Calendar Year 2019: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
60651 - Chicago	3		0.0%
60652 - Chicago	1		0.0%
60655 - Chicago	10		0.1%
60657 - Chicago	1		0.0%
60714 - Niles	2		0.0%
60803 - Alsip	18		0.1%
60804 - Cicero	1		0.0%
60805 - Evergreen Park	6		0.0%
60827 - Riverdale	5		0.0%
60901 - Kankakee	26		0.2%
60911 - Ashkum	2		0.0%
60913 - Bonfield	3		0.0%
60914 - Bourbonnais	38		0.3%
60915 - Bradley	8		0.1%
60918 - Buckley	1		0.0%
60922 - Chebanse	2		0.0%
60924 - Cissna Park	1		0.0%
60935 - Essex	6		0.0%
60938 - Gilman	1		0.0%
60940 - Grant Park	10		0.1%
60941 - Herscher	2		0.0%
60948 - Loda	1		0.0%
60950 - Manteno	35		0.2%
60951 - Martinton	1		0.0%
60954 - Momence	1		0.0%
60961 - Reddick	1		0.0%
60964 - Saint Anne	1		0.0%
60970 - Watseka	1		0.0%
61021 - Dixon	1		0.0%
61031 - Franklin Grove	1		0.0%
61036 - Galena	1		0.0%
61074 - Savanna	1		0.0%
61103 - Rockford	1		0.0%
61109 - Rockford	1		0.0%
61234 - Annawan	1		0.0%
61270 - Morrison	1		0.0%
61301 - La Salle	4		0.0%
61310 - Amboy	1		0.0%
61319 - Cornell	1		0.0%
61325 - Grand Ridge	1		0.0%
61326 - Granville	1		0.0%
61329 - Ladd	1		0.0%
61330 - La Moille	1		0.0%
61341 - Marseilles	11		0.1%
61342 - Mendota	2		0.0%
61348 - Oglesby	2		0.0%
61350 - Ottawa	14		0.1%
61353 - Paw Paw	1		0.0%
61354 - Peru	1		0.0%
61360 - Seneca	5		0.0%
61364 - Streator	9		0.1%
61371 - Triumph	1		0.0%
61438 - Good Hope	1		0.0%
61455 - Macomb	1		0.0%

Calendar Year 2019: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
61483 - Toulon	1		0.0%
61530 - Eureka	1		0.0%
61611 - East Peoria	4		0.0%
61701 - Bloomington	2		0.0%
61728 - Colfax	1		0.0%
61738 - El Paso	1		0.0%
61753 - Lexington	1		0.0%
61760 - Minonk	1		0.0%
61761 - Normal	1		0.0%
61764 - Pontiac	2		0.0%
61832 - Danville	1		0.0%
61853 - Mahomet	1		0.0%
62401 - Effingham	3		0.0%
62448 - Newton	1		0.0%
62526 - Decatur	1		0.0%
62568 - Taylorville	1		0.0%
62688 - Tallula	1		0.0%
62902 - Carbondale	1		0.0%
62959 - Marion	1		0.0%
63110 - Saint Louis	1		0.0%
63116 - Saint Louis	2		0.0%
64151 - Kansas City	2		0.0%
66409 - Berryton	1		0.0%
67062 - Hesston	1		0.0%
70301 - Thibodaux	1		0.0%
70460 - Slidell	1		0.0%
70462 - Springfield	1		0.0%
71730 - El Dorado	1		0.0%
72634 - Flippin	1		0.0%
72653 - Mountain Home	1		0.0%
74132 - Tulsa	1		0.0%
74344 - Grove	1		0.0%
76132 - Fort Worth	1		0.0%
77328 - Cleveland	1		0.0%
77584 - Pearland	1		0.0%
78028 - Kerrville	1		0.0%
78132 - New Braunfels	3		0.0%
78541 - Edinburg	1		0.0%
80138 - Parker	1		0.0%
85220 - Apache Junction	1		0.0%
85234 - Gilbert	1		0.0%
85257 - Scottsdale	1		0.0%
85374 - Surprise	1		0.0%
85382 - Peoria	2		0.0%
85383 - Peoria	1		0.0%
87501 - Santa Fe	1		0.0%
88007 - Las Cruces	1		0.0%
89147 - Las Vegas	1		0.0%
89149 - Las Vegas	1		0.0%
90723 - Paramount	1		0.0%
91605 - North Hollywood	1		0.0%
92054 - Oceanside	1		0.0%
92069 - San Marcos	1		0.0%
92368 - Oro Grande	1		0.0%

Calendar Year 2019: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
93274 - Tulare	1		0.0%
94609 - Oakland	1		0.0%
95821 - Sacramento	1		0.0%
98277 - Oak Harbor	1		0.0%
Invalid/Unknown	27		0.2%
Outside Service Area Total	1,519		10.6%
Grand Total	14,364		100%

Calendar Year 2020: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
Primary Service Area			
60403 - Crest Hill	170	Will	1.2%
60421 - Elwood	153	Will	1.1%
60423 - Frankfort	869	Will	6.3%
60432 - Joliet	798	Will	5.8%
60433 - Joliet	739	Will	5.4%
60435 - Joliet	515	Will	3.8%
60436 - Joliet	295	Will	2.2%
60441 - Lockport	1,240	Will	9.1%
60442 - Manhattan	321	Will	2.3%
60448 - Mokena	832	Will	6.1%
60451 - New Lenox	1,330	Will	9.7%
60491 - Homer Glen	912	Will	6.7%
60439 - Lemont	564	Cook	4.1%
60467 - Orland Park	834	Cook	6.1%
Primary Service Area Total	9,572		69.9%
Secondary Service Area			
60449 - Monee	81	Will	0.6%
60440 - Bolingbrook	33	Will	0.2%
60446 - Romeoville	167	Will	1.2%
60490 - Bolingbrook	6	Will	0.0%
60544 - Plainfield	70	Will	0.5%
60586 - Plainfield	117	Will	0.9%
60408 - Braidwood	41	Will	0.3%
60481 - Wilmington	139	Will	1.0%
60404 - Shorewood	126	Will	0.9%
60410 - Channahon	99	Will	0.7%
60431 - Joliet	194	Will	1.4%
60416 - Coal City	45	Grundy	0.3%
60447 - Minooka	73	Grundy	0.5%
60450 - Morris	61	Grundy	0.4%
60443 - Matteson	93	Cook	0.7%
60462 - Orland Park	310	Cook	2.3%
60464 - Palos Park	52	Cook	0.4%
60477 - Tinley Park	455	Cook	3.3%
60487 - Tinley Park	389	Cook	2.8%
Secondary Service Area	2,551		18.6%
Total Service Area (Primary & Secondary)	12,123		88.5%
Outside Service Area			
06360 - Norwich	1		0.0%
07663 - Saddle Brook	1		0.0%
08619 - Trenton	3		0.0%
11230 - Brooklyn	1		0.0%
11375 - Forest Hills	1		0.0%
21220 - Middle River	1		0.0%
27519 - Cary	1		0.0%
29910 - Bluffton	1		0.0%
30004 - Alpharetta	1		0.0%
30012 - Conyers	1		0.0%
30080 - Smyrna	1		0.0%
30368 - Atlanta	1		0.0%
32141 - Edgewater	2		0.0%
32158 - Lady Lake	1		0.0%

Calendar Year 2020: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
32174 - Ormond Beach	1		0.0%
32826 - Orlando	1		0.0%
32962 - Vero Beach	2		0.0%
32966 - Vero Beach	1		0.0%
33308 - Fort Lauderdale	1		0.0%
33880 - Winter Haven	1		0.0%
33904 - Cape Coral	2		0.0%
33907 - Fort Myers	1		0.0%
34104 - Naples	1		0.0%
34114 - Naples	1		0.0%
34145 - Marco Island	3		0.0%
34211 - Bradenton	1		0.0%
35224 - Birmingham	1		0.0%
35242 - Birmingham	1		0.0%
36695 - Mobile	1		0.0%
37060 - Eagleville	1		0.0%
37067 - Franklin	1		0.0%
37803 - Maryville	1		0.0%
38138 - Germantown	1		0.0%
42025 - Benton	1		0.0%
42754 - Leitchfield	1		0.0%
43068 - Reynoldsburg	1		0.0%
44125 - Cleveland	1		0.0%
44601 - Alliance	1		0.0%
45103 - Batavia	1		0.0%
46140 - Greenfield	1		0.0%
46250 - Indianapolis	1		0.0%
46303 - Cedar Lake	2		0.0%
46307 - Crown Point	4		0.0%
46311 - Dyer	4		0.0%
46319 - Griffith	4		0.0%
46322 - Highland	1		0.0%
46324 - Hammond	5		0.0%
46356 - Lowell	5		0.0%
46368 - Portage	1		0.0%
46373 - Saint John	7		0.1%
46375 - Schererville	5		0.0%
46383 - Valparaiso	1		0.0%
46392 - Wheatfield	1		0.0%
46403 - Gary	1		0.0%
46404 - Gary	1		0.0%
46407 - Gary	1		0.0%
46410 - Merrillville	3		0.0%
46545 - Mishawaka	1		0.0%
46637 - South Bend	1		0.0%
47872 - Rockville	1		0.0%
47952 - Kingman	1		0.0%
47963 - Morocco	1		0.0%
49002 - Portage	1		0.0%
49633 - Fife Lake	1		0.0%
49707 - Alpena	1		0.0%
49769 - Pellston	1		0.0%
52175 - West Union	1		0.0%

Calendar Year 2020: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
52732 - Clinton	2		0.0%
53090 - West Bend	1		0.0%
53534 - Edgerton	1		0.0%
53565 - Mineral Point	1		0.0%
53705 - Madison	1		0.0%
53913 - Baraboo	1		0.0%
53949 - Montello	1		0.0%
54457 - Nekoosa	1		0.0%
54521 - Eagle River	1		0.0%
54529 - Harshaw	1		0.0%
54613 - Arkdale	1		0.0%
54935 - Fond Du Lac	1		0.0%
54983 - Weyauwega	1		0.0%
55303 - Anoka	1		0.0%
55403 - Minneapolis	1		0.0%
55422 - Minneapolis	1		0.0%
57719 - Box Elder	3		0.0%
58503 - Bismarck	1		0.0%
58831 - Alexander	1		0.0%
60007 - Elk Grove Village	4		0.0%
60056 - Mount Prospect	1		0.0%
60061 - Vernon Hills	1		0.0%
60068 - Park Ridge	1		0.0%
60101 - Addison	1		0.0%
60104 - Bellwood	1		0.0%
60106 - Bensenville	1		0.0%
60108 - Bloomingdale	1		0.0%
60123 - Elgin	1		0.0%
60130 - Forest Park	1		0.0%
60131 - Franklin Park	1		0.0%
60133 - Hanover Park	2		0.0%
60134 - Geneva	1		0.0%
60139 - Glendale Heights	2		0.0%
60140 - Hampshire	1		0.0%
60145 - Kingston	1		0.0%
60148 - Lombard	4		0.0%
60151 - Maple Park	1		0.0%
60157 - Medinah	1		0.0%
60169 - Hoffman Estates	8		0.1%
60172 - Roselle	2		0.0%
60173 - Schaumburg	1		0.0%
60174 - Saint Charles	1		0.0%
60175 - Saint Charles	1		0.0%
60177 - South Elgin	1		0.0%
60185 - West Chicago	1		0.0%
60187 - Wheaton	3		0.0%
60188 - Carol Stream	4		0.0%
60189 - Wheaton	1		0.0%
60190 - Winfield	1		0.0%
60191 - Wood Dale	1		0.0%
60193 - Schaumburg	1		0.0%
60301 - Oak Park	1		0.0%
60401 - Beecher	18		0.1%

Calendar Year 2020: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
60402 - Berwyn	1		0.0%
60406 - Blue Island	27		0.2%
60407 - Braceville	6		0.0%
60409 - Calumet City	9		0.1%
60411 - Chicago Heights	47		0.3%
60415 - Chicago Ridge	12		0.1%
60417 - Crete	34		0.2%
60418 - Crestwood	20		0.1%
60419 - Dolton	5		0.0%
60420 - Dwight	7		0.1%
60422 - Flossmoor	10		0.1%
60424 - Gardner	11		0.1%
60425 - Glenwood	5		0.0%
60426 - Harvey	19		0.1%
60428 - Markham	15		0.1%
60429 - Hazel Crest	18		0.1%
60430 - Homewood	36		0.3%
60438 - Lansing	6		0.0%
60444 - Mazon	8		0.1%
60445 - Midlothian	38		0.3%
60452 - Oak Forest	98		0.7%
60453 - Oak Lawn	24		0.2%
60455 - Bridgeview	14		0.1%
60457 - Hickory Hills	4		0.0%
60458 - Justice	10		0.1%
60459 - Burbank	9		0.1%
60461 - Olympia Fields	10		0.1%
60463 - Palos Heights	30		0.2%
60465 - Palos Hills	17		0.1%
60466 - Park Forest	22		0.2%
60468 - Peotone	70		0.5%
60469 - Posen	5		0.0%
60471 - Richton Park	17		0.1%
60472 - Robbins	2		0.0%
60473 - South Holland	16		0.1%
60474 - South Wilmington	2		0.0%
60475 - Steger	23		0.2%
60476 - Thornton	3		0.0%
60478 - Country Club Hills	26		0.2%
60479 - Verona	1		0.0%
60480 - Willow Springs	3		0.0%
60482 - Worth	13		0.1%
60484 - University Park	6		0.0%
60501 - Summit Argo	3		0.0%
60502 - Aurora	1		0.0%
60503 - Aurora	2		0.0%
60504 - Aurora	7		0.1%
60505 - Aurora	4		0.0%
60506 - Aurora	4		0.0%
60513 - Brookfield	1		0.0%
60514 - Clarendon Hills	2		0.0%
60515 - Downers Grove	7		0.1%
60516 - Downers Grove	6		0.0%

Calendar Year 2020: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
60517 - Woodridge	11		0.1%
60521 - Hinsdale	1		0.0%
60525 - La Grange	1		0.0%
60526 - La Grange Park	1		0.0%
60527 - Willowbrook	10		0.1%
60532 - Lisle	2		0.0%
60534 - Lyons	2		0.0%
60538 - Montgomery	6		0.0%
60540 - Naperville	6		0.0%
60541 - Newark	1		0.0%
60542 - North Aurora	2		0.0%
60543 - Oswego	4		0.0%
60545 - Plano	2		0.0%
60546 - Riverside	2		0.0%
60551 - Sheridan	5		0.0%
60552 - Somonauk	1		0.0%
60558 - Western Springs	1		0.0%
60559 - Westmont	11		0.1%
60560 - Yorkville	3		0.0%
60561 - Darien	4		0.0%
60563 - Naperville	1		0.0%
60564 - Naperville	8		0.1%
60565 - Naperville	4		0.0%
60585 - Plainfield	11		0.1%
60607 - Chicago	1		0.0%
60608 - Chicago	5		0.0%
60609 - Chicago	5		0.0%
60612 - Chicago	1		0.0%
60613 - Chicago	1		0.0%
60614 - Chicago	1		0.0%
60615 - Chicago	1		0.0%
60616 - Chicago	2		0.0%
60617 - Chicago	10		0.1%
60618 - Chicago	2		0.0%
60619 - Chicago	5		0.0%
60620 - Chicago	6		0.0%
60621 - Chicago	1		0.0%
60622 - Chicago	1		0.0%
60626 - Chicago	1		0.0%
60628 - Chicago	16		0.1%
60629 - Chicago	8		0.1%
60631 - Chicago	2		0.0%
60632 - Chicago	10		0.1%
60633 - Chicago	3		0.0%
60634 - Chicago	1		0.0%
60636 - Chicago	1		0.0%
60638 - Chicago	11		0.1%
60639 - Chicago	1		0.0%
60640 - Chicago	1		0.0%
60643 - Chicago	15		0.1%
60644 - Chicago	7		0.1%
60645 - Chicago	2		0.0%
60651 - Chicago	1		0.0%

Calendar Year 2020: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
60652 - Chicago	8		0.1%
60653 - Chicago	1		0.0%
60655 - Chicago	17		0.1%
60707 - Elmwood Park	1		0.0%
60803 - Alsip	24		0.2%
60804 - Cicero	1		0.0%
60805 - Evergreen Park	7		0.1%
60827 - Riverdale	12		0.1%
60901 - Kankakee	29		0.2%
60913 - Bonfield	4		0.0%
60914 - Bourbonnais	37		0.3%
60915 - Bradley	12		0.1%
60919 - Cabery	1		0.0%
60922 - Chebanse	2		0.0%
60927 - Clifton	1		0.0%
60928 - Crescent City	1		0.0%
60935 - Essex	1		0.0%
60938 - Gilman	1		0.0%
60940 - Grant Park	9		0.1%
60941 - Herscher	4		0.0%
60948 - Loda	1		0.0%
60950 - Manteno	30		0.2%
60954 - Momence	2		0.0%
60958 - Pembroke Twp	2		0.0%
60961 - Reddick	5		0.0%
60964 - Saint Anne	3		0.0%
60970 - Watseka	3		0.0%
61008 - Belvidere	1		0.0%
61014 - Chadwick	1		0.0%
61031 - Franklin Grove	1		0.0%
61081 - Sterling	2		0.0%
61115 - Machesney Park	1		0.0%
61270 - Morrison	2		0.0%
61301 - La Salle	3		0.0%
61327 - Hennepin	2		0.0%
61340 - Mark	1		0.0%
61341 - Marseilles	10		0.1%
61350 - Ottawa	14		0.1%
61353 - Paw Paw	1		0.0%
61354 - Peru	2		0.0%
61356 - Princeton	1		0.0%
61360 - Seneca	6		0.0%
61364 - Streator	13		0.1%
61377 - Wenona	1		0.0%
61379 - Wyanet	1		0.0%
61611 - East Peoria	1		0.0%
61701 - Bloomington	1		0.0%
61704 - Bloomington	2		0.0%
61726 - Chenoa	1		0.0%
61755 - Mackinaw	1		0.0%
61761 - Normal	2		0.0%
61764 - Pontiac	1		0.0%
61820 - Champaign	1		0.0%

Calendar Year 2020: Medical-Surgical Adult Admissions by Zip Code			
Service Area/Zip Code	Medical-Surgical Adult Inpatient Admissions	County	Percentage of Total Adult Medical-Surgical Admissions
61821 - Champaign	1		0.0%
61822 - Champaign	2		0.0%
61846 - Georgetown	1		0.0%
61853 - Mahomet	1		0.0%
61856 - Monticello	1		0.0%
61857 - Muncie	1		0.0%
61874 - Savoy	2		0.0%
61938 - Mattoon	1		0.0%
61944 - Paris	1		0.0%
62401 - Effingham	2		0.0%
62454 - Robinson	1		0.0%
62521 - Decatur	1		0.0%
62526 - Decatur	1		0.0%
62554 - Oreana	1		0.0%
62565 - Shelbyville	1		0.0%
62682 - San Jose	1		0.0%
62837 - Fairfield	1		0.0%
63021 - Ballwin	1		0.0%
64015 - Blue Springs	1		0.0%
65401 - Rolla	1		0.0%
66051 - Olathe	1		0.0%
67062 - Hesston	1		0.0%
73521 - Altus	1		0.0%
77845 - College Station	1		0.0%
78102 - Beeville	1		0.0%
80230 - Denver	1		0.0%
80525 - Fort Collins	1		0.0%
81147 - Pagosa Springs	1		0.0%
83336 - Heyburn	1		0.0%
85207 - Mesa	1		0.0%
85211 - Mesa	1		0.0%
85255 - Scottsdale	1		0.0%
85298 - Gilbert	1		0.0%
85379 - Surprise	1		0.0%
89108 - Las Vegas	1		0.0%
90404 - Santa Monica	1		0.0%
93036 - Oxnard	1		0.0%
98443 - Tacoma	1		0.0%
Invalid/Unknown	29		0.2%
Outside Service Area Total	1,578		11.5%
Grand Total	13,701		100.0%

Section VI
Attachment 33
Availability of Funds
Criterion 1120.120

Silver Cross Hospital will be funding this Project with cash and cash equivalents. An Affidavit of Available Funds from Vincent Pryor, the Senior Vice President and Chief Financial Officer of Silver Cross Hospital ("Mr. Pryor"), in support of this Criterion is attached at ATTACHMENT 33.

Silver Cross Hospital's most recent audited financial statements (September 30, 2020) are attached at ATTACHMENT 33 and show that Silver Cross Hospital was holding more than enough cash, cash equivalents, available invested funds, and funds specifically directed for capital improvements, to fund this Project.

Silver Cross Hospital's recent rating letter from Moody's Investors Service (A3) is attached at ATTACHMENT 34.

March 31, 2021

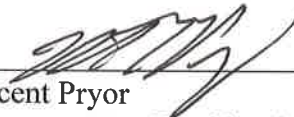
Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Criterion 1120.120(a) Available Funds Certification (Med/Surg Expansion Certificate of Need)

Dear Mr. Constantino:

I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, and pursuant to 77 Ill. Admin. Code § 1120.120(a), that Silver Cross Hospital and Medical Centers ("Silver Cross") has sufficient and readily accessible cash and cash equivalents to fund the obligations of Silver Cross set forth in the Certificate of Need Application for the "Silver Cross Fifth/Sixth Floor - Med/Surg Expansion" Project.

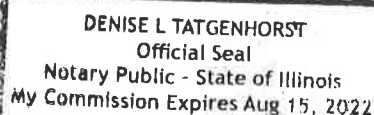
Sincerely,



Vincent Pryor
Executive Vice President/Finance
Chief Financial Officer

SUBSCRIBED AND SWORN
to before me this 31 day
of March, 2021.



Notary Public

DENISE L. TATGENHORST
Official Seal
Notary Public - State of Illinois
My Commission Expires Aug 15, 2022



SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidated Financial Statements and Schedules

September 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

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KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Independent Auditors' Report

The Boards of Trustees
Silver Cross Health System
and Affiliates:

We have audited the accompanying consolidated financial statements of Silver Cross Health System and its affiliates, which comprise the consolidated balance sheets as of September 30, 2020 and 2019, and the related consolidated statements of operations and changes in net assets without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Silver Cross Health System and its affiliates as of September 30, 2020 and 2019, and the results of their operations and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

*Emphasis of Matter*

As discussed in note 2 to the consolidated financial statements, Silver Cross Health System and its affiliates adopted new accounting guidance in 2019 for Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customer (Topic 606)*, and ASU No. 2016-14, *Presentation of Financial Statements for Not-for-profit Entities*. Our opinion is not modified with respect to these matters.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in schedules 1 through 6 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

KPMG LLP

Chicago, Illinois
January 28, 2021

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidated Balance Sheets

September 30, 2020 and 2019

(Amounts in thousands)

	Assets	2020	2019
Current assets:			
Cash and cash equivalents		\$ 32,422	27,441
Short-term investments		4,069	3,603
Assets whose use is limited or restricted, required for current liabilities		99,000	33,009
Patient accounts receivable		47,724	47,454
Other receivables		1,793	1,339
Prepaid expenses and other		7,023	7,143
Total current assets		192,031	119,989
Assets whose use is limited or restricted, excluding assets required for current liabilities:			
By board for capital improvements and other		251,639	221,666
By board for self-insurance		32,089	26,333
Under bond indenture agreements – held by trustee		427	318
Pledges receivable		564	770
Donor-restricted investments		2,830	1,904
Beneficial interest in perpetual trusts		8,390	7,940
Total assets whose use is limited or restricted, excluding assets required for current liabilities		295,939	258,931
Land, buildings, and equipment, net		422,423	422,489
Other assets:			
Land held for sale		23,035	23,035
Estimated excess insurance recovery receivables		4,160	4,905
Other long-term assets		16,241	13,400
Total assets		\$ 953,829	842,749
Liabilities and Net Assets			
Current liabilities:			
Current installments of long-term debt		\$ 8,305	7,715
Accounts payable		48,641	40,860
Accrued salaries and wages		32,291	23,864
Accrued expenses		5,641	5,639
Estimated payables under third-party reimbursement programs		96,954	41,395
Total current liabilities		191,832	119,473
Estimated self-insured professional and general liability claims		38,174	41,734
Long-term debt, excluding current installments		366,492	375,207
Capital lease and other long-term liabilities, net of current portion		6,658	7,059
Total liabilities		603,156	543,473
Net assets:			
Net assets without donor restrictions		337,992	287,607
Noncontrolling interest in consolidated joint venture		897	1,071
Total net assets without donor restrictions		338,889	288,678
Net assets with donor restrictions		11,784	10,598
Total net assets		350,673	299,276
Total liabilities and net assets		\$ 953,829	842,749

See accompanying notes to consolidated financial statements.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidated Statements of Operations and Changes in Net Assets without Donor Restrictions

Years ended September 30, 2020 and 2019

(Amounts in thousands)

	<u>2020</u>	<u>2019</u>
Revenue:		
Net patient service revenue	\$ 405,663	409,606
Other revenue	<u>36,419</u>	<u>8,826</u>
Total revenue	<u>442,082</u>	<u>418,432</u>
Expenses:		
Salaries and wages	153,741	146,826
Payroll taxes and fringe benefits	41,151	35,378
General and administrative	88,381	86,684
Supplies	87,638	83,792
Depreciation and amortization	30,989	30,859
Interest	<u>15,010</u>	<u>15,942</u>
Total expenses	<u>416,910</u>	<u>399,481</u>
Income from operations	25,172	18,951
Nonoperating gains (losses):		
Investment return, net	23,306	11,534
Other, net	<u>1,403</u>	<u>(695)</u>
Total nonoperating gains, net	<u>24,709</u>	<u>10,839</u>
Revenue and gains in excess of expenses and losses	49,881	29,790
Other changes in net assets without donor restrictions:		
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	330	618
Other	<u>—</u>	<u>1,225</u>
Increase in net assets without donor restrictions	<u>\$ 50,211</u>	<u>31,633</u>

See accompanying notes to consolidated financial statements.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidated Statements of Changes in Net Assets

Years ended September 30, 2020 and 2019

(Amounts in thousands)

	<u>2020</u>	<u>2019</u>
Net assets without donor restrictions:		
Revenue and gains in excess of expenses	\$ 49,881	29,790
Other changes in net assets without donor restriction:		
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	330	618
Other	<u>—</u>	<u>1,225</u>
Increase in net assets without donor restrictions	<u>50,211</u>	<u>31,633</u>
Net assets with donor restrictions:		
Contributions for specific purposes	1,228	1,145
Net realized and unrealized gains and losses on net assets with donor restrictions	448	84
Net assets released from restriction for operating purposes	(160)	(155)
Net assets released from restriction for land, building, and equipment acquisitions	<u>(330)</u>	<u>(618)</u>
Increase in net assets with donor restrictions	<u>1,186</u>	<u>456</u>
Change in net assets	51,397	32,089
Net assets at beginning of year	<u>299,276</u>	<u>267,187</u>
Net assets at end of year	<u>\$ 350,673</u>	<u>299,276</u>

See accompanying notes to consolidated financial statements.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidated Statements of Cash Flows

Years ended September 30, 2020 and 2019

(Amounts in thousands)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 51,397	32,089
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	30,989	30,859
Amortization of bond issue costs, discounts, and premiums included in interest expense	(410)	(410)
Contributed capital for unconsolidated joint ventures	—	(4,776)
Contributed capital from minority partners in consolidated joint ventures	—	(1,225)
Loss (income) from equity method investments	(2,078)	238
Distributions received from equity method investments	227	3,000
Net (gain) loss on sale of land, building, and equipment	(302)	970
Net long-term contributions	(1,068)	(990)
Net realized and unrealized gains and losses on investments	(22,425)	1,479
Changes in assets and liabilities:		
Patient accounts receivable	(270)	(7,528)
Estimated excess insurance recovery receivables	745	(752)
Other assets	(1,323)	21
Estimated payables under third-party reimbursement programs	55,559	973
Accounts payable, accrued expenses, and other liabilities	12,664	24,022
Net cash provided by operating activities	123,705	77,970
Cash flows from investing activities:		
Acquisition of land, buildings, and equipment	(31,555)	(30,974)
Proceeds from sale of land, buildings, and equipment	724	1,176
Net change in assets whose use is limited or restricted	(80,574)	(36,771)
Net change in short-term investments	(466)	(206)
Net cash used in investing activities	(111,871)	(66,775)
Cash flows from financing activities:		
Repayment of capital leases	(206)	(183)
Scheduled repayments of long-term debt	(7,715)	(7,505)
Net long-term contributions	1,068	990
Net cash used in financing activities	(6,853)	(6,698)
Net increase in cash and cash equivalents	4,981	4,497
Cash and cash equivalents at beginning of year	27,441	22,944
Cash and cash equivalents at end of year	\$ 32,422	27,441
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 15,445	16,411

See accompanying notes to consolidated financial statements.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

(1) Organization and Purposes

Silver Cross Health System (the Health System) was incorporated during 1981 for charitable, educational, and scientific purposes to support health and human services by providing management assistance and in all other relevant ways. The accompanying consolidated financial statements include the accounts of the Health System and the following affiliates, which it controls (collectively referred to as the Corporations):

- Silver Cross Hospital and Medical Centers (the Hospital), a not-for-profit acute care hospital of which the Health System is the sole member; the Hospital facility is located in New Lenox, Illinois and has 302 licensed beds.
- Silver Cross Foundation (the Foundation), a not-for-profit corporation of which the Health System is the sole member, which is dedicated to the advancement of healthcare in Will, Grundy, South Cook, and DuPage counties in Illinois.
- Health Service Systems, Inc. (HSSI), a wholly owned subsidiary of the Health System, which was incorporated to provide administrative and management services to its affiliates and other businesses.
- Midwest Community Real Estate Corporation (MCREC), a not-for-profit corporation of which the Health System is the sole member, which was incorporated to establish and maintain healthcare centers and other facilities for the benefit of the Health System and its affiliates.
- Prime Medical Imaging LLC (Prime Medical), a for-profit joint venture providing radiological healthcare services; the Health System owns 51% and controls the joint venture, resulting in consolidation with noncontrolling interest. Outside capital of \$1,225 was received in formation of the joint venture in 2019.

All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

(2) Summary of Significant Accounting Policies

Significant accounting policies of the Corporations that conform to general practice within the healthcare industry are as follows:

- The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- Transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are reported as revenue and expenses. Transactions incidental to the provision of healthcare services are reported as nonoperating gains and losses.
- The consolidated statements of operations and changes in net assets without donor restrictions include revenue and gains in excess of expenses and losses. Changes in net assets without donor restrictions, which are excluded from revenue and gains in excess of expenses and losses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets) and contributed capital from minority partners for consolidated joint ventures.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

- The Corporations consider demand deposits with banks, cash on hand, and all highly liquid debt instruments (including repurchase agreements) purchased with original maturity dates of three months or less to be cash and cash equivalents, excluding those instruments classified as assets whose use is limited or restricted. Short-term investments consist of money market funds or mutual funds that are held and managed by an external broker. These funds are not intended to be used for operations but have not had a specific limitation placed on them to classify them as assets whose use is limited or restricted.
- Assets limited as to use include amounts held by the bond trustee for payment of principal and interest donor restricted investments, and designated assets set aside for self-insurance, capital improvements, and other. Assets whose use is limited required for current liabilities are reported as current assets and are also used at the Corporations' boards of directors' discretion. Assets whose use is limited required for current liabilities are required as approved by the Corporations' board of directors to cover all outstanding current liabilities at least annually.
- Inventories are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis.
- Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment return (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenue and gains in excess of expenses and losses as all investments are considered to be trading securities unless the income or loss is restricted by donors, in which case the investment return is recorded directly to net assets with donor restrictions. Investment return of unrestricted investments is reported as nonoperating gains and losses. Unrealized gains and losses of permanently and investments with donor restrictions are recorded directly to net assets with donor restrictions.
- The Corporations apply the provisions of Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, for fair value measurements of financial assets and liabilities and for fair value measurement of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- Except as otherwise disclosed, the carrying value of all financial instruments of the Corporations approximates fair value.
- Land, buildings, and equipment are stated at cost or fair value at date of donation. Depreciation is provided over the estimated useful lives of depreciable assets and is computed on the straight-line method.
- The Corporations evaluate long-lived assets, such as buildings and equipment, for impairment on an annual basis. Long-lived assets are considered to be impaired whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairments have been recorded for the year ended September 30, 2020 or 2019.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

- Unconditional promises to give cash or other assets are reported at fair value at the date the promise is received. All contributions are considered to be available for unrestricted use unless specifically restricted by donors. Contributions are reported as direct additions to net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported as net assets released from restriction. Net assets with donor restriction used for operating purposes are included in other operating revenue to the extent expended during the period. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted contributions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Donor-restricted contributions whose restrictions are met within the same year as received are reported directly within the consolidated statements of operations and changes in net assets without donor restrictions.
- Net assets with donor restrictions include the Hospital's interest in a charitable remainder trust, the Foundation's interest in a charitable remainder trust, beneficial interest in perpetual trusts, and donor-restricted contributions, the principal amount of which may not be expended. Investment income of the perpetual trust is distributable within specified limits to an unrelated party. Investment income of the charitable remainder trust is distributable within specified limits to an unrelated party. All other net assets with donor restrictions are restricted primarily for land, building, and equipment acquisitions at both September 30, 2020 and 2019.
- Provisions for estimated self-insured professional, general liability, workers' compensation, and employee healthcare risks include estimates of the ultimate cost of both reported losses and losses incurred but not reported as of the respective consolidated balance sheet dates. All liabilities are presented as long term.
- Net patient service revenue is reported at the amounts that reflect the consideration to which the Hospital, Prime Medical, HSSI (collectively referred to as the Providers) expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors, and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. The Providers have agreements with third-party payors, which provide for reimbursement at amounts different from their established rates. Explicit price concessions under third-party reimbursement programs represent the difference between billings at list price and the amounts reimbursed by Medicare, Blue Cross, and certain other third-party payors; the difference between billings at list price and the allocated cost of services provided to Medicaid patients; and any differences between estimated retroactive third-party reimbursement settlements for prior years and subsequent final settlements.

Performance obligations are determined based on the nature of the services provided by the Providers. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Providers believe that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the Hospital receiving inpatient acute care services or patients and receiving outpatient services. The Providers measure the performance obligation from admission into the

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

Hospital, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to patients and customers in a retail setting (e.g., pharmaceuticals and medical equipment), and the Providers do not believe it is required to provide additional goods or services related to that sale.

The Providers determine the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions provided to third-party payors, discounts provided to uninsured patients in accordance with the Health System's policy, and implicit price concessions provided to uninsured patients. The Providers determine their estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Providers determine their estimate of implicit price concessions based on its historical collection experience with this class of patients.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payer, correspondence from the payor, and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (i.e., new information becomes available) or as years are settled or are no longer subject to such audits, reviews, and investigations.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Providers also provide services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Providers estimate the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. In evaluating the collectibility of patients' accounts receivable, the Providers analyze their past history and identify trends for each of their major payor sources of revenue to estimate the variable consideration. Management regularly reviews data about these major payor sources of revenue in evaluating the variable consideration. The initial estimate of the transaction price is determined by reducing the standard charge by any explicit price concessions, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

The Providers use a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The portfolios consist of major payor classes for inpatient revenue and major payor classes for inpatient revenue and major payor classes and types of services provided for outpatient revenue. Based on the historical collection trends and other analyses, the Providers believe that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach was used.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

The Providers provided for an allowance against patient accounts receivable for amounts that could become uncollectible. The Providers estimate this allowance based on the aging of accounts receivable, historical collection experience by payor, and other relevant factors. These various factors can impact collection and trends, such as changes in the economy, which in turn have an impact on unemployment rates and the number of uninsured and underinsured patients, the increased burden of co-payments to be made by patients with insurance coverage, and business practices related to collection efforts. These factors continuously change and can have an impact on collection trends the estimation process used by the Providers. The Providers records implicit price concessions in the period of services on the basis of past experience, which has historically indicated that many patients are unresponsive or are otherwise unwilling to pay the portion of their bill for which they are financially responsible.

- Other operating revenue includes rental income, joint venture activity, CARES act revenue, and other miscellaneous revenue.
- The Health System, the Hospital, MCREC, and the Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. A provision for income taxes has not been recorded for HSSI as there are net operating losses of approximately \$30,860 available for carryforward, which expire at various future dates through 2037. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Deferred tax assets have been offset in their entirety by valuation allowances at both September 30, 2020 and 2019 based upon management's assessment that those deferred tax assets may not be utilized.
- The Corporations account for tax positions in accordance with ASC Topic 740, *Income Taxes*. ASC Topic 740 clarifies the accounting for uncertainty in tax positions and also provides guidance on when the tax positions are recognized in an entity's consolidated financial statements and how the values of these positions are determined. The Corporations do not have any liabilities recognized for uncertain tax positions. The Corporations account for derivatives and hedging activities in accordance with ASC Subtopic 815-10, *Derivatives and Hedging – Overall*, as amended, which requires that an entity recognize all derivatives as either assets or liabilities in the consolidated balance sheets and measure those instruments at fair values. The fair values of the interest rate swap programs are included as a component of the assets whose use is limited by board for capital improvements and other in the accompanying consolidated balance sheets. The derivatives are not designated as hedge instruments, and therefore, the change in fair value of the interest rate swap is recorded as a component of nonoperating gains (losses) – other, net in the period of change as well as net settlement of derivative instruments.
- In May 2014, Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU replaces most existing revenue recognition guidance in Generally Accepted Accounting Principles. ASU No. 2014-09 Topic 606 was adopted October 1, 2018. The standard permits the use of either the retrospective or cumulative effect transition method. The Health System selected the cumulative effect transition method. The Health System has applied

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

the standard to contracts that were not completed at the date of adoption. The adoption of ASU No. 2014-09 resulted in changes to the presentation and disclosure of revenue related to uninsured or underinsured patients as well as items within the operating section of the statement of cash flow for 2019. Prior to the adoption of ASU No. 2014-09, the Health System presented a separate provision for bad debts related to self-pay patients, as well as co-pays and deductibles owed by patients with insurance. The Corporations also assessed the impact of the new standard on various reimbursement programs that represent variable consideration and concluded that accounting for these programs under the new standard is substantially consistent with the historical accounting practices. ASC Topic 606 did not materially impact the financial position, results of operations, or cash flows of the Corporations.

- In August 2016, FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU No. 2016-14, *Not-for-Profit Entities (ASC 958)*, was adopted by the Corporations effective October 1, 2018 with retroactive application. ASC 958 changed the way a not-for-profit entity (NFP) classifies and presents net assets on the face of the consolidated financial statements and presents information in the financial statements and notes about the NFP's liquidity, financial performance, and cash flows. The amendment changed the way the Corporations report classes of net assets, from the previously required three classes to two.
- In February 2016, FASB issued ASU No. 2016-02, *Leases*. ASU No. 2016-02 requires entities to recognize all leased assets as assets on the consolidated balance sheet with a corresponding liability resulting in a gross up of the consolidated balance sheet. Entities will also be required to present additional disclosures as the nature and extent of leasing activities. ASU No. 2016-02 is effective for the Corporations beginning October 1, 2020. ASU No. 2016-02 allows for entities to elect to adopt the provisions of the standard prospectively without adjusting comparative periods. The Corporations are planning to elect this option. Management expects to record lease liabilities and corresponding right-of-use assets of approximately \$46,000 in the consolidated balance sheet. The adoption of ASU No. 2016-02 is not expected to have a significant impact on the results of operations or cash flows. The Corporations will include new disclosures in its fiscal year 2021 financial statements in accordance with ASU No. 2016-02.
- In November 2016, FASB issued ASU No. 2016-18, *Restricted Cash*, a consensus of the FASB Emerging Issues Task Force. ASU No. 2016-18 requires an entity to include amounts generally described as restricted cash and restricted cash equivalents, along with cash and cash equivalents when reconciling beginning and ending balances on the statement of cash flows. ASU No. 2016-18 was effective for the Corporations for the year ended September 30, 2020. The adoption of ASU No. 2016-18 did not have a material impact to the financial statements, as the Corporations do not have substantial restricted cash.
- Certain reclassifications have been made to the 2019 consolidated financial statements to conform to the 2020 presentation.

Other significant accounting policies are set forth in the following notes.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

(3) Financial Assets and Liquidity Resources

As of September 30, 2020, and 2019, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 32,422	27,441
Short-term investments	4,069	3,603
Assets whose use is limited	350,639	254,675
Patient accounts receivable and other receivables	<u>49,517</u>	<u>48,793</u>
Total financial assets and liquidity resources available within one year	<u>436,647</u>	<u>334,512</u>
Current liabilities:		
Current installments of long-term debt	8,305	7,715
Accounts payable	48,641	40,860
Accrued salaries and wages	32,291	23,864
Accrued expense	5,641	5,639
Estimated payables under third-party reimbursement programs	<u>96,954</u>	<u>41,395</u>
Total current liabilities	<u>191,832</u>	<u>119,473</u>
Net resources available	<u>\$ 244,815</u>	<u>215,039</u>

Assets whose use is limited or restricted exclude assets restricted for self-insurance liabilities and those restricted under bond indenture agreements. All other noncurrent investments, although intended to satisfy long-term obligations, could be utilized within the next year, if necessary.

(4) Net Patient Service Revenue

A summary of the reimbursement methodologies with major third-party payors is as follows:

(a) Medicare

The Hospital is paid for inpatient acute care, outpatient, rehabilitative, and home health services rendered to Medicare program beneficiaries under prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. The prospectively determined rates are not subject to retroactive adjustment. The Hospital's classification of patients under the prospective payment systems and the appropriateness of patient admissions are subject to validation reviews.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

For certain services rendered to Medicare beneficiaries, the Providers' reimbursement is based upon cost or other reimbursement methodologies. The Providers are reimbursed at a tentative rate, with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. Medicare reimbursement reports through September 30, 2015 have been audited and final settled by the Medicare fiscal intermediary.

(b) Medicaid

The Hospital is paid for inpatient acute care services rendered to Medicaid program beneficiaries under prospectively determined rate per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Medicaid outpatient services are reimbursed based on fee schedules. Medicaid reimbursement methodologies may be subject to periodic adjustment, as well as to changes in existing payment levels and rates, based on the amount of funding available to the State of Illinois (the State) Medicaid program, and any such changes could have a significant effect on the Hospital's revenue.

The Hospital continues to participate in the State of Illinois (the State) provider assessment program that assists in the financing of its Medicaid program. Effective July 1, 2018 the State of Illinois implemented a new Hospital Assessment Program pursuant to Public Act 100-581, replacing the previous program, which expired effective June 30, 2018. Under the new program, the Illinois hospital community has increased revenue related to Medicaid patient claims and lesser revenue related to the supplemental payments through the assessment program. Pursuant to this program, hospitals within the State are required to remit payment to the State of Illinois Medicaid program under an assessment formula approved by the Centers for Medicare and Medicaid Services (CMS). The Hospital has included its assessment of \$16,625 and \$16,128 for the years ended September 30, 2020 and 2019, respectively, within general and administrative expense. The assessment program also provides hospitals within the State with additional Medicaid reimbursement based on funding formulas also approved by CMS. The Hospital has included its additional reimbursement of \$27,137 and \$25,869 for the years ended September 30, 2020 and 2019, respectively, within net patient service revenue.

(c) Blue Cross

The Providers also participate as a provider of healthcare services under a reimbursement agreement with Blue Cross. The provisions of this agreement stipulate that services will be reimbursed at a tentative reimbursement rate and that final reimbursement for these services is determined after the submission of an annual cost report by the Hospital and a review by Blue Cross. The Blue Cross reimbursement reports for September 30, 2018 and prior years have been reviewed by Blue Cross.

(d) Other

The Providers have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements is negotiated by the Providers and includes prospectively determined rate per discharge, discounts from established charges, capitation, and prospectively determined per diem rates.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

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(In thousands)

A summary of the Providers' utilization percentages based upon net patient service revenue is as follows:

	2020	2019
Medicare	39.0 %	37.0 %
Medicaid	11.5	10.7
Managed care/commercial	49.4	52.5
Self-pay and other	0.1	(0.2)
	<u>100.0 %</u>	<u>100.0 %</u>

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and co-payment balances due for which third-party coverage exists for part of the bill), the Providers have determined they have provided an implicit price concession. The Providers record this in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Providers expect to collect based on their collection history with those patients.

The Providers recognize net patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Providers recognize revenue on the basis of their standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Providers' uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Providers record a significant provision for implicit price concessions related to uninsured patients in the period the services are provided. Net patient service revenue, net of implicit and explicit price concessions, recognized in the period from these major payor sources, is as follows:

	2020	2019
Medicare	\$ 158,209	151,639
Medicaid	46,650	44,016
Managed care/commercial	200,398	215,152
Self-pay and other	406	(1,201)
Net patient service revenue	<u>\$ 405,663</u>	<u>409,606</u>

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

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(In thousands)

(5) Concentration of Credit Risk

The Providers grant credit without collateral to their patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors as of September 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Medicare	38.6 %	35.2 %
Medicaid	10.2	10.6
Blue Cross	12.7	13.5
Managed care/contract payors	27.0	28.3
Self-pay	4.6	5.1
Commercial and other	6.9	7.3
	<u>100.0 %</u>	<u>100.0 %</u>

(6) Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. In addition, reimbursement for services provided to Medicaid program beneficiaries is substantially less than the cost to the Hospital for providing these services.

The Hospital maintains records of the amount of charges forgone and related cost for services and supplies furnished under its charity care policy, as well as the estimated differences between the cost of services provided to Medicaid patients and the reimbursement under that program estimated based on an overall cost-to-charge ratio. The following information measures the estimated level of charity care provided and unreimbursed cost under the Medicaid program during 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Estimated charity care costs for non-Medicaid patients	\$ 7,605	7,606
Excess of cost over reimbursement for services provided to Medicaid patients (1)	8,002	8,050

(1) The net impact of Medicaid assessment program has been allocated to each year based upon the State's fiscal year.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

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(In thousands)

(7) Investments

A summary of the composition of the Corporations' investment portfolio at September 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 54,726	14,765
Money market funds	2,250	2,220
Common stock	40,805	31,428
U.S. Treasury securities	26,083	17,044
Mutual funds	242,993	204,524
Corporate bonds and notes	18,468	13,100
U.S. agency securities	4,729	3,752
Beneficial interest in perpetual trusts	8,390	7,940
	<u>\$ 398,444</u>	<u>294,773</u>

Investments are reported in the accompanying consolidated balance sheets at September 30 as follows:

	<u>2020</u>	<u>2019</u>
Short-term investments	\$ 4,069	3,603
Assets whose use is limited or restricted, excluding pledges receivable:		
Required for current liabilities	99,000	33,009
By board for capital improvements and other	251,639	221,666
By board for self-insurance	32,089	26,333
Under bond indenture agreements – held by trustee	427	318
Donor-restricted investments	2,830	1,904
Beneficial interest in perpetual trusts	8,390	7,940
	<u>\$ 398,444</u>	<u>294,773</u>

The composition of investment return on the Corporations' investment portfolio for 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Interest and dividend income, net of fees, and expenses	\$ 1,329	12,853
Net realized gains on sale of investments	6,986	371
Net change in unrealized gains and losses during the holding period	15,439	(1,606)
	<u>\$ 23,754</u>	<u>11,618</u>

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Notes to Consolidated Financial Statements

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(In thousands)

The Corporations have designated all unrestricted investments to be trading securities and maintains cash equivalents as part of the investment strategy and overall investing policy. Investment return is included in the accompanying consolidated financial statements for the years ended September 30, 2020 and 2019 as follows:

	2020	2019
Nonoperating gains – investment income, net	\$ 23,306	11,534
Net realized and unrealized gains and losses on donor-restricted investments	448	84
	<u>\$ 23,754</u>	<u>11,618</u>

(8) Fair Value Measurements**(a) Fair Value of Financial Instruments**

The following methods and assumptions were used by the Corporations in estimating the fair value of its financial instruments:

- The carrying amount reported in the consolidated balance sheets for the following approximates fair value because of the short maturities of these instruments: cash and cash equivalents, short-term investments, patient accounts receivable, accounts payable and accrued expenses, and estimated third-party payor settlements.
- Assets whose use is limited or restricted: Fair values are estimated based on prices provided by their investment managers and custodian banks. Common stocks and U.S. Treasury securities are measured using quoted market prices at the reporting date multiplied by the quantity held. Corporate bonds and notes, U.S. agency securities, and asset-backed securities are measured using observable market inputs. Mutual funds are valued using net asset value (NAV). Changes in market conditions and the economic environment may impact the NAV of the funds and consequently the fair value of the Corporations' interest in the funds. The carrying value equals fair value.
- Beneficial interest in perpetual trusts: The assets held by third-party trustees comprise common stock, mutual funds, money market funds, corporate bonds and notes, U.S. agency securities, and U.S. Treasury notes. The Corporations use quoted market prices or other observable market inputs to estimate the fair value of its beneficial interests based on the underlying assets of the trusts, as provided by the trust administrators.
- Fair value of interest rate swaps is determined using pricing models developed based on the LIBOR swap rate and other observable market data. The value was determined after considering the potential impact of collateralization and netting agreements, adjusted to reflect nonperformance risk of both the counterparty and the Corporations.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

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(In thousands)

(b) Fair Value Hierarchy

ASC Subtopic 820-10, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporations have the ability to access at the measurement date.
- Level 2 inputs are observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

The following table presents assets and liabilities that are measured at fair value on a recurring basis at September 30, 2020:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Cash and cash equivalents	\$ 32,422	32,422	—	—
Short-term investments:				
Money market funds	2,250	2,250	—	—
Mutual funds	1,819	1,819	—	—
Assets whose use is limited or restricted:				
Cash and cash equivalents	54,726	54,726	—	—
Common stock	40,805	40,805	—	—
U.S. Treasury securities	26,083	26,083	—	—
Mutual funds	241,174	241,174	—	—
Corporate bonds and notes	18,468	—	18,468	—
U.S. agency securities	4,729	—	4,729	—
Beneficial interest in perpetual trusts	8,390	—	—	8,390
Subtotal	398,444	366,857	23,197	8,390
Fair value of swap agreements	410	—	410	—
Total financial assets	<u>\$ 398,854</u>	<u>366,857</u>	<u>23,607</u>	<u>8,390</u>

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

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(In thousands)

The following table presents assets and liabilities that are measured at fair value on a recurring basis at September 30, 2019:

	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 27,441	27,441	—	—
Short-term investments:				
Money market funds	2,220	2,220	—	—
Mutual funds	1,383	1,383	—	—
Assets whose use is limited or restricted:				
Cash and cash equivalents	14,765	14,765	—	—
Common stock	31,428	31,428	—	—
U.S. Treasury securities	17,044	17,044	—	—
Mutual funds	203,141	203,141	—	—
Corporate bonds and notes	13,100	—	13,100	—
U.S. agency securities	3,752	—	3,752	—
Beneficial interest in perpetual trusts	7,940	—	—	7,940
Subtotal	294,773	269,981	16,852	7,940
Fair value of swap agreements	318	—	318	—
Total financial assets	\$ 295,091	269,981	17,170	7,940

The Corporations' policy is to recognize transfers between levels of the fair value hierarchy in the year of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1 or Level 2 for the year ended September 30, 2020 or 2019.

The following table presents the activity for the beneficial interest in perpetual trusts for the years ended September 30, 2020 and 2019 for assets measured at fair value using unobservable inputs classified in Level 3:

	Beneficial interest in trusts	
	2020	2019
Beginning fair value	\$ 7,940	7,856
Current year contributions	—	52
Interest and dividends, net of fees and expenses	110	153
Realized gains, net	139	23
Change in unrealized gains and losses, net	336	41
Distributions	(135)	(185)
Ending fair value	\$ 8,390	7,940

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(In thousands)

(9) Land, Buildings, and Equipment, Net

A summary of land, buildings, and equipment, net at September 30, 2020 and 2019 is as follows:

	2020		2019	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Land	\$ 31,045	—	31,442	—
Land improvements	17,017	5,937	16,615	5,168
Buildings, building improvements, and fixed equipment	419,818	123,808	416,146	112,208
Major movable equipment	226,689	174,778	215,550	158,533
Construction in progress	32,377	—	18,645	—
	<u>\$ 726,946</u>	<u>304,523</u>	<u>698,398</u>	<u>275,909</u>

Since moving its main facilities to New Lenox, IL, in 2018 the Hospital demolished its former Hospital structure in Joliet, IL. The Hospital has land held for sale of \$23,035 as of September 30, 2020 and 2019 relating to the former hospital site.

The Corporations are currently engaged in various construction and renovation projects. There were no contractual commitments as of September 30, 2020. Interest cost is capitalized as a component cost of significant capital projects, net of any interest income earned on unexpended project-specific borrowed funds. No interest was capitalized during 2020 or 2019.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

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(In thousands)

(10) Long-Term Debt

A summary of long-term debt at September 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Illinois Finance Authority Revenue Refunding Bonds, Series 2008A, principal is due annually at fixed-interest rates of 5.00% to 5.82%; interest is due semiannually depending upon date of maturity through August 15, 2030	\$ 66,005	69,225
Illinois Finance Authority Revenue Refunding Bonds, Series 2010A, at a variable interest rate (effective rates of 1.45% and 2.29% for September 30, 2020 and 2019, respectively), maturing in fiscal year 2041	10,365	10,880
Illinois Finance Authority Revenue Refunding Bonds, Series 2010B, at a variable interest rate (effective rates of 1.42% and 2.36% for September 30, 2020 and 2019, respectively), maturing in fiscal year 2021	6,940	7,280
Illinois Finance Authority Revenue Refunding Bonds, Series 2015A, at a variable interest rate (effective rates of 2.37% and 3.16% for September 30, 2020 and 2019, respectively), maturing in fiscal year 2024	3,480	5,390
Illinois Finance Authority Revenue Refunding Bonds, Series 2015B, at a variable interest rate (effective rates of 2.10% and 3.01% for September 30, 2020 and 2019, respectively), maturing in fiscal year 2020	—	355
Illinois Finance Authority Revenue Refunding Bonds, Series 2015C, principal due annually at fixed-interest rate of 5.00%; interest is due semiannually depending on date maturity through 2044	276,425	277,800
Total fixed and variable-rate debt	363,215	370,930
Less unamortized net bond premiums	(14,766)	(15,356)
Less unamortized bond issue costs	3,184	3,364
Total debt	374,797	382,922
Less current installments	8,305	7,715
Total long-term debt, excluding current installments	\$ 366,492	375,207

The Hospital and the Health System (collectively known as the Obligated Group) entered into an Amended and Restated Master Trust Indenture (Master Trust Indenture) dated as of June 1, 1996, as subsequently supplemented and amended. The purpose of the Master Trust Indenture is to provide a mechanism for the

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(In thousands)

efficient and economical issuance of notes by individual members of the Obligated Group using the collective borrowing capacity and credit rating of the Obligated Group. The Master Trust Indenture requires members of the Obligated Group to make principal and interest payments on notes issued for their benefit as well as other Obligated Group member if the other members are unable to make such payments. The Master Trust Indenture requires the Obligated Group to comply with financial and other covenant requirements, including making deposits with the bond trustees for payment of principal and interest when due on the individual series of bonds. The Obligated Group pledged a security interest in its gross revenue as collateral on borrowings under the Master Trust Indenture.

The Series 2010A and Series 2010B principal is payable annually, with a balloon payment of \$10,365 for 2010A due in fiscal year 2022 and a balloon payment of \$6,600 for 2010B due in fiscal year 2025. Interest on the Series 2010A bonds is variable based on 80% of the sum of one-month LIBOR plus 60 basis points and is payable monthly. Interest on the Series 2010B bonds is variable based on 80% of the sum of one-month LIBOR plus 84 basis points and is payable monthly. If the Obligated Group chooses to extend the debt beyond the date of the balloon payment, the interest rates will be reset by the lenders at a rate not to exceed 12%.

On January 1, 2015, the Illinois Finance Authority issued variable-rate revenue bonds, Series 2015A and Series 2015B, in the aggregate amount of \$26,860 on behalf of the Obligated Group. On April 22, 2015, the Illinois Finance Authority issued fixed-rate revenue refunding bonds, Series 2015C in the amount of \$286,435 on behalf of the Obligated Group. The Obligated Group received a bond premium of \$18,800 and paid bond issue costs of \$3,236 related to these issuances.

Scheduled annual principal payments on long-term debt for the ensuing five years and thereafter are as follows:

Year:		
2021	\$	8,305
2022		8,695
2023		9,095
2024		8,430
2025		10,030
Thereafter		<u>318,660</u>
	\$	<u><u>363,215</u></u>

(11) Derivative Instruments

The Corporations have an interest rate-related derivative instrument to manage its exposure on debt instruments. By using derivative financial instruments to manage the risk of changes in interest rates, the Corporations are exposed to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contracts. When the fair value of a derivative contract is positive, the counterparty owes the Corporations, which creates credit risk for the Corporations. When the fair value of a derivative contract is negative, the Corporations owe the counterparty, and therefore, it does not possess credit risk; however, the Corporations are required to post collateral to the counterparty when

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certain thresholds as defined in the derivative agreements are met. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate changes is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken. The Corporations' management also mitigates risk through periodic reviews of their derivative positions in the context of their total blended cost of capital.

The fair value of the swap is the estimated amount the Corporations would receive or pay to terminate the swap agreement at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

The Corporations entered into two variable interest rate swap agreements on August 15, 2018 to offset long-term fixed rates set on the Series 2008A debt issuance, with notional amounts of \$50,580 and 15,425 and maturity dates of August 5, 2023 and May 15, 2021 respectively. Under the agreement, the Corporations receive, on a monthly basis, 1.57% of one-month SIFMA plus 65 basis points and either receive or pay cash settlements semi-annually determined by the swap value at time of settlement. The fair value of the Series 2018 interest rate swap agreement receivable of \$410 and \$318 at September 30, 2020 and 2019, respectively, is included as a component of assets whose use is limited under bond indenture agreements in the accompanying consolidated balance sheet. The change in fair value of the interest rate swap agreements of \$92 and \$627 in 2020 and 2019, respectively, has been included as a component of nonoperating gains (losses) other, net in the accompanying consolidated statements of operations and changes in net assets without donor restrictions. The differential to be paid or received under the Series 2018 interest rate swap agreement is recognized monthly and has been included as a component of interest expense in the accompanying consolidated statement of operations and changes in net assets without donor restriction.

(12) Capital Leases

Included within property, plant, and equipment is \$6,000 of assets held under capital leases and \$979 of related accumulated amortization at September 30, 2020 and \$808 at September 30, 2019. A summary of future minimum lease payments and the present value of future minimum lease payments related to capital leases at September 30, 2020 is as follows:

2021	\$	554
2022		4,962
2023		—
2024		—
2025		—
Thereafter		—
Total future minimum lease payments		5,516
Less amount representing interest at 5%		413
Present value of future minimum lease payments		5,103

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(In thousands)

Less current portion of obligations under capital leases included in accounts payable	\$ 206
Obligation under capital leases, excluding current portion included in capital leases and other long-term liabilities	\$ 4,897

(13) Pension Plans

The Health System, HSSI, and the Hospital sponsor various voluntary, defined-contribution, and money purchase pension plans for all qualified, full-time employees. Benefits for individual employees are the amounts that can be provided by the sums contributed and accumulated for each individual employee. The Health System, HSSI, and the Hospital recognized expense under the terms of the plans in the amount of \$9,941 and \$8,404 for 2020 and 2019, respectively. The Health System, HSSI, and the Hospital fund the plans on a current basis.

The Health System also sponsors several supplemental retirement plans. Eligibility for these plans is limited to specified employees. The supplemental plans are defined-benefit plans and are not qualified plans under Section 401 of the Code. The Health System has recognized expense under the terms of these supplemental retirement plans in the amount of \$786 and \$695 for 2020 and 2019, respectively. Amounts owed to specified employees under the supplemental retirement plans are included in accrued salaries and wages.

(14) Self-Insured Risks**(a) Professional and General Liability**

The Corporations maintain a self-insurance program for professional and general liability coverage. The self-insurance program includes varying levels of self-insured retention and excess malpractice insurance coverage purchased from commercial insurance carriers. In connection with the self-insurance program, the Corporations have engaged the services of a professional actuarial consultant to assist in the estimation of self-insurance provisions and claim liability reserves.

Provisions for estimated self-insured professional and general liability claims amounted to \$2,561 and \$4,275 in 2020 and 2019, respectively, and are included in general and administrative expenses. It is the opinion of management that the estimated professional and general liabilities accrued at September 30, 2020 and 2019 are adequate to provide for the ultimate cost of potential losses resulting from pending or threatened litigation; however, such estimates may be more or less than the amounts ultimately paid when claims are resolved. The Corporations have also designated attorneys to handle legal matters relating to malpractice and general liability claims. No portion of the accrual for estimated self-insured professional and general liability claims has been reported as a current liability.

(b) Workers' Compensation

The Health System, HSSI, and the Hospital maintain a self-insurance program for workers' compensation coverage. This program limits the self-insured retention to \$650 per occurrence. Coverage from commercial insurance carriers is maintained for claims in excess of the self-insured

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retention. Provisions for workers' compensation claims amounted to \$689 and \$1,349 for 2020 and 2019, respectively, and are included in payroll taxes and fringe benefits expense. Management believes the estimated self-insured workers' compensation claims liability, which is included within accrued salaries and wages, of \$3,792 and \$4,505 at September 30, 2020 and 2019, respectively, is adequate to cover the ultimate liability; however, such estimates may be more or less than the amounts ultimately paid when claims are resolved.

(c) Healthcare

The Health System, HSSI, and the Hospital also have a program of self-insurance for employee healthcare coverage. Stop-loss reinsurance coverage is maintained for claims in excess of stop-loss limits. Provisions for employee healthcare claims amounted to \$15,152 and \$12,442 for 2020 and 2019, respectively, and are included with payroll taxes and fringe benefits expense. It is the opinion of management that the estimated healthcare costs accrued, which is included within accrued salaries and wages, of \$2,119 and \$1,672 at September 30, 2020 and 2019, respectively, are adequate to provide for the ultimate liability; however, final payouts as claims are paid may vary significantly from estimated claim liabilities.

(15) Investment in Joint Ventures**(a) Unconsolidated Affiliates**

The Corporations have investments in organizations that are not majority-owned or controlled by the Corporations. These investments are accounted for using the cost or equity method of accounting. The largest investments are disclosed in further detail below.

(i) UCMC/SCH Oncology JV, LLC

On March 22, 2010, the Hospital, along with the University of Chicago Medical Centers (UCMC), became the founding members of UCMC/SCH Oncology JV, LLC (the Cancer Center), whose purpose was to develop and operate a radiation oncology cancer center on the Hospital's campus. The board is governed equally by the two members, who each has a 50% voting share. Pursuant to the operating agreement, profits and losses are allocated approximately 60% to the Hospital and approximately 40% to UCMC.

The Hospital accounts for its investment in the Cancer Center using the equity method of accounting. As of and for the year ended September 30, 2020, the Cancer Center had unaudited total assets of \$15,705, members' equity of \$15,355, revenue of \$43,376, and net income of \$3,623. As of and for the year ended September 30, 2019, the Cancer Center had unaudited total assets of \$12,884, members' equity of \$12,329, revenue of \$43,482, and net income of \$3,169. The Cancer Center made cash distributions to the Hospital of \$0 in 2020 and \$3,000 in 2019. The carrying value of the Hospital's investment in the Cancer Center is \$9,333 and \$6,982 as of September 30, 2020 and 2019, respectively, and is included in other long-term assets in the accompanying consolidated balance sheets.

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(In thousands)

(ii) Silver Oaks Behavioral, LLC

On December 2, 2016, the Hospital, along with US HealthVest, LLC, became the founding members of Silver Oaks Behavioral Hospital, whose purpose was to operate a 100-bed Behavioral Health Hospital on the Hospital's campus. Silver Oaks Behavioral Hospital opened for business in January of 2019. The Hospital has an approximate 20% ownership in Silver Oaks Behavioral, LLC. Pursuant to the operating agreement, profits and losses are allocated 20% to the Hospital and 80% to US Health Vest, LLC.

The Hospital accounts for its investment in Silver Oaks Behavioral Hospital, LLC using the equity method of accounting. As of and for the year ended September 30, 2020, Silver Oaks Behavioral Hospital, LLC had unaudited total assets of \$24,241, members' equity of \$14,746, net revenue of \$21,181, and a net income of \$962. As of and for the year ended September 30, 2019, Silver Oaks Behavioral Hospital, LLC had unaudited total assets of \$17,910, members' equity of \$14,010, and a net loss of \$(3,754). The carrying value of the Hospital's investment in Silver Oaks Behavioral Hospital, LLC is \$2,949 as of September 30, 2020 and \$2,810 as of September 30, 2019 and is included in other long-term assets in the accompanying consolidated balance sheets.

(iii) Essential Health Partners, LLC

On February 19, 2019, the Hospital, along with Innovista, LLC, became the founding members of Essential Health Partners, LLC, whose purpose was to develop and operate a clinically and financially integrated healthcare provider network. The healthcare provider network began providing services on July 1, 2019. The Hospital had an initial 60% ownership at inception of Essential Health Partners, LLC but, early in fiscal year 2020, has since added an additional healthcare provider, reallocating their ownership percentage to 33 1/3%.

The Hospital accounts for its investment in Essential Health Partners, LLC using the equity method of accounting. As of and for the year ended September 30, 2020, Essential Health Partners, LLC had unaudited total assets of \$22,240, members' equity of \$10,073, revenue of \$54,043, and a net income of \$2,361. As of and for the year ended September 30, 2019, Essential Health Partners, LLC had unaudited total assets of \$13,333, members' equity of \$8,087, revenue of \$5,921, and a net loss of \$(1,287). Essential Health Partners, LLC made cash distributions to the Hospital of \$227 in 2020 and \$0 in 2019. The carrying value of the Hospital's investment in Essential Health Partners, LLC is \$2,949 as of September 30, 2020 and \$2,352 as of September 30, 2019 and is included in other long-term assets in the accompanying consolidated balance sheets.

(b) Noncontrolling Interest in Consolidated Joint Ventures

The Corporations apply the guidance under ASC Topic 810, *Consolidation*, for the presentation of noncontrolling interests, reporting it as a separate component of net assets without donor restrictions and including a schedule reconciling beginning and ending balances of controlling and noncontrolling interests of net assets in the notes to the consolidated financial statements.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

Changes in net assets without donor restrictions attributable to the Corporations and to noncontrolling interest in consolidated joint ventures for the year ended September 30, 2020 are as follows:

	<u>Total</u>	<u>Controlling interest</u>	<u>Noncontrolling interest</u>
Balance, September 30, 2018	\$ 257,045	257,045	—
Revenue and gains in excess of expenses	29,790	29,944	(154)
Other changes in net assets without donor restrictions:			
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	618	618	—
Other	1,225	—	1,225
Balance, September 30, 2019	288,678	287,607	1,071
Revenue and gains in excess of expenses	49,881	50,055	(174)
Other changes in net assets without donor restrictions:			
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	330	330	—
Balance, September 30, 2020	<u>\$ 338,889</u>	<u>337,992</u>	<u>897</u>

(16) Endowments and Beneficial Interest in Trusts

The Corporations have donor-restricted endowment funds (collectively referred to as the Funds), the principal of which may not be expended. The interest and dividend income from investment of the Funds is to be used for a variety of purposes consistent with the intent of the donor. The interest and dividend income earned on the Funds are transferred to net assets with donor restrictions until appropriated for expenditure by the Corporations. All other changes in the Funds, including unrealized and realized gains and losses, are recorded directly to the Funds, which are classified as net assets with donor restrictions.

The Corporations also have beneficial interests in trusts (collectively referred to as the Trusts). The Corporations have recorded their share of the principal of the Trusts as net assets with donor restrictions. Distributions from the Trusts are recorded within net assets without donor restrictions if unrestricted; otherwise, they are classified as net assets with donor restrictions until appropriated for expenditure.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

The activity of the Funds and Trusts for the year ended September 30, 2020 is as follows:

	<u>Total</u>	<u>Donor-restricted endowment funds</u>	<u>Beneficial interest in trusts</u>
Beginning fair value	\$ 7,069	872	6,197
Current year contributions	20	20	—
Investment return:			
Interest and dividends	140	—	140
Realized gains, net	131	—	131
Change in unrealized gains, net	286	—	286
Disbursements:			
Fees and expenses	(57)	—	(57)
Assets released from restriction	(116)	—	(116)
Ending fair value	<u>\$ 7,473</u>	<u>892</u>	<u>6,581</u>

The activity of the Funds and Trusts for the year ended September 30, 2019 is as follows:

	<u>Total</u>	<u>Donor-restricted endowment funds</u>	<u>Beneficial interest in trusts</u>
Beginning fair value	\$ 7,003	852	6,151
Current year contributions	72	20	52
Investment return:			
Interest and dividends	176	—	176
Realized gains, net	13	—	13
Change in unrealized gains, net	24	—	24
Disbursements:			
Fees and expenses	(56)	—	(56)
Assets released from restriction	(163)	—	(163)
Ending fair value	<u>\$ 7,069</u>	<u>872</u>	<u>6,197</u>

The historical cost basis of the Funds was approximately \$892 and \$872 for September 30, 2020 and 2019, respectively. The fair value of assets associated with individual donor-restricted endowment funds may fall below the amount of the original donation as a result of unfavorable market conditions. There were no such deficiencies as of September 30, 2020 or 2019.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

(17) Commitments and Contingencies**(a) Operating Leases**

The Corporations occupy space in certain facilities and lease various pieces of equipment under long-term, noncancelable operating lease arrangements. Total equipment rental, asset lease, and facility rental expense in 2020 and 2019 were \$7,410 and \$6,914, respectively.

The following is a schedule by year of future minimum lease payments to be made under operating leases as of September 30, 2020 that have initial or remaining lease terms in excess of one year:

	<u>Amount</u>
Year ending September 30:	
2021	\$ 6,196
2022	6,183
2023	6,171
2024	6,211
2025	6,062
Thereafter	12,675

(b) Medicare Reimbursement

The Hospital recognized \$158,209 of net patient service revenue during 2020 from services provided to Medicare beneficiaries. Federal legislation routinely includes provisions to modify Medicare payments to healthcare providers. Changes in Medicare reimbursement as a result of the CMS implementation of the provisions of Medicare legislation and other healthcare reform initiatives may have an adverse effect on the Hospital's net patient service revenue.

(c) Litigation

The Corporations are involved in litigation arising in the normal course of business. In consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Corporations' financial position or results of operations.

(d) Regulatory Investigations

The U.S. Department of Justice and other federal agencies routinely conduct regulatory investigations and compliance audits of healthcare providers. The Corporations are subject to these regulatory efforts. Management is currently unaware of any regulatory matters that may have a material adverse effect on the Corporations' financial position or results of operations.

(e) Tax Exemption for Sales Tax and Property Tax

Effective June 14, 2012, the governor of Illinois signed into law *Public Act 97-0688*, which creates new standards for state sales tax and property tax exemptions in Illinois. The law establishes new standards for the issuance of charitable exemptions, including requirements for a nonprofit hospital to certify annually that in the prior year, it provided an amount of qualified services and activities to low-income

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

and underserved individuals with a value at least equal to the Hospital's estimated property tax liability. The Corporations have been certified in 2020 and 2019 and have not recorded a liability for related property taxes based upon management's current determination of qualified services provided.

(f) Investment Risk and Uncertainties

The Corporations invest in various investment securities. Investment securities are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated balance sheets.

(18) Functional Expenses

The Health System provides healthcare services to residents within its geographic location. Expenses related to providing these services included in the consolidated statements of operations and changes in net assets without donor restrictions as of September 30, 2020 and 2019 corresponding totals are as follows:

		Program activities	Supporting activities		
		Healthcare services	Administration	Fundraising	Total
2020:					
Salaries and wages	\$	144,292	9,224	225	153,741
Payroll taxes and fringe benefits		38,626	2,469	56	41,151
General and administrative		81,546	6,540	295	88,381
Supplies		87,605	—	33	87,638
Depreciation and amortization		30,524	465	—	30,989
Interest		15,010	—	—	15,010
	\$	<u>397,603</u>	<u>18,698</u>	<u>609</u>	<u>416,910</u>
2019					
Salaries and wages	\$	137,815	8,809	202	146,826
Payroll taxes and fringe benefits		33,255	2,123	—	35,378
General and administrative		80,004	6,415	265	86,684
Supplies		83,763	—	29	83,792
Depreciation and amortization		30,396	463	—	30,859
Interest		15,942	—	—	15,942
	\$	<u>381,175</u>	<u>17,810</u>	<u>496</u>	<u>399,481</u>

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

Some categories of natural class expenses are attributable to more than one activity and require allocation, applied on a consistent basis. Property costs, including depreciation, are allocated on the basis of square footage. Indirect salaries and benefits are allocated on the basis of budgeted full-time equivalent employees. Purchased services and supplies are assigned directly to specific activities as expenditures are made.

(19) COVID-19 Pandemic and CARES Act Funding

On March 11, 2020, the World Health Organization designated COVID-19 as a global pandemic. Patient volumes and the related revenues for most of the Corporations' services were significantly impacted in the last two weeks of the second quarter of fiscal year 2020 and continued to be impacted in the third and fourth quarters of 2020. Various policies were implemented by federal, state and local governments in response to the COVID-19 pandemic that have caused many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective surgical procedures by health care facilities. While some of these restrictions have been eased across the U.S. and most states have lifted moratoriums on non-emergent procedures, some restrictions remain in place, and some state and local governments are re-imposing certain restrictions due to increasing rates of COVID-19 cases. The financial impact of these restrictions was offset by the Corporations' strong performance prior to the beginning of the pandemic. Patient volumes and revenues experienced gradual improvement beginning in the latter part of April and continuing through the end of the fiscal year.

In March 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) was signed into law, providing temporary relief to hospitals during the COVID-19 outbreak. During fiscal year 2020, the Corporations received approximately \$32,565 in general and targeted Provider Relief Fund distributions, as provided for under the CARES Act. Generally any distributions from the Provider Relief Fund are not subject to repayment, provided the recipient is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for healthcare-related expenses or lost revenue attributable to COVID-19. Such payments are accounted for as government grants and are recognized on a systematic and rational basis as other income once there is reasonable assurance that the applicable terms and conditions required to retain the funds will be met.

On September 19, 2020, the Department of Health and Human Services provided Post-Payment Notice of Reporting Requirements for providers that received funding under the CARES Act. The provisions within this notice provided guidance on healthcare-related expenses attributable to COVID-19 and lost revenue, which are now defined in the September guidance as the negative change in year-over-year net patient care operating income, net of healthcare-related expenses attributable to coronavirus.

Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund through September 30, 2020, the Corporations recognized \$25,565 related to these general distribution funds as part of other operating revenue in the consolidated statement of operations and changes in net assets without donor restrictions. The unrecognized amount of \$7,000 is deferred revenue and is included as a component of estimated payables under third-party reimbursement programs in the consolidated balance sheet as of September 30, 2020. The Corporations will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the impact of the pandemic on the Corporations' revenues and expenses. If the Corporations are unable to attest to or comply with current or future terms and conditions the ability to retain some or all of the distributions received may be impacted.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

(In thousands)

The Health System also received \$48,000 of accelerated Medicare payments under the Medicare Advanced Payment Program (APP). APP payments allow eligible healthcare facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other healthcare providers. After 120 days of receipt, claims for services provided to Medicare beneficiaries were to be applied against the advance payment balance. Any unapplied advance payment amounts were to be paid in full within one year from receipt of the advance payments for acute care hospitals and within 120 days for other healthcare providers. As of September 30, 2020, the Corporations have deferred the APP payments as estimated third-party payor settlements and Medicare advance on the consolidated balance sheet and are considered operating cash flows for fiscal 2020.

On October 1, 2020, federal legislation extended the terms of APP payments such that any claims for services provided to Medicare beneficiaries will be applied against the advance payment balance beginning 365 days after receipt. This is considered a Type II subsequent event for entities with September 30 fiscal year-ends, and therefore, amounts remain included as deferred revenues in estimated payables under third-party payor reimbursement programs as a current liability in the consolidated September 30, 2020 balance sheet.

On October 22, 2020, the Department of Health and Human Services provided an additional Post-Payment Notice of Reporting Requirements for providers that received funding under the CARES Act. The provisions within this notice provide new guidance that PRF funds are to be applied in the following order: unreimbursed expenses attributable to coronavirus, then PRF payment amounts not fully expended on unreimbursed healthcare related expenses attributable to coronavirus are then applied to lost revenues for 2020 capped at the change in actual revenue from patient care from 2019 to 2020. In addition, subsequent legislation was passed in December 2020 as well as additional clarifying guidance from the Department of Health and Human Services in January 2021 that will allow the Corporations to calculate lost revenues based on the difference in the year over year actual patient care revenue, the difference between the 2020 budgeted and 2020 actual patient care revenue, or other reasonable method of estimating revenue. All guidance released since September 30, 2020 through January 29, 2021 is considered a Type II subsequent event and is therefore not reflected as of September 30, 2020. The Corporations are in the process of considering the future impact of this new guidance.

The CARES Act also provides for a deferral of payments of the employer portion of social security payroll tax incurred during the pandemic, allowing half of such payroll taxes to be deferred until December 2021 and the remaining half until December 2022. The Corporations have deferred payroll taxes of \$3,689 and recorded the deferral as a component of accrued expenses on the consolidated balance sheet at September 30, 2020. Additionally, the CARES Act provides for a payroll tax credit designed to encourage retention of employees during the pandemic. The Corporations are evaluating its eligibility and related data for consideration of the employee retention credit.

(20) Subsequent Events

In connection with the preparation of the consolidated financial statements and in accordance with the recently issued ASC Topic 855, *Subsequent Events*, the Corporations evaluated subsequent events after the consolidated balance sheet date of September 30, 2020 through January 28, 2021 which was the date the consolidated financial statements were available to be issued, and other than those noted above, there were no items to disclose.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Schedule 1

Consolidating Schedule – Balance Sheet Information

September 30, 2020

(Amounts in thousands)

Assets	Silver Cross Health System	Health Service Systems, Inc.	Silver Cross Hospital and Medical Centers	Silver Cross Foundation	Midwest Community Real Estate Corporation	Prime Medical	Eliminations	Consolidated
Current assets:								
Cash and cash equivalents	\$ 1,538	408	29,260	421	315	480	—	32,422
Short-term investments	—	1,722	2,250	97	—	—	—	4,069
Assets whose use is limited or restricted, required for current liabilities	—	—	99,000	—	—	—	—	99,000
Patient accounts receivable	—	1,546	45,892	—	—	286	—	47,724
Due from affiliates	14,374	98	57,709	708	2,826	—	(75,713)	—
Other receivables	922	15	787	—	69	—	—	1,793
Prepaid expenses and other	480	86	6,402	22	10	23	—	7,023
Total current assets	17,314	3,873	241,300	1,248	3,220	789	(75,713)	192,031
Assets whose use is limited or restricted, excluding assets required for current liabilities:								
By board for capital improvements and other	—	—	251,639	—	—	—	—	251,639
By board for self-insurance	32,089	—	—	—	—	—	—	32,089
Under bond indenture agreements – held by trustee	—	—	427	—	—	—	—	427
Pledges receivable	—	—	548	16	—	—	—	564
Donor-restricted investments	—	—	2,830	—	—	—	—	2,830
Beneficial interest in perpetual trusts	—	—	8,390	—	—	—	—	8,390
Total assets whose use is limited or restricted	32,089	—	263,834	16	—	—	—	295,939
Land, buildings, and equipment, net	—	3,648	395,140	—	20,706	2,929	—	422,423
Other assets:								
Land held for sale	—	—	23,035	—	—	—	—	23,035
Investments	22,650	—	—	—	—	—	(22,650)	—
Estimated excess insurance recovery receivables	4,160	—	—	—	—	—	—	4,160
Other long-term assets	—	—	16,681	—	488	25	(933)	16,241
Total assets	\$ 76,213	7,521	939,960	1,264	24,394	3,743	(99,296)	953,829

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Schedule 1

Consolidating Schedule – Balance Sheet Information

September 30, 2020

(Amounts in thousands)

Liabilities and Net Assets	Silver Cross Health System	Health Service Systems, Inc.	Silver Cross Hospital and Medical Centers	Silver Cross Foundation	Midwest Community Real Estate Corporation	Prime Medical	Eliminations	Consolidated
Current liabilities:								
Current installments of long-term debt	\$ —	—	8,305	—	—	—	—	8,305
Accounts payable	298	140	48,035	—	129	39	—	48,641
Accrued salaries and wages	2,779	3,041	26,453	—	—	18	—	32,291
Accrued expenses	—	128	2,836	112	2,473	92	—	5,641
Estimated payables under third-party reimbursement programs	—	—	96,954	—	—	—	—	96,954
Due to affiliates	14,141	24,271	4,396	308	32,597	—	(75,713)	—
Total current liabilities	17,218	27,580	186,979	420	35,199	149	(75,713)	191,832
Estimated self-insured professional and general liability claims	38,174	—	—	—	—	—	—	38,174
Long-term debt, excluding current installments	—	—	366,492	—	—	—	—	366,492
Capital lease and other long-term liabilities, net of current portion	—	—	4,893	—	—	1,765	—	6,658
Total liabilities	55,392	27,580	558,364	420	35,199	1,914	(75,713)	603,156
Net assets (deficit):								
Net assets without donor restrictions	20,821	(20,059)	369,842	844	(10,805)	932	(23,583)	337,992
Noncontrolling interest in consolidated joint venture	—	—	—	—	—	897	—	897
Total net assets without donor restrictions	20,821	(20,059)	369,842	844	(10,805)	1,829	(23,583)	338,889
Net assets with donor restrictions	—	—	11,784	—	—	—	—	11,784
Total net assets	20,821	(20,059)	381,626	844	(10,805)	1,829	(23,583)	350,673
Total liabilities and net assets	\$ 76,213	7,521	939,990	1,264	24,394	3,743	(99,296)	953,829

See accompanying independent auditors' report.

Schedule 2

SILVER CROSS HEALTH SYSTEM AND AFFILIATES
 Consolidating Schedule – Statement of Operations and Changes in Net Assets without Donor Restriction Information
 Year ended September 30, 2020
 (Amounts in thousands)

	Silver Cross Health System	Health Service Systems, Inc.	Silver Cross Hospital and Medical Centers	Silver Cross Foundation	Midwest Community Real Estate Corporation	Prime Medical	Eliminations	Consolidated
Revenue:								
Net patient service revenue	\$ —	10,316	394,504	—	—	1,020	(177)	405,663
Other revenue	9,064	1,203	33,895	—	2,432	—	(10,175)	36,419
Total revenue	9,064	11,519	428,399	—	2,432	1,020	(10,352)	442,082
Expenses:								
Salaries and wages	5,392	9,335	138,717	—	—	297	—	153,741
Payroll taxes and fringe benefits	1,275	1,639	36,148	—	—	89	—	41,151
General and administrative	1,928	3,056	91,328	—	1,947	658	(10,534)	88,381
Supplies	—	877	86,724	—	—	37	—	87,638
Depreciation and amortization	471	369	28,903	—	1,022	224	—	30,989
Interest	—	—	14,928	—	—	82	—	15,010
Total expenses	9,064	15,276	398,748	—	2,969	1,387	(10,534)	416,910
Income (loss) from operations	—	(3,757)	29,651	—	(537)	(367)	182	25,172
Nonoperating gains (losses):								
Investment income, net	2,297	(23)	21,028	(6)	—	10	—	23,306
Other, net	—	—	1,303	100	—	—	—	1,403
Total nonoperating gains (losses), net	2,297	(23)	22,331	94	—	10	—	24,709
Revenue and gains in excess (deficient) of expenses and losses	2,297	(3,780)	51,982	94	(537)	(357)	182	49,881
Other changes in net assets without donor restrictions:								
Acquisitions financed by temporarily restricted net assets	—	—	330	—	—	—	—	330
Increase (decrease) in net assets without donor restrictions	\$ 2,297	(3,780)	52,312	94	(537)	(357)	182	50,211

See accompanying independent auditors' report.

Schedule 3

SILVER CROSS HEALTH SYSTEM AND AFFILIATES
 Consolidating Schedule – Statement of Changes in Net Assets Information
 Year ended September 30, 2020
 (Amounts in thousands)

	Silver Cross Health System	Health Service Systems, Inc.	Silver Cross Hospital and Medical Centers	Silver Cross Foundation	Midwest Community Real Estate Corporation	Prime Medical	Eliminations	Consolidated
Net assets without donor restrictions:								
Revenue and gains in excess (deficient) of expenses	\$ 2,297	(3,780)	51,982	94	(537)	(357)	182	49,881
Other changes in net assets without donor restrictions:								
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	—	—	330	—	—	—	—	330
Increase (decrease) in net assets without donor restrictions	2,297	(3,780)	52,312	94	(537)	(357)	182	50,211
Net assets with donor restrictions:								
Contributions for specific purposes	—	—	1,228	—	—	—	—	1,228
Net realized and unrealized gains and losses on net assets with donor restrictions	—	—	448	—	—	—	—	448
Net assets released from restriction for operating purposes	—	—	(160)	—	—	—	—	(160)
Net assets released from restriction for land, building, and equipment acquisitions	—	—	(330)	—	—	—	—	(330)
Increase in net assets with donor restrictions	—	—	1,186	—	—	—	—	1,186
Change in net assets	2,297	(3,780)	53,498	94	(537)	(357)	182	51,397
Net assets (deficit) at beginning of year	18,524	(16,279)	328,128	750	(10,268)	2,186	(23,765)	299,276
Net assets (deficit) at end of year	\$ 20,821	(20,059)	381,626	844	(10,805)	1,829	(23,583)	350,673

See accompanying independent auditors' report.

Schedule 4

**SILVER CROSS HEALTH SYSTEM AND
SILVER CROSS HOSPITAL AND MEDICAL CENTERS**

Combining Schedule – Special-Purpose Combined Balance Sheet – Obligated Group

September 30, 2020

(Amounts in thousands)

Assets	Silver Cross Health System	Silver Cross Hospital and Medical Centers	Eliminations	Obligated Group Combined
Current assets:				
Cash and cash equivalents	\$ 1,538	29,260	—	30,798
Short-term investments	—	2,250	—	2,250
Assets whose use is limited or restricted, required for current liabilities	—	99,000	—	99,000
Patient accounts receivable	—	45,892	—	45,892
Due from affiliates	14,374	57,709	(10,319)	61,764
Other receivables	922	787	—	1,709
Prepaid expenses and other	480	6,402	—	6,882
Total current assets	17,314	241,300	(10,319)	248,295
Assets whose use is limited or restricted, excluding assets required for current liabilities:				
By board for capital improvements and other	—	251,639	—	251,639
By board for self-insurance	32,089	—	—	32,089
Under bond indenture agreements – held by trustee	—	427	—	427
Pledges receivable	—	548	—	548
Donor-restricted investments	—	2,830	—	2,830
Beneficial interest in perpetual trusts	—	8,390	—	8,390
Total assets whose use is limited or restricted	32,089	263,834	—	295,923
Land, buildings, and equipment, net	—	395,140	—	395,140
Other assets:				
Land held for sale	—	23,035	—	23,035
Investment in unconsolidated subsidiary	22,650	—	(22,650)	—
Estimated excess insurance recovery receivables	4,160	—	—	4,160
Other long-term assets	—	16,681	—	16,681
Total assets	\$ 76,213	939,990	(32,969)	983,234

Schedule 4

**SILVER CROSS HEALTH SYSTEM AND
SILVER CROSS HOSPITAL AND MEDICAL CENTERS**

Combining Schedule ~ Special-Purpose Combined Balance Sheet ~ Obligated Group

September 30, 2020

(Amounts in thousands)

Liabilities and Net Assets	Silver Cross Health System	Silver Cross Hospital and Medical Centers	Eliminations	Obligated Group Combined
Current liabilities:				
Current installments of long-term debt	\$ —	8,305	—	8,305
Accounts payable	298	48,035	—	48,333
Accrued salaries and wages	2,779	26,453	—	29,232
Accrued expenses	—	2,836	—	2,836
Estimated payables under third-party reimbursement	—	96,954	—	96,954
Due to affiliates	34,200	4,396	(10,319)	28,277
Total current liabilities	37,277	186,979	(10,319)	213,937
Estimated self-insured professional and general liability claims	38,174	—	—	38,174
Long-term debt, excluding current installments and unamortized bond discounts and premiums	—	366,492	—	366,492
Capital lease and other long-term liabilities, net of current portion	—	4,893	—	4,893
Total liabilities	75,451	558,364	(10,319)	623,496
Net assets:				
Net assets without donor restrictions	762	369,842	(22,650)	347,954
Net assets with donor restrictions	—	11,784	—	11,784
Total net assets	762	381,626	(22,650)	359,738
Total liabilities and net assets	\$ 76,213	939,990	(32,969)	983,234

See accompanying independent auditors' report.

Schedule 5

**SILVER CROSS HEALTH SYSTEM AND
SILVER CROSS HOSPITAL AND MEDICAL CENTERS**

Combining Schedule – Special-Purpose Combined Statement of Operations and Changes in Net Assets without Donor Restrictions Information – Obligated Group

Year ended September 30, 2020

(Amounts in thousands)

	Silver Cross Health System	Silver Cross Hospital and Medical Centers	Eliminations	Obligated Group Combined
Revenue:				
Net patient service revenue	\$ —	394,504	—	394,504
Other revenue	9,064	33,895	(8,640)	34,319
Total revenue	9,064	428,399	(8,640)	428,823
Expenses:				
Salaries and wages	5,392	138,717	—	144,109
Payroll taxes and fringe benefits	1,275	38,148	—	39,423
General and administrative	1,926	91,328	(8,640)	84,614
Supplies	—	86,724	—	86,724
Depreciation and amortization	471	28,903	—	29,374
Interest	—	14,928	—	14,928
Total expenses	9,064	398,748	(8,640)	399,172
Income from operations	—	29,651	—	29,651
Nonoperating gains (losses):				
Investment income, net	2,297	21,028	—	23,325
Loss on investment in unconsolidated subsidiary	(3,780)	—	—	(3,780)
Other, net	—	1,303	—	1,303
Total nonoperating gains (losses), net	(1,483)	22,331	—	20,848
Revenue and gains in excess (deficient) of expenses and losses	(1,483)	51,982	—	50,499
Other changes in net assets without donor restrictions:				
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	—	330	—	330
Increase (decrease) in net assets without donor restrictions	\$ (1,483)	52,312	—	50,829

See accompanying independent auditors' report.

Schedule 6

**SILVER CROSS HEALTH SYSTEM AND
SILVER CROSS HOSPITAL AND MEDICAL CENTERS**

Combining Schedule – Special-Purpose Combined Changes in Net Assets Information – Obligated Group

Year ended September 30, 2020

(Amounts in thousands)

	<u>Silver Cross Health System</u>	<u>Silver Cross Hospital and Medical Centers</u>	<u>Eliminations</u>	<u>Obligated Group Combined</u>
Net assets without donor restrictions:				
Revenue and gains in excess (deficient) of expenses and losses	\$ (1,483)	51,982	—	50,499
Other changes in net assets without donor restrictions:				
Net asset transfer	—	—	—	—
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	—	330	—	330
Increase (decrease) in net assets without donor restrictions	(1,483)	52,312	—	50,829
Net assets with donor restrictions:				
Contributions for specific purposes	—	1,228	—	1,228
Net realized and unrealized gains and losses on Investments with donor restrictions	—	448	—	448
Net assets released from restriction for operating purposes	—	(160)	—	(160)
Net assets released from restriction for land, building, and equipment acquisitions	—	(330)	—	(330)
Increase (decrease) in net assets with donor restrictions	—	1,186	—	1,186
Change in net assets	(1,483)	53,498	—	52,015
Net assets at beginning of year	2,245	328,128	(22,650)	307,723
Net assets at end of year	\$ 762	381,626	(22,650)	359,738

See accompanying independent auditors' report.

Section VII
Attachment 34
Financial Feasibility
Financial Viability
Criterion 1120.130

Silver Cross Hospital will be funding its obligations under the Project from internal sources – specifically cash and cash equivalents. Silver Cross Hospital also has an “A3” bond rating from Moody’s Investors Service, which is attached at ATTACHMENT 34.

Thus, Silver Cross Hospital is entitled to a financial viability waiver pursuant to Criterion 1120.130(a)(1). Mr. Pryor’s Financial Viability Waiver Certification in support of this Criterion is attached at ATTACHMENT 34.

MOODY'S

INVESTORS SERVICE

7 World Trade Center
250 Greenwich Street
New York 10007
www.moody's.com

July 31, 2020

Mr. Vince Pryor
Senior Vice President & Chief Financial Officer
Silver Cross Hospital and Medical Centers
1900 Silver Cross Blvd
New Lenox, IL 60451

Dear Mr. Pryor:

We wish to inform you that on July 23, 2020, Moody's Investors Service upgraded Silver Cross Hospital and Medical Centers' (IL) rating to **A3** from **Baa1**. The outstanding rated debt was issued through the Illinois Finance Authority. The outlook was revised to **stable** from **positive**.

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

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

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

Moody's has not consented and will not consent to being named as an expert under applicable securities laws, such as section 7 of the Securities Act of 1933. The assignment of a rating does not create a fiduciary relationship between Moody's and you or between Moody's and other recipients of a Credit Rating. Moody's Credit Ratings are not and do not provide investment advice or recommendations to purchase, sell or hold particular securities. Moody's issues Credit Ratings with the expectation and understanding that each investor will make its own evaluation of each security that is under consideration for purchase, sale or holding.

Moody's adopts all necessary measures so that the information it uses in assigning a Credit Rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently validate or verify information received in the rating process. Moody's expects and is relying upon you possessing all legal rights and required consents to disclose the information to Moody's, and that such information is not subject to any restrictions that would prevent use by Moody's for its ratings process. In assigning the Credit Ratings, Moody's

July 31, 2020

Mr. Vince Pryor
Senior Vice President & Chief Financial Officer
Silver Cross Hospital and Medical Centers
1900 Silver Cross Blvd
New Lenox, IL 60451

has relied upon the truth, accuracy, and completeness of the information supplied by you or on your behalf to Moody's. Moody's expects that you will, and is relying upon you to, on an ongoing basis, promptly provide Moody's with all information necessary in order for Moody's to accurately and timely monitor the Credit Ratings, including current financial and statistical information.

Under no circumstances shall Moody's have any liability (whether in contract, tort or otherwise) to any person or entity for any loss, injury or damage or cost caused by, resulting from, or relating to, in whole or in part, directly or indirectly, any action or error (negligent or otherwise) on the part of, or other circumstance or contingency within or outside the control of, Moody's or any of its or its affiliates' directors, officers, employees or agents in connection with the Credit Ratings. **ALL INFORMATION, INCLUDING THE CREDIT RATING, ANY FEEDBACK OR OTHER COMMUNICATION RELATING THERETO IS PROVIDED "AS IS" WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND. MOODY'S MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH INFORMATION.**

Any non-public information discussed with or revealed to you must be kept confidential and only disclosed either (i) to your legal counsel acting in their capacity as such; (ii) to your other authorized agents acting in their capacity as such with a need to know that have entered into non-disclosure agreements with Moody's in the form provided by Moody's and (iii) as required by applicable law or regulation. You agree to cause your employees, affiliates, agents and advisors to keep non-public information confidential.

If there is a conflict between the terms of this rating letter and any related Moody's rating application, the terms of the executed rating application will govern and supercede this rating letter.

Should you have any questions regarding the above, please do not hesitate to contact the analyst assigned to this transaction, Rita Strauss at 212-553-3908.

Sincerely,

Moody's Investors Service Inc.

Moody's Investors Service Inc.

March 31, 2021

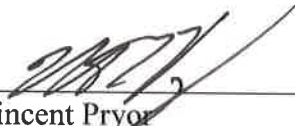
Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Criterion 1120.130(a) Financial Viability Waiver Certification
(Med/Surg Expansion Certificate of Need)

Dear Mr. Constantino:

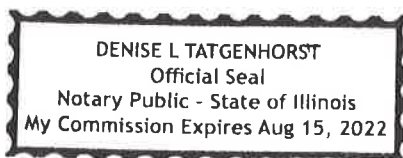
I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, and pursuant to 77 Ill. Admin. Code § 1120.130(a), that Silver Cross Hospital and Medical Centers ("Silver Cross") will fund the obligations of Silver Cross set forth in the Certificate of Need Application for the "Silver Cross Fifth/Sixth Floor - Med/Surg Expansion" Project from internal sources – specifically, cash and cash equivalents.

Sincerely,



Vincent Pryor
Senior Vice President/Finance
Chief Financial Officer

SUBSCRIBED AND SWORN
to before me this 31 day
of March, 2021.


Notary Public

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

Criterion 1120.140(a), Reasonableness of Financing Arrangements

Silver Cross has satisfied this Criterion because Silver Cross will be funding the Project with cash and cash equivalents. Mr. Pryor's Affidavit of Available Funds in support of this Criterion is attached at ATTACHMENT 33.

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

1. The construction cost per building gross square foot for the clinical portions of the Project is \$601.07. The construction and contingency cost per building gross square foot for the clinical portions of the Project is \$661.16. The clinical portions of the Project encompass 20,547 building gross square feet. The construction costs for the clinical portions of the Project total \$12,350,199. The construction and contingency costs for the clinical portions of the Project total \$13,584,779.

**COST AND BUILDING GROSS SQUARE FEET
(CLINICAL PORTIONS OF PROJECT)**

Department (list below)	A Cost/Building Gross Foot	B Square Foot	C Building Sq. Ft. (Clinical Only)	D Gross Portions	E Building Sq. Ft.	F Gross	G Const. \$ (Clinical Portions Only)	H Mod. \$	Total Cost (Clinical Portions Only)
	NEW	MOD	NEW	CIRC	MOD	CIRC	(A x C)	(B x E)	(G + H)
5 th and 6 th Floor Med/Surg Units (Clinical Portions)	\$661.16	----	20,547		----	----	\$13,584,779	----	\$13,584,779
Construction Total	\$601.07	----	20,547		----	----	\$12,350,199	----	\$12,350,199
Contingencies	\$60.09	----	20,547		----	----	\$1,234,580	----	\$1,234,580
Construction & Contingencies Total	\$661.16	----	20,547		----	----	\$13,584,779		\$13,584,779

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

Project Costs			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts	\$12,350,199	\$1,684,801	\$14,035,000
Modernization Contracts			
Contingencies	\$1,234,580	\$168,420	\$1,403,000
Architectural/Engineering Fees	\$871,158	\$118,842	\$990,000
Consulting and Other Fees	\$352,863	\$48,137	\$401,000
Movable or Other Equipment (not in construction contracts)	\$4,240,032	\$216,000	\$4,456,032
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)			
TOTAL USES OF FUNDS	\$19,048,831	\$2,236,201	\$21,285,032

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

Project Item	Project Cost (Clinical Parts Only)	Section 1120 Norm	Project Cost Compared to Section 1120 Norm
Preplanning Costs	\$0	1.8% * (Construction Costs + Contingencies + Equipment) = 1.8%* \$17,824,111 = \$320,847	Below Section 1120 Norm.
Site Survey, Soil Investigation and Site Preparation	\$0	5% * (Construction Costs + Contingencies) = 5%*\$13,584,779 = \$679,239	Below Section 1120 Norm.
Construction Contracts and Contingencies The midpoint of construction will occur in 2022	\$13,584,779/20,547 BGSF = \$661.16 per BGSF	\$656.82 per building gross square foot inflated at 3% per year through 2022 = \$676.52 per building gross square foot	Below Section 1120 Norm.
Contingencies	\$1,234,580	10% * (Construction Costs) = 10% * \$12,350,199 = \$1,235,020	Below Section 1120 Norm.
Architectural and Engineering Fees	\$871,158	8.66% * (Construction Costs + Contingencies) = 8.66% * \$13,584,779 = \$1,176,442	Below Section 1120 Norm.
Consulting and Other Fees	\$352,863	No Section 1120 Norm	Reasonable as compared to other approved projects.
Equipment	\$4,240,032	No Section 1120 Norm	Reasonable as compared to other approved projects.

Criterion 1120.140(d), Projected Operating Costs

The projected operating costs for the proposed Med/Surg Units in 2025 (i.e., 2 years after project completion) are as follows:

Total Operating Expenses:	\$5,237,243
Depreciation Expense:	\$1,426,753
Bad Debt Expense:	\$389,231
Estimated Number of Days in New Med/Surg Units (Simple Model):	7,257 (i.e., 24 new med/surg beds @ 85% ADC for 365 days)

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

Projected Operating Costs: \$3,421,259

Proj. Operating Costs per Day for New Med/Surg Units: \$471.44

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

Criterion 1120.140(e), Total Effect of the Project On Capital Costs

Total Projected Annual Capital Costs in 2025 = \$0

Total Projected Annual Capital Costs Per Day for the New Med/Surg Units: \$0

Section IX
Attachment 37
Safety Net Impact Statement

1. Planning Area A-13 is currently showing a **need** for an additional 81 Med/Surg Beds (as of the March 18, 2021 inventory update).
2. This Project will address that need and provide additional safety net services to the Planning Area if approved.
3. The following chart sets forth the amount of charity care provided by Silver Cross Hospital in the last three fiscal years (as reported by Silver Cross Hospital on its Annual Hospital Questionnaires.)

	FY 2018	FY 2019	FY 2020
Number of Inpatient Charity Care Patients	1,770	1,644	1,575
Number of Outpatient Charity Care Patients	4,947	4,455	4,034
Total Number of Charity Care Patients	6,717	6,099	5,609
Inpatient Cost of Charity Care	\$3,425,000	\$3,347,000	\$3,582,000
Outpatient Cost of Charity Care	\$4,187,000	\$4,259,000	\$4,023,000
Total Cost of Charity Care	\$7,612,000	\$7,606,000	\$7,605,000

4. The following chart sets forth the amount of care provided to Medicaid patients by Silver Cross Hospital in the last three fiscal years (as reported by Silver Cross Hospital on its Annual Hospital Questionnaires).

	FY 2018	FY 2019	FY 2020
Number of Inpatient Medicaid Patients	2,401	2,339	2,192
Number of Outpatient Medicaid Patients	27,224	26,296	22,621
Total Number of Medicaid Patients	29,625	28,635	24,813
Net Inpatient Medicaid Revenues	\$19,711,000	\$20,220,000	\$24,145,000
Net Outpatient Medicaid Revenues	\$25,230,000	\$23,796,000	\$22,469,000
Total Net Medicaid Revenues	\$44,941,000	\$44,016,000	\$46,614,000

Section X
Attachment 38
Charity Care Information

Silver Cross Hospital's charity care for the last three audited fiscal years is set forth below:

	FY 2018	FY 2019	FY 2020
Total Net Patient Revenue	\$378,810,000	\$401,798,000	\$394,504,000
Amount of Charity Care (Charges)	\$28,492,000	\$26,316,000	\$24,296,000
Cost of Charity Care	\$7,612,000	\$7,606,000	\$7,605,000

In total, Silver Cross Hospital provided over \$44,797,785 in charity care and other community benefits in FY 2020. Relevant pages from Silver Cross Hospital's Community Benefit Report for FY 2020 are attached at ATTACHMENT 38.

Silver Cross Hospital

Community Benefit Report

FY2019: October 1, 2019 to September 30, 2020



Caring For Our Community
Silver Cross Hospital



The way you *should* be treated.

1900 Silver Cross Boulevard
New Lenox, IL 60451

www.silvercross.org

Introduction – Continuing the Tradition of Caring for the Community

History

Founded by the Will County Union of King's Daughters and Sons and created for the community, over the past 125 years, Silver Cross Hospital has evolved into a 300-bed not-for-profit, independent, non-denominational acute-care hospital in New Lenox serving the residents of Will County and the southwest suburbs.

Silver Cross has had a long-standing tradition of caring for the community and meeting the needs of our patients by treating them the way they should be treated. At Silver Cross, we recognize each of our patients as individuals with their own sets of wants and concerns. And, we have made it our goal to address them all. It's what we call the Silver Cross Experience.

At Silver Cross, we have made a promise that extends not only to the outstanding quality of our personal service, but also our commitment to clinical quality, our attention to patient safety, and even to how we respond to the expanding needs of our community. Silver Cross has been named one of the 100 Top Hospitals in the nation 8 times; received a 5-Star rating for high quality and patient satisfaction by the Center for Medicare & Medicaid Services (CMS); and has been honored with an "A" Hospital Safety ScoreSM by The Leapfrog Group 12 times in a row.

In the following pages, you will see how Silver Cross is living the promise to treat all patients the way they should be treated while providing added benefit to the communities we serve.

While the COVID-19 pandemic curtailed our ability to host in-person educational and screening events, we adapted and began offering virtual lectures and programs where possible and created a library of 38 educational videos related to our response to COVID-19 and how our community members could maintain their health and safety during the pandemic.

Mission *(see Silver Cross Hospital Values Statement Attachment #1)*

Our mission is to improve the health of those we serve and advance wellness in our community.

Vision

We, the Silver Cross Family, are known for our culture of excellence and will deliver an unrivaled healthcare experience for patients, their families and the communities we serve.

Core Values

We, as members of Silver Cross Hospital team, are dedicated to meeting the needs of the people we serve by living our Core Values of:

Safety — do no harm

Inclusiveness — work collaboratively and transparently

Leadership — take initiative, demonstrate professionalism and be accountable

Virtue — demonstrate integrity and ethical behaviors

Excellence — achieve distinction for high reliability in quality and service

Respect — honor the feelings, traditions, and rights of others.

Standards of Conduct

1. Promote quality health care and ethical behavior
2. Ensure compliance with the law
3. Demonstrate respect, fairness, and courtesy in the workplace
4. Understand, avoid and disclose conflicts of interest
5. Maintain confidentiality of information
6. Ensure safety and security

Seven Behaviors

1. Speak up for patient safety
2. Always introduce yourself
3. Wear your name badge appropriately
4. Always give explanation of processes
5. Escort patients and visitors
6. Keep the environment clean and safe
7. Always greet patients, visitors, physicians and colleagues

SAFETy Habits

1. Support Each Other
2. Ask Questions
3. Focus on the Details
4. Explain Clearly

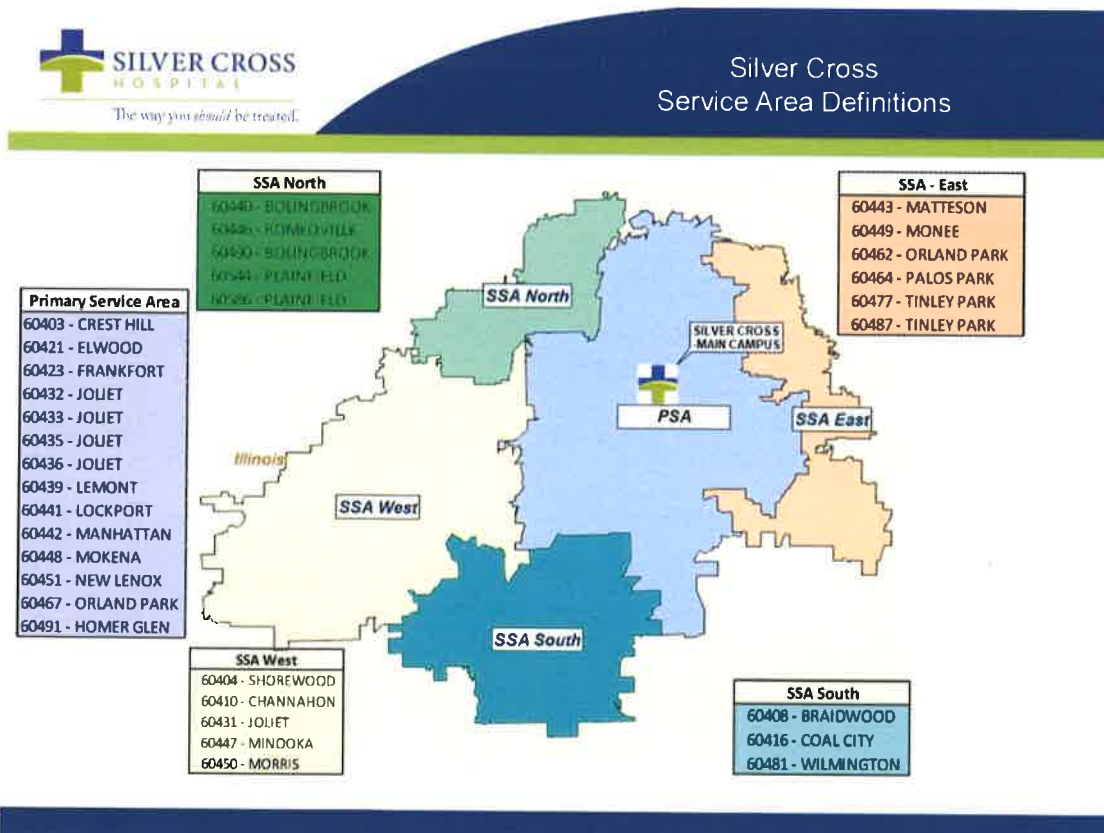
Defining Who We Serve

Community Health Needs Assessment (CHNA):

Community Definition and Population Served

Silver Cross Hospital's Primary Service Area (PSA), as defined for the purposes of the Community Health Needs Assessment, is defined as the following residential ZIP Codes in portions of Will and southwestern Cook counties; Illinois: 60403; 60421; 60423; 60432; 60433; 60435; 60436; 60439; 60441; 60442; 60448; 60451; 60467; and 60491. Silver Cross' Secondary Service Area (SSA) includes: 60440; 60446; 60490; 60544; 60586; 60404; 60410; 60431; 60447; 60450; 60408; 60416; 60481; 60487, 60443; 60449; 60462; 60464; and 60477.

Our service area is composed of widely diverse cross-sections of the population. Large sections of our community are more established suburban areas and are rapidly growing. There are also segments that are becoming more racially and ethnically diverse and that are more densely populated. Median incomes range broadly throughout the community – with distinct pockets that have very low incomes, with other areas that are significantly more affluent. Other sections of the community could be considered more rural in nature and are much smaller in terms of population size but growing and are less ethnically and racially diverse. A geographic description is illustrated in the following map.



Defining How Much We Provide Financial Assistance Program

Silver Cross Hospital has a policy and defined guidelines for identifying and assisting low-income, uninsured individuals who reside in our community, who do not have the ability to pay full charges, and for providing financial assistance to patients who have exhausted their insurance benefits.

Silver Cross Hospital provides quality healthcare and services to all individuals, regardless of race, creed, sex, national origin, income level, sexual orientation, handicap or age.

In accordance with our mission, we care for the sick that are medically or financially indigent and assist patients who cannot pay for part or all of the care they receive.

Silver Cross Hospital provides charity care assistance to patients who maintain a household income up to 400% above the federal poverty level (*see Charity Care Policy Attachment #2*). In addition, the hospital provides a 50% discount off of hospital charges to all uninsured patients (*see Self-Pay Discount Program Policy Attachment #3*).

Patient eligibility of assistance is based on completion of the Determination of Eligibility Application Form and proof of family income. Silver Cross accepts all applications for determination. Eligibility is examined on a case-by-case basis. We have bilingual financial counselors available to help patients obtain and apply for government assistance programs, such as Medicare, Medicaid, AllKids, FamilyCare, and Get Covered Illinois.

Notice of the hospital's financial assistance policy is clearly posted and available in the Emergency Department in English and Spanish, at all registration areas, in the Patient Handbook and on the hospital's website (www.silvercross.org).

Defining How Much We Provide

Community Benefits Data Summary

Silver Cross Hospital is dedicated to caring and serving our community that extends beyond our walls.

In 2020, Silver Cross provided over **\$44 million** in charity care and other community benefits. The numbers reported below are all reported at cost.

Charity Care (at cost)	\$7,605,000
Government-sponsored Indigent Healthcare (unreimbursed Medicaid at cost)	\$8,002,000

<u>Subtotal Uncompensated Care (Charity Care & Medicaid)</u>	<u>\$15,607,000</u>
---	----------------------------

Additional Community Benefit:

Language Assistance	\$82,735
Donations	\$296,050
Volunteer Services	\$2,707,000
Education	\$404,000
Government-sponsored program services (unreimbursed Medicare at cost)	\$20,436,000
Subsidized Health Services	\$721,000
**Bad Debts (at cost)	\$4,485,000
Other Community Benefits	\$49,000

<u>Total Community Benefit</u>	<u>\$44,787,785</u>
---------------------------------------	----------------------------

Items to Note:

****16.30%** of bad debt patients are uninsured = **\$731,055** (at cost)

Reporting at cost gives a more accurate picture of true community benefit. Therefore, Silver Cross Hospital has chosen to present the data in this fashion.

Defining How Much We Provide

Uninsured in Will County

According to the Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2017-2020¹, there are more than 120,000 Medicaid enrollees in Will County, and 9.2% of the Will County population under the age of 65 was uninsured in 2014.

Uninsured and Medicaid at Silver Cross

The demographics of Silver Cross Hospital reflect a picture of patients being served who are in need. The hospital Emergency Department data reflects a significant picture of need in our community where **29.1%** of all patients were uninsured or on public aid. Many were likely using the Emergency Department for primary care. In fact, **43.6%** of all emergency room visits among this population were non-emergent visits.

Charity Care

In 2008, Silver Cross Hospital made a significant pledge to the community, committing a minimum of \$4 million a year for 10 years to reassure the community that care would be available at the hospital's new location in New Lenox. In FY20, the hospital far exceeded that commitment by providing **\$7,605,000** charity care at cost. Charity care includes all services for which the hospital does not expect payment. As a matter of course, we provide charitable assistance to all qualifying patients through our financial assistance program. The program is administered by the Patient Accounts Department and offers bilingual financial counselors to help with inquiries for assistance.

Applicants are asked to provide income and employment information as a part of the screening and qualification process. Silver Cross employs social workers, case managers and discharge planners who also assist in finding appropriate follow-up services at a sliding scale or for no cost to low-income patients.

Providing quality care with compassion is at the center of the Silver Cross Experience regardless of ability to pay. Our goal is to work with each individual to fully explore payment options, including government assistance programs, payment plans, grants and charity. (*Charity Care Policy Attachment #2*)

Uncompensated Care (at cost)	% of Net Revenues:	
Charity Care	\$7,605,000	1.93%
Government-sponsored Indigent Healthcare (Unreimbursed Medicaid at cost)	<u>\$8,002,000</u>	<u>2.03%</u>
Total Uncompensated Care (Charity Care & Medicaid)	\$15,607,000	3.96%

Bad Debt (at cost)

Silver Cross Hospital funded **\$4,485,000** in bad debt. Bad debt is defined as services for which payment is expected but is not received. In some cases, these patients may qualify for charity care or financial assistance but have been unwilling to complete the required paperwork due to variety of personal reasons ranging from embarrassment to fear. Our records indicate that **16.30%** of the patients in this group do not have insurance and would qualify for **\$731,055** of

charity care. We will continue to work with our patients to help them qualify for charity care.

Government-Sponsored Healthcare

Silver Cross provided **\$28,438,000** in unreimbursed services at costs through the Medicaid (**\$8,002,000**) and Medicare (**\$20,436,000**) programs.

Obstetrics Care

Silver Cross continues to provide obstetrical care for poor and uninsured expectant mothers from the Will County Community Health Center, a division of the Will County Health Department and Aunt Martha's Joliet Community Center delivering **737** babies from community centers in FY19.

Pediatric Care

There were a total of over **202** pediatric inpatient admissions within Silver Cross' total service area. Of those **35%** of the admissions were covered by Medicaid or uninsured.

Aligning Our Programs and Services with MAPP

At Silver Cross Hospital, we continue our tradition of caring for the community by providing programs and services that meet the community's needs. Since 2009, Silver Cross Hospital has participated in the Will County healthcare assessment and planning process. Through Mobilizing for Action through Planning and Partnerships (MAPP) initiative, Silver Cross Hospital participated with other healthcare and community organizations to create the *Will County Community Health Needs Assessment (CHNA) and Strategic Plan*. This assessment utilizes national public health performance standards by the Centers for Disease Control and Prevention to gather information through community surveys and focus groups. MAPP has enabled organizations to engage in a county-wide strategic planning process to ensure that area residents receive the best possible public health services.

To ensure we are aligned with the most current community needs, various staff members from Silver Cross Hospital have participated on the MAPP Steering Committee, Behavioral Health Action Team, Primary Care Action Team, and Chronic Care Action Team.

A portion of the *Will County Community Health Needs Assessment (CHNA) and Strategic Plan* is included in this report on pages 25-33. This section reviews the community issues determined by the MAPP process that need to be addressed, its goals, and action steps moving forward.

Silver Cross Hospital has used the *Will County Community Health Needs Assessment (CHNA) and Strategic Plan* as a resource tool to develop its community programming. Silver Cross' programs and services fall into the following four categories: Access to Healthcare, Access to Food and Nutrition, Behavioral Health and Substance Use, and Stabilizing the Built Environment.

1) Access to Healthcare

If the COVID-19 pandemic has shown us anything, it's that access to healthcare is more important than ever before. Since the pandemic arrived at Silver Cross in March of 2020 (to the present), we've performed more than 54,000 COVID-19 tests; treated more than 2,100 COVID inpatients; and since December of last year, we've administered in excess of 22,000 vaccinations under the guidelines of the Will County Health Department and the Illinois Department of Public Health. To ensure equity, we also partnered with several community groups in our black and brown communities.

We've also expanded healthcare access in a number of critical ways: by adding primary care providers; opening an urgent care center on our campus; partnering with Zipnosis to expanded virtual and asynchronous care; and by continuing to partner with federally qualified healthcare centers in our community.

Primary Care

Silver Cross Hospital has actively recruited more than two dozen primary care providers – physicians and advanced practice providers – through the addition of Premier Suburban Medical Group, with five different office locations.

What's more, through our partnerships with the Will Grundy Medical Clinic and Aunt Martha's, we continue to bring vitally needed primary care services to at-risk residents on the east side of Joliet.

General Communication

Silver Cross provided information through our Call Center for healthcare services and resources within our community. In FY20 through our free Physician Referral Service, **118** individuals requested a physician who accepts Medicaid, and **395** individuals requested a physician who accepts Medicare. We also provided 31 referrals to indigent clinics at a cost of **\$11.95** per referral or **\$6,500.08** in total referrals. In addition, Silver Cross continued to provide health educational information through the hospital's community newsletters, website, social media tools and community events.

Transportation

According to the most recent Will County Community Health Needs Assessment (CHNA) and Strategic Plan² 2017-2020, transportation was the fourth most commonly reported issue among the most serious needs identified in the region.

At Silver Cross, there have been several occasions when a patient has arrived at the hospital by ambulance, but does not have a means of leaving the campus after being discharged. Silver Cross Hospital provided **\$5,964** in taxi services. Silver Cross continued to provide free valet and shuttle bus services on our campus for patients and their family members. Furthermore, Silver Cross works in conjunction with Pace Transportation, Uber as well as city and county officials to upgrade the public transportation for residents of Will County.

Donations

Area churches, schools and other not-for-profit organizations look to the large employers like Silver Cross Hospital to support projects that positively impact our community. Silver Cross offered support through monetary donations, goods and services, and time.

Silver Cross offered health information and screenings at over **150** community events including schools, churches, sporting facilities, health fairs and on the hospital's campus. Many of these events served the indigent and uninsured populations of our community. During these events, many Silver Cross employees volunteered their time and talents.

*Every day at Silver Cross, we see that the absence of coverage is a significant barrier to getting people the right care at the right time in the right setting. Our Emergency Department is a living example – **31.2%** of all visits in the hospital and Homer Glen Emergency Departments are classified as non-emergent; **41%** of the non-emergent visits were public aid recipients or uninsured patients. We demonstrate our strong commitment to providing care every day in the Emergency Department regardless of a patient's ability to pay.*

Coverage for the Uninsured/Underinsured

*According to the most recent Will County Community Health Needs Assessment (CHNA) and Strategic Plan³, 2017-2020, there is a need in the county to maximize and expand resources that will increase access to and awareness of primary and specialty healthcare that is affordable, geographically accessible and culturally sensitive. To assist with this goal, staff from Silver Cross Hospital participate in the MAPP's Access to Care Committee. In order to provide access and coverage for those patients who are either uninsured or underinsured, Silver Cross supported the Will-Grundy Medical Clinic through free services and procedures as well as **\$35,000** in*

monetary donations. In addition, in FY20 the Silver Cross Healthy Community Commission also donated **\$5,000** to the Will Grundy Medical Clinic. The Will Grundy Medical Clinic provides free medical and dental services to individuals who do not have health insurance or the ability to pay for quality healthcare. Silver Cross encourages employees and its Medical Staff to volunteer time at the Will Grundy Medical Clinic. In addition, Silver Cross Hospital accepted 13 Will-Grundy Medical Clinic patients for surgical procedures and related services for **\$603,812**. Over **\$694** additional hospital services (pathology, radiology, diagnostic tests, treatments, and in-patient care) were donated. Also donated were the services of Allied Anesthesia Associates estimated at **\$27,430**.

Silver Cross assisted patients in applying for government health programs including Medicaid, Medicare, State of Illinois' All Kids, Family Care and Get Covered Illinois.

Rehabilitation

Silver Cross Hospital continues to treat many patients through its partnership with the Shirley Ryan AbilityLab at Silver Cross Hospital (formerly the Rehabilitation Institute of Chicago). In 2020, Silver Cross presented a lecture in November on fall prevention and balance; and also provided **16** free Fall and Balance screenings, **49** Senior Fair screenings, **3** Women's Health screenings and presented on "Age-related changes" at a church to area residents.

Robotic Surgery Center of Excellence

The Midwest Institute for Robotic Surgery at Silver Cross is one of the Top 3 robotic surgery centers in the Midwest that have safely performed over 11,000 robotic procedures with very little complications or conversions to a traditional open technique. With **five** surgical robots, specially trained surgeons on the Silver Cross Medical Staff use the robot to perform prostate, gynecologic, single-site gallbladder and complex cancer procedures for colorectal, stomach and esophageal disease. The Institute is also the only facility in Will County to offer **Mako™ robotic-arm** assisted surgery for partial knee and total hip replacement for adults living with early to mid-stage osteoarthritis. This new technology helps provide more accurate placement and alignment of a patient's implant. Several Institute surgeons are pioneers in their field mentoring other surgeons across the 50 states and around the world in advanced colorectal, gynecological, and hernia repair and gallbladder removal robotic techniques. Others help design the implants used during joint replacement surgery.

Prenatal Care

In addition to a typical nursery, the Birthing Center at Silver Cross has a Level 2E skilled infant care nursery with extended capabilities with dedicated staff and state-of-the-art medical equipment allowing newborn patients with access to specialized care close to home.

Silver Cross Hospital continued to treat a large and growing portion of the Medicaid and uninsured population in our communities for inpatient obstetrical care as **1,079** baby deliveries from these populations were at Silver Cross Hospital. This represents **37%** of all deliveries at Silver Cross Hospital. In addition, mothers received pre-natal services and testing at Silver Cross Hospital.

Silver Cross provides referrals to the Will County Health Department's Healthy Families Program. This program promotes positive parenting and child health and development, thereby preventing child abuse and other poor childhood outcomes.

Silver Cross continued to actively participate in the Joliet Area Breastfeeding Alliance (JABA) and the International Lactation Consultant Association (ILCA) to reach out to mothers in the local community who are or would like to breastfeed. Silver Cross also continued to partner with Ann & Robert H. Lurie Children's Hospital of Chicago to provide neonatal coverage for all high-risk deliveries and Rush University Medical Center for perinatal care for high-risk pregnancies.

In addition, Silver Cross has certified lactation consultants on staff available for support to new moms who choose to breastfeed their babies. They offer education and support before, and after delivery. Even for those babies who were not delivered at the hospital.

Emergency Services

The Emergency Department at Silver Cross and Homer Glen's Free-Standing Emergency Care Center combined cared for **67,263** patients in FY20. In addition, at the Silver Cross Urgent Care, patients were treated for flu and cold symptoms, broken bones and fractures, stomach and joint pain, infections, minor burns, asthma, and allergic reactions.

Silver Cross Hospital partnered with **Zipnosis**, a top national source for asynchronous health services, to provide patients with quick access to a doctor 7 days a week through the convenience of virtual health consults. Consumers were able to asynchronously communicate with a doctor 7 days a week from anywhere at silvercross.org/careconnect for a small consult fee. Care Connect is an affordable option for quality medical care and an easy alternative to going to the ER or Urgent Care for non-emergency issues or other situations like when the primary care doctor is unavailable, patient doesn't have a regular physician, on vacation, on a business trip or just need a short-term prescription refill. Licensing costs for FY20 were \$15,000/month, beginning March 31, 2020, for a total outlay of **\$90,000** and an additional **\$2,500** (20% of \$12,500) was spent on advertising the service.

In addition, Silver Cross continued to serve as the resource hospital for the Silver Cross EMS System, training **63** paramedics from **14** fire departments and ambulance services including dispatch centers in Cook and Will counties. This program provides the initial paramedic training, ongoing continuing education, monitoring of ambulance service and staff within Will, Cook and Grundy Counties. Silver Cross also provided EMS training and program development assistance for medical providers in other states.

Language Assistance

It is estimated that there are over **115,500** individuals of Hispanic background living in the Will County area. This is approximately **17%** of the entire population. (Source: census.gov 2010)

Silver Cross Hospital has a formal Limited English Proficiency (LEP) policy. (*See Communication Plan Policy Attachment #4*) Silver Cross continued to provide the AT&T language assistance line 24 hours/day, 365 days/year. By using a translation service, patient's vital health information and educational materials are translated into Spanish or any other language. Further, Silver Cross continues to provide education and discharge instructions in Spanish, as well as a 24/7

bilingual Physician Referral Service; and signage with the Universal Hospital symbols to assist people in navigating through the campus.

Coverage for Senior Citizens

The fastest growing age-cohorts in Will County are 45-64, 65-84 and 85+. It is anticipated that the 65+ age-cohort will grow 40% over the next 5 years.

In order to meet the demanding needs for the senior population, Silver Cross Hospital has a community outreach plan to educate seniors about the health resources available in the community. Silver Cross participated in 10 Senior Fairs touching the lives of over 1,000 seniors through free health screenings. In addition, Silver Cross' Senior Advantage program provided services for over 3,300 senior citizens. Silver Cross has a partnership with the Will County Senior Services Center to offer programs and screenings. In FY20, Silver Cross worked with Blue Cross Blue Shield of Illinois, Humana, and United Healthcare and hosted free (Part C) programs to answer questions about Medicare basics, and eligibility and enrollment periods. Further, the hospital provided one-on-one consultations with seniors to help them navigate through the complex insurance and Medicare process. Through Senior Advantage, Silver Cross provides a dedicated expert to assist patients sort through medical bills to determine appropriate payments for services provided not only by the hospital but also by other healthcare facilities. Silver Cross participated in the following health fairs to encourage seniors to make healthy lifestyle choices: Senior Services Center of Will County, Tinley Park District, Orland Chamber and several groups in Romeoville.

Prevention and Management of Disease

It takes more than blood pressure checks and medications to sustain a healthy lifestyle. It takes an understanding of the behaviors that cause poor health. At Silver Cross, we combined education and support to promote healthier lifestyles and improve health.

Women's Health - Fighting Cardiac Disease, Breast Cancer & Gynecological Issues

Cardiovascular disease is a growing health concern in our community. According to the most recent *Will County Community Health Needs Assessment (CHNA) and Strategic Plan⁴ 2017-2020*, hypertension and heart conditions rank in the top ten medical conditions that are found in Will County households. To provide help to these families, Silver Cross Hospital collaborates with the MAPP's community wide coordination of cardiac education and services. According to the American Heart Association, heart disease is the number one killer of all women in the United States. Equally concerning for area women is their risk for breast cancer. In 1940, the lifetime risk of a woman developing breast cancer was 5%, or one in 20. The American Cancer Society estimates that risk to be 12% in 2010, or almost one in eight women. In many cases, it's not known why a woman gets breast cancer. In fact, 75% of all women with breast cancer have no known risk factors.

With these alarming statistics for cardiovascular disease and breast cancer, Silver Cross Hospital developed convenient educational e-newsletters, dedicated website called I Matter, and a monthly breast cancer support group for women to make it easier for them to take care of their health. The philosophy behind these educational opportunities and screenings is to motivate women and their loved ones to have good health by getting their regular mammography

screenings and discounted cardiac screenings. In 2020, **74,092** area residents received the Silver Cross Experience e-newsletter, and **4,540** women received the I Matter e-newsletter.

In addition, Silver Cross provided free Incontinence Risk Assessments on its website to pinpoint when women may need help with bladder control issues. The hospital also hosted **one** community lectures where a physician discussed pelvic pain that **43** people attended.

Fighting Cancer

According to the most recent *Will County Community Health Needs Assessment (CHNA) and Strategic Plan⁵ 2017-2020*, Cancer is the leading cause of death in Will County and the United States. So in keeping with the hospital's commitment to improving access to services, in 2012 the hospital opened the 20,000-square-foot Carolyn J. Czerkies Pavilion which is home to the UChicago Medicine Comprehensive Cancer Center at Silver Cross Hospital. The Cancer Center is collaboration between Silver Cross and the UChicago Medicine. The partnership brings UChicago Medicine cancer specialists and their access to advanced and investigational therapies to a community hospital setting. Patients have access to UChicago Medicine specialists, state-of-the-art chemotherapy and radiation therapy, as well as access to more clinical trials than any other program in Illinois, and a new facility close to home.

In addition, patients at the UChicago Medicine Comprehensive Cancer Center at Silver Cross Hospital have access to cutting-edge clinical trials and advanced technology. One such example is the UChicago Medicine Comprehensive Cancer Center at Silver Cross Hospital offers state-of-the-art prone breast radiation technique that is especially beneficial for women with larger breasts and a tumor on the left side that hasn't spread to the lymph nodes. The dose of radiation is uniform with less skin reaction. There is minimal exposure to the heart and lungs. This lowers the risk of complications, such as future heart disease and lung damage.

Also two multi-disciplinary teams continued to meet in the UChicago Medicine Comprehensive Cancer Center at Silver Cross Hospital for a Breast Cancer Conference and Lung Cancer Conference every Tuesday morning. In FY20, **46** Breast Conferences were held where **358** breast cancer cases were presented and **40** Lung Conferences where held where **197** lung cancer cases were presented. At the conferences, physician specialists representing general surgery, medical oncology, radiation oncology, radiology, interventional radiology, pulmonology, plastic surgery, thoracic surgery and pathology reviews radiological images and pathology slides on state-of-the-art equipment and develops a consensus recommendation. The team documents the recommendations, and a certified breast and general nurse navigator provides the recommendation to the patient's doctor within 24 hours.

Further, Silver Cross provided free educational programs. In 2020, Silver Cross continued to provide colon cancer screening kits, blood pressure checks, blood glucose screenings, and pulse oximetry testing at community health fairs. Through these **13** events, nearly **1500** individuals received a free screening.

In the past couple of years, Silver Cross acquired a state-of-the-art PET/CT scanner to diagnose cancer patients early and with more accuracy. We also installed a second TrueBeam linear accelerator that uses image-guided radiation therapy to safely shrink cancer cells and hard-to-reach tumors in the UChicago Medicine Comprehensive Cancer Center at Silver Cross. Now patients can begin treatment even sooner and close to home.

Silver Cross developed a plan to impact cancer prevention and awareness in the community by implementing the following programs:

- **Esophageal Cancer**
Silver Cross held esophageal lectures that 96 people attended.
- **Colon Cancer**
Silver Cross provided over 70 free colon cancer kit screenings to the community, offered several educational programs and created an educational campaign encouraging individuals age 50 and older that have never been screened for colon cancer to have a colonoscopy.
- **Breast Cancer**
Due to social distancing requirements of the COVID-19 pandemic, Silver Cross was unable to host a dedicated Breast Cancer Awareness Special Event as we have in years past. Instead, we focused our efforts in social media, health education and patient stories. Further, the hospital hosted 6 Breast Cancer Support Group meetings were 24 people attended.

Stroke

Stroke is the fourth leading cause of death in America and a leading cause of adult disability. The Silver Cross Neuroscience Institute was designated as a Primary Stroke Center by The Joint Commission and received the American Heart/American Stroke Association's Get with the Guidelines Stroke Silver Gold Quality Achievement Award.

Diabetes

According to the most recent *Will County Community Health Needs Assessment (CHNA) and Strategic Plan*⁶ 2017-2020, the number of persons with diabetes has increased over the past decade and if these trends continue, one in three Americans who were born in the year 2000 will develop diabetes during their lifetime. Both Will County and the State of Illinois have followed the national trends for the prevalence of diabetes and have been increasing over time. As one of the first American Diabetes Association's recognized quality comprehensive diabetes management programs, the Silver Cross Diabetes Center tries to decrease these trends.

Since 1996, Silver Cross has helped thousands of diabetics and their family members live with this chronic disease that if not cared for appropriately, could lead to heart disease, blindness and amputations. In recognition of the American Diabetes Association's American Diabetes Alert, the Silver Cross Diabetes Center, the Joliet Noon Lions Club, and Walgreens offered free screenings to detect diabetes to 125 area residents at Silver Cross Hospital. Participants were offered a Diabetes Risk Test and Blood Glucose Test. The American Diabetes Alert is an annual nationwide campaign to raise awareness that diabetes is a complex, serious and increasingly common disease affecting more than 24.6 million Americans.

Obesity

According to the most recent *Will County Community Health Needs Assessment (CHNA) and Strategic Plan*⁷ 2017-2020, adult obesity in Will County is still a prominent behavioral risk factor.

According to the Will County Community Health Status Assessment 2016, 27.6 percent of Will County adults were obese or morbidly obese in 2012. To help decrease these numbers, Silver Cross Hospital provided a variety of programs and support to fight obesity. The hospital also continued to offer the Crossroads to Health program, which is an employee wellness program to help staff make better nutritional and exercise choices.

In addition, Silver Cross provided free nutritional and exercise counseling with a registered dietitian. The hospital continued to support a comprehensive bariatric weight loss surgery program that includes a free support group and exercise program with a certified personal trainer to **38** attendees, while maintaining the distinction of an MBSAQIP accredited center – Comprehensive and also a Blue Distinction Center for Bariatric Surgery designation assuring that the hospital will continue to provide a quality program. Silver Cross also provided the use of the hospital's Cardiopulmonary Rehabilitation Fitness Center at no cost to hospital employees and physicians.

Also, the Warren-Sharpe Community Center, supported by the Silver Cross Healthy Community Commission, continued to offer several programs such as Backyard Basics Classes, Sow it Forward- Junior Entrepreneur Program, Kids in the Kitchen, Warren-Sharpe Food Pantry and the Green Sprout Urban Farm/Community Garden, PACT Camp – Police and Children Together (in collaboration with Joliet Police and Forest Park Community Center).

Pulmonary Disease

According to the most recent *Will County Community Health Needs Assessment (CHNA) and Strategic Plan⁸ 2017-2020*, Chronic Obstructive Pulmonary Disease, formerly known as COPD, is a progressive disease and is one of the top five leading causes of death in the United States and Will County. To address these increases, Silver Cross Hospital continues to offer a free Pulmonary Support Group for patients and the community, as part of the Pulmonary Rehabilitation Program for adult patients diagnosed with any pulmonary condition. In addition, in FY20 Silver Cross sponsored a Pulmonary Support Group where **67** patients with pulmonary disease attended.

In summary, in FY20 Silver Cross Hospital provided over **50** community outreach programs for various health-related conditions in the following categories: educational seminars, health prevention lectures, CPR/First-Aid classes, health fairs, expos, prenatal classes, screenings, internships, speakers bureau presentations and support group meetings. Through these outreach programs, Silver Cross touched the lives of more than **250,000** residents in our community. Impacting the health of thousands of individuals through education and prevention is an important part of our community benefit program.

Quality in the Hospital

Quality care inside the hospital is equally important as quality of life outside the hospital. As stated in our plan, Silver Cross Hospital continues to improve its processes with outstanding results. By doing so, Silver Cross has been recognized as a **100 Top Hospitals National Award** winner for **eight** years by achieving excellence in clinical outcomes, patient safety, treatment standards, efficiency, financial stability, and growth in services.

For the 11th consecutive time, Silver Cross was recognized for its dedication to patient safety with an **A grade Hospital Safety Score**. This gold standard rating for patient safety is compiled under the guidance of the nation's leading patient safety experts and administered by The Leapfrog Group, a national, nonprofit safety watchdog that rates how well hospitals protect patients from preventable medical errors, injuries and infections. This A grade is one of the most meaningful honors a hospital can achieve and one of the most valuable indicators for patients looking for a safe place to receive care.

Silver Cross Hospital also was named one of the **Best Hospitals in the World** by Newsweek magazine.

What's more, Silver Cross received the American Heart Association/American Stroke Association's **Get With The Guidelines®-Stroke Gold Plus Quality Achievement Award** with Target: StrokeSM Honor Roll Elite Plus. The award recognizes the hospital's commitment to ensuring stroke patients receive the most appropriate treatment according to nationally recognized, research-based guidelines based on the latest scientific evidence.

Silver Cross works diligently to provide quality service and monitors Inpatient HCAHPS patient satisfaction survey scores regularly. In FY 2020, the hospital ranked once again in the **top quartile on inpatient satisfaction measures (HCAHPS)** and was **one of the higher ranked hospitals** in the area on **Hospital Compare (CMS)** measures.

In FY20, Silver Cross Hospital's **nursing care ranked in the Top 25% in the country** for patient satisfaction.

Silver Cross Hospital was recognized for **Higher Quality in Maternity Care** by Blue Cross and Blue Shield of Illinois (BCBSIL) with a Blue Distinction® Center for Maternity Care designation as part of the Blue Distinction Specialty Care program. Blue Distinction Centers are nationally designated hospitals that show expertise in delivering improved patient safety and better health outcomes, based on objective measures that were developed with input from the medical community.

Silver Cross Home Health has been named a Top Agency of the 2019 HomeCare Elite, a recognition of the top-performing home health agencies in the United States. For 14 years, HomeCare Elite has annually identified the top 25 percent of Medicare-certified agencies and highlighted the top 100 and top 500 agencies overall.

U.S. News & World Report has recognized Silver Cross Hospital as a **High Performing Hospital** for 2019-20 in its annual Procedures and Conditions rating. Silver Cross was cited for its superior programs for treating heart failure and chronic obstructive pulmonary disorder (COPD). The ratings recognize care that was significantly better than the national average, as measured by factors such as patient outcomes.

In 2020, for the 5th year Silver Cross Hospital was once again recognized in **22nd Century Media's Southwest Choice Awards** as the **Best Hospital, Best Emergency Room** and **Best Place to Have a Baby**.

Silver Cross Emergency Department received the **Innovation Award for Performance Improvement** from the Chicago Healthcare Executive's Forum which recognizes a healthcare team that has inspired leadership, change, and advancement in the Chicago area healthcare community. The Silver Cross Hospital Emergency Department implemented over 20+ process improvement efforts with the support of the hospital's administration and Emergency Department medical staff.

2) Access to Food and Nutrition

Community Garden

Silver Cross continues to work with the Warren Sharpe Center, which continues to serve the community by improving the quality of life for the people in the community.

The Center also addresses food insecurities within their area through the Green Sprout Urban Farm, which is a project designed to educate the youth about agriculture, healthy food choices, and increase physical activity along with supporting their food pantry.



Warren-Sharpe Community Garden and Urban Garden

The Center currently serves 250+ meals per week to needy children and now has four complete lots for gardens, which are handicapped accessible. Other events sponsored by the Center include: Kids in the Kitchen - a cooking and nutrition class for children and parents, where they learn healthy food choices and how to prepare meals within budget; Parenting Support Group requiring

parents whose children are in programs to participate in monthly forums; and Girls Rock Program designed to help girls with their creativity, self-esteem and develop life skills.

GirlSpace Joliet

Through its Healthy Community Commission, Silver Cross Hospital helped fund the GirlSpace Joliet program, a community outreach initiative by Girl Scouts of Greater Chicago and Northwest Indiana. Funds were applied to the GirlSpace Joliet program in the following zip codes: 60432, 60433, 60436 and 60441, impacting 99 girls from these areas of priority in Joliet.

Among the program's many activities, its healthy living component encourages a healthy body and mind and supports social and emotional development. An Iron Chef challenge has girls create meals that are judged on nutrition, use of the five good groups, creativity and presentation.



3) Behavioral Health and Substance Use

Mental Health & Substance Abuse

Through our joint venture with US HealthVest, Silver Oaks Behavioral Hospital continues to offer critically needed mental health and substance use disorder treatment to our surrounding communities. Opened in 2019, this 110-bed facility is equipped with the latest safety features designed to provide patients with a comfortable environment to receive therapeutic care.



Therapy modalities are evidence-based models proven to decrease symptoms of mental illness and help patients find lasting change. Silver Oaks Behavioral Hospital offers a caring environment with licensed psychiatrists, nurses, therapists and technicians who are dedicated to providing exceptional care for you, a loved one or your client.

Through our partnership, we have a shared medical staff and hold weekly huddles with our Silver Oaks partners, which includes the President/CEO of Silver Cross and Silver Oaks and

various clinicians. What's more Silver Oaks social workers are stationed in the Silver Cross Hospital Emergency Department to ensure patients who arrive in our ER are screened by mental health experts on a timely basis.

4) Stabilizing the Built Environment

Our role at Silver Cross Hospital is not simply to treat illnesses but to strengthen our community. Initiatives to improve the quality of life in our neighborhood focus on awareness to services, economic development, individual development and ensuring quality healthcare for every patient that comes to our hospital. Fostering neighborhood safety and creating opportunities for people to improve their lives are key components of our community benefit program.

Creating a Healthier Community: Silver Cross Healthy Community Commission

In January 2008, the Silver Cross Hospital Board of Trustees and local community leaders launched a new not-for-profit organization called the Silver Cross Healthy Community Commission. The Commission is chaired by Derrick Brown with presently 14 members that represent the interests of constituencies on Joliet's east side. The 501(c)3 Commission is committed to creating a stronger, healthier future for the neighborhood, which has suffered from lack of economic development over the past decades.

A commission of this nature is unprecedented in Will County. It was launched in response to the community's concern about the Hospital's relocation. The scope has been expanded beyond campus redevelopment to workforce initiatives, job training, scholarships and healthcare access.

The Healthy Community Commission provides an extraordinary opportunity for the community to provide feedback, advice and direction to Silver Cross Hospital. Realizing that social and economic wellbeing are often factors impacting an individuals' health, the Commission seeks to address a multitude of issues to improve the quality of life on the east side of Joliet.

Silver Cross Hospital provided **\$225,000** in FY20 to fund the Commission's work, which included educational healthcare-related scholarships, workforce development grants and quality-of-life initiatives to over **50,000** individuals associated with several organizations:

- Alpha Kappa Alpha Sororities
- Coalition of Black Trade Unionists
- Community Service Council
- Girl Scouts of America
- Greater YMCA of Joliet
- Harvey Brooks Foundation
- Hispanic/Latino Coalition of Will County
- NAACP (National Association for the Advancement of Colored People)
- National Hook-up of Black Women
- Redeemed Connections
- Spanish Community Center
- Warren Sharp Community Center
- Will-Grundy Medical Center

*These scholarship students are attending the following colleges:

- Alabama State University
- Ball State University
- Chamberlain College of Nursing
- Columbia University
- Eastern University

- Governor's State University
- Howard University
- Illinois State University
- Jackson State University
- Joliet Junior College
- Lewis University
- Loyola University
- Missouri State University
- Northern Illinois University
- Olivet Nazarene University
- Purdue University
- Resurrection University
- Southern Illinois University
- Spelman College
- Trinity Christian College
- University of Aurora
- University of Illinois
- University of Iowa
- University of St. Francis
- Western Governors University
- Western Illinois University

These funds are in addition to the financial resources the hospital currently provides for charity care and other community benefit activities.

In addition, Silver Cross enhanced its faith-driven community outreach program to include more of the network of churches that are located in the underserved neighborhoods on Joliet's east side. This was the logical step to reach the underserved population since churches are where residents gather to find resources such as health screenings, education and lectures. In 2020, Silver Cross provided valuable health education information to over 160 churches to share with their parishioners. The philosophy behind these educational newsletters was to motivate the members to have good health by getting their regular check-ups and screenings. Silver Cross also participated in health and career fairs, physician lectures and health screenings at the following churches: (LN)

- Brown Chapel AME
- Prayer Tower Ministries
- Shiloh Baptist Church
- All Nations COGIC

High School Partnerships

Every year we partner with the Joliet Township High Schools for two days of Job Shadowing. Due to COVID, the program was changed from in-person to a Virtual Job Shadowing Experience. With the assistance of the Silver cross nursing staff, the school developed a Speakers Bureau Video Series. In addition, the nursing staff created and shared a video that provided an overview of their journey in healthcare.

In 2020, Silver Cross partnered with **Lincoln-Way East High School** for an internship program that offered **36** seniors, enrolled in advanced placement human anatomy and physiology class, valuable experience and great opportunity allowing them real insight into medical careers. Under the supervision of their classroom instructors and hospital managers, physicians and nurses, the students learned about career paths in Emergency Medicine, Interventional Radiology, Nursing, Cardiology, Obstetrics, Endoscopy and Surgery. This beneficial program offers hands-on education and extensive discussion of the pros and cons of each career choice. The students were able to practice intubation and other life-sustaining measures on mannequins. They were able to see, touch and inquire about the many different surgical instruments used to do an open surgery, as well as watch a robotic hernia surgery performed. Much like a clinical rotation in medical school, the students were exposed to many fields of medicine they may not have considered previously. This program provides a very unique opportunity for students to obtain vocational experience and knowledge in the medical field, whereby they are provided the tools to make more educated decisions regarding their future career paths at an early age.

The National Hook-Up for Black Women (NHBW, Inc.) and Silver Cross Hospital partnered in increasing literacy through the Reading for Life Literacy Program. As part of the Reading for Life Literacy Program, the hospital donated furniture, computers and books to help establish the NHBW & Silver Cross Reading Rooms which now have nine locations within Will County.

Over the past seven years, the Reading for Life Literacy Program provided more than 80,000 books to over 30,000 children and adults in the community. The Reading for Life Program builds a literacy-rich environment.

Partnering with the Spanish Community Center for Stable Housing

Stable housing is a human rights, health and quality-of-life issue. Unstable housing can cut one's life expectancy and lead to many major chronic illnesses, both physical and mental.



That's why Silver Cross Hospital, through its Healthy Community Commission, helped support the Spanish Community Center's 2020 request for a grant to fund its housing program, which offers housing counseling and workshops.

The Center's housing counseling program includes one-on-one support for financial literacy, credit repair, pre- and post-purchase, and rental, among other housing needs. The Center's housing program is currently on the

path to becoming HUD-certified, which would allow the Center to apply for federal grants, training scholarships, technical assistance and more.

Silver Cross Hospital's Healthy Community Commission is honored to promote this program, which will help make stable, safe housing a reality for at-risk individuals and families in our service area.

End Notes/Sources

¹*Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2017-2020*

²*Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2017-2020*

³*Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2017-2020*

⁴*Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2017-2020*

⁵*Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2017-2020*

⁶*Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2017-2020*

⁷*Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2017-2020*

⁸*Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2017-2020*

Section XI
Attachment 39
Flood Plain Compliance


1. As set forth in ATTACHMENT 5, Silver Cross Hospital is located in flood plain Zone X, which is designated as an area of low flood risk not requiring flood insurance.
2. See Flood Insurance Rate Map No. 17197C0190G (revised February 15, 2019), which is attached at ATTACHMENT 5.
3. See attached flood plain determination form (completed) at ATTACHMENT 39.


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

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

1. Applicant: Silver Cross Hospital and Medical Centers, 1900 Silver Cross Boulevard, New Lenox, Illinois, 60451
2. Project Location: 1900 Silver Cross Boulevard, New Lenox, Illinois, 60451
3. Project Location: Will County, Village of New Lenox, 1170706, 17197C0190G (eff. 2/15/2019)

4. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go To NFHL Viewer** tab above the

map. You can print a copy of the floodplain map by selecting the  icon in the top corner of the page.

Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

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

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

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN? Yes: X (Zone X) No: ___

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.

If the determination is being made by a local official, please complete the following:

FIRM Panel Number: 17197C0190G

Effective Date: 2/15/2019

Name of Official: _____

Title: _____

Business/Agency: _____

Address: _____

Signature: _____

Date: _____

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

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

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

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	28-30
2	Site Ownership	31-32
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	33
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	34-35
5	Flood Plain Requirements	36-41
6	Historic Preservation Act Requirements	42-50
7	Project and Sources of Funds Itemization	51-52
8	Financial Commitment Document if required	N/A
9	Cost Space Requirements	N/A
10	Discontinuation	N/A
11	Background of the Applicant	53-58
12	Purpose of the Project	59-69
13	Alternatives to the Project	70-71
14	Size of the Project	72-74
15	Project Service Utilization	75-77
16	Unfinished or Shell Space	N/A
17	Assurances for Unfinished/Shell Space	N/A
	Service Specific:	
18	Medical Surgical Pediatrics, Obstetrics, ICU	78-101
19	Comprehensive Physical Rehabilitation	N/A
20	Acute Mental Illness	N/A
21	Open Heart Surgery	N/A
22	Cardiac Catheterization	N/A
23	In-Center Hemodialysis	N/A
24	Non-Hospital Based Ambulatory Surgery	N/A
25	Selected Organ Transplantation	N/A
26	Kidney Transplantation	N/A
27	Subacute Care Hospital Model	N/A
28	Community-Based Residential Rehabilitation Center	N/A
29	Long Term Acute Care Hospital	N/A
30	Other Categories of Service (Long Term Care/Skilled Unit)	N/A
31	Freestanding Emergency Center Medical Services	N/A
32	Birth Center	N/A
	Financial and Economic Feasibility:	
33	Availability of Funds	102-146
34	Financial Waiver	147-150
35	Financial Viability	N/A
36	Economic Feasibility	151-156
37	Safety Net Impact Statement	157
38	Charity Care Information	158-182
39	Flood Plain Compliance	183-184