

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

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

**This Section must be completed for all projects.**

**Pursuant to 20 ILCS 3960/8.9, this application for re-establishment and change of ownership may only be used when the applicant meets all of the following requirements. Please check to affirm that each requirement is met.**

- The applicant is seeking to re-establish a previously discontinued general acute care hospital.**
- The previously discontinued general acute-care hospital was a safety net hospital, as defined pursuant to Section 3-5e.1 of the Illinois Public Aid Code at the time the Health Facilities and Services Review Board (HFSRB) approved the closure of the previously discontinued general acute care hospital or had a Medicaid inpatient utilization rate in excess of 40% as determined by the Department of Healthcare and Family Services in the last rate year prior to the time HFSRB approved the closure of the previously discontinued general acute care hospital.**
- The previously discontinued general acute care hospital surrendered its general acute care hospital license to the Department of Public Health between January 1, 2019 and December 31, 2020.**
- The applicant is proposing to re-establish the same number of total authorized beds as were previously authorized at the previously discontinued general acute care hospital.**
- The applicant commits to spend at least \$20,000,000 to re-establish the hospital, which will include the cost of land acquisition, building acquisition, new construction, and new equipment.**
- The applicant will adopt and maintain a charity care policy for at least a period of 2 years that is no less restrictive than was in place at the previously discontinued general acute care hospital.**
- The applicant agrees to accept Medicaid and Medicaid managed care patients.**
- The applicant agrees to maintain ownership of the re-established general acute care hospital for no less than 5 years after the re-established general acute care hospital has been issued a new general acute care hospital license from the Department of Public Health.**

**Facility/Project Identification**

Facility Name: Woodlake Specialty Hospital		
Street Address: 1225 West Lake Street		
City and Zip Code: Melrose Park, Illinois 60160		
County: Cook	Health Service Area: 007	Health Planning Area: A-06

**Legislators**

State Senator Name: Don Harmon, Senate District 39
State Representative Name: Kathleen Willis, House District 77

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

Exact Legal Name: Woodlake Specialty Hospital LLC
Street Address: 150 Airport Road, Suite 900
City and Zip Code: Lakewood, New Jersey 08701
Name of Registered Agent: Vcorp Agent Services, Inc.
Registered Agent Street Address: 208 South LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago, Illinois 60604
Name of Chief Executive Officer: Chaim Rottenberg (Managing Member)
CEO Street Address: 150 Airport Road, Suite 900
CEO City and Zip Code: Lakewood, New Jersey 08701
CEO Telephone Number: 732-370-4030

**Type of Ownership of Applicants**

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

o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.

o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

**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

### Facility/Project Identification

Facility Name: Woodlake Specialty Hospital		
Street Address: 1225 West Lake Street		
City and Zip Code: Melrose Park, Illinois 60160		
County: Cook	Health Service Area: 007	Health Planning Area: A-06

### Legislators

State Senator Name: Don Harmon, Senate District 39
State Representative Name: Kathleen Willis, House District 77

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

Exact Legal Name: Woodlake Pacific Holdings LLC
Street Address: 150 Airport Road, Suite 900
City and Zip Code: Lakewood, New Jersey 08701
Name of Registered Agent: Vcorp Agent Services, Inc.
Registered Agent Street Address: 208 South LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago, Illinois 60604
Name of Chief Executive Officer: Mark Tress (Managing Member)
CEO Street Address: 150 Airport Road, Suite 900
CEO City and Zip Code: Lakewood, New Jersey 08701
CEO Telephone Number: 732-370-4030

### Type of Ownership of Applicants

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

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

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

### Primary Contact

[Person to receive ALL correspondence or inquiries]

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

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

Name:
Title:
Company Name:
Address:
Telephone Number:
E-mail Address:
Fax Number:

**Post Exemption Contact**

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

Name: Chaim Rottenberg
Title: Managing Member
Company Name: Woodlake Specialty Hospital LLC
Address: 150 Airport Road, Suite 900, Lakewood, New Jersey 08701
Telephone Number: 732-370-4030
E-mail Address: Chaim.Rottenberg@intensivespecialty.com
Fax Number: 732-370-3013

**Site Ownership After the Project is Complete**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Woodlake Pacific Holdings LLC
Address of Site Owner: 150 Airport Road, Suite 900, Lakewood, New Jersey 08701
Street Address or Legal Description of the Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
<b>APPEND DOCUMENTATION AS ATTACHMENT 2 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Current Operating Identity/Licensee**

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

Exact Legal Name: Pipeline-Westlake Hospital, LLC d/b/a Westlake Hospital (until November 6, 2019)		
Address: 1225 West Lake Street, Melrose Park, Illinois 60160		
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input checked="" type="checkbox"/> Limited Liability Company Other	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/>

### Operating Identity/Licensee After the Project is Complete

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

Exact Legal Name: Woodlake Specialty Hospital LLC	
Address: 1225 West Lake Street, Melrose Park, Illinois 60160	
<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/>
Other	
<ul style="list-style-type: none"><li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li><li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li></ul>	
APPEND DOCUMENTATION AS <b>ATTACHMENT 3</b> IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

### Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.
APPEND DOCUMENTATION AS <b>ATTACHMENT 4</b> IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

### **Narrative Description**

In the space below, provide a brief narrative description of the change of ownership. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include any anticipated additions or reductions in employees.

Woodlake Specialty Hospital LLC ("WSH") and Woodlake Pacific Holdings LLC ("WPH," and collectively with WSH, the "Applicants") seek authority from the Illinois Health Facilities & Services Review (the "Review Board") to re-open the former Westlake Hospital ("Westlake Hospital"), 1225 West Lake Street, Melrose Park, Illinois (the "Project") to address the need for healthcare services in the communities previously served by Westlake Hospital following the closure of Westlake Hospital in 2019. The "new" general acute care hospital will be known as Woodlake Hospital.

Woodlake Hospital will occupy approximately 270,024 gross square feet and will have 80 acute mental illness ("AMI") beds, 60 long term care ("Skilled Nursing") beds, 44 long term acute care ("LTAC") beds, 6 intensive care unit ("ICU") beds to support the LTAC unit, and 40 comprehensive physical rehabilitation ("Rehab") beds, for a total of 230 authorized beds. On the day it closed, Westlake Hospital had 230 total authorized beds. Woodlake Hospital will also maintain a stand-by emergency department (which is common for the types of services that will be provided at Woodlake Hospital).

In constructing this Certificate of Exemption ("COE") Application, the Applicants spoke to former members of the Westlake Hospital medical staff, elected officials representing the communities served by Westlake Hospital, the State of Illinois Department of Healthcare and Family Services ("DHFS"), community members, local federally qualified health centers, and other healthcare providers and medical professionals about the need for the specific services set forth in this COE Application.

Woodlake Hospital will treat all patients, regardless of their ability to pay. Thus, Woodlake Hospital will treat Medicare, Medicaid and charity care patients.

The anticipated completion date of the Project is December 31, 2022 (although the IDPH licensing process and Medicare certification process could extend this date).

### **Background Facts Regarding the Former Westlake Hospital**

On August 6, 2019 (the "Petition Date"), Pipeline-Westlake Hospital, LLC ("Pipeline-Westlake") and Westlake Property Holdings LLC ("Westlake Holdings," and collectively with Pipeline Westlake, the "Westlake Debtors") filed for Chapter 7 bankruptcy protection. On August 14, 2019, the Office of the United States Trustee appointed Mr. Bodenstein to serve as the successor Chapter 7 Trustee (the "Chapter 7 Trustee") of the Pipeline-Westlake Bankruptcy Estate and the Westlake Holdings Bankruptcy Estate.

Prior to the Petition Date, the Westlake Debtors owned and operated Westlake Hospital. On August 14, 2019, Westlake Hospital ceased all operations. On November 6, 2019, the Chapter 7 Trustee formally surrendered Westlake Hospital's general acute care hospital license to the Illinois Department of Public Health ("IDPH").

On September 14, 2020, WPH and the Chapter 7 Trustee entered into that certain Purchase and Sale Agreement (the "Purchase Agreement"), pursuant to which WPH acquired the real property assets, and certain other assets, of Westlake Holdings, including the former Westlake Hospital

building and the land upon which it sat, for \$11,450,000. On October 5, 2020, the Bankruptcy Court approved the terms of the Purchase Agreement. The Purchase Agreement is expressly contingent upon the approval of this CON Application by the Review Board to establish a new general acute care hospital on the site of the former Westlake Hospital.

### **The Uniqueness of this Project**

The Review Board is well aware of the controversy that surrounded the closure of Westlake Hospital in 2019 and the impact that the closure had on the communities served by Westlake Hospital. Not only did those communities lose a vital healthcare resource that treated all patients regardless of their ability to pay, but nearly 1,000 employees lost their well-paying jobs. In the months that followed the closure of Westlake Hospital, COVID-19 gripped these same communities and highlighted the healthcare and economic disparities in our brown and black communities. Indeed, Westlake Hospital was converted into a COVID-19 surge hospital by the State of Illinois and the Federal Government because the Westside of Chicago was severely impacted by COVID-19.

The lockdowns and social isolation caused by COVID-19 have also ushered in an unprecedented need for inpatient and outpatient behavioral health services. For example, opioid overdose deaths in Cook County have doubled since 2019 as patients have been unable or afraid to seek help because of COVID-19. See, e.g., "West Side Overdoses Surge as Coronavirus Shutdown Makes It Harder to Access Addiction Help," Block Club of Chicago (August 27, 2020).

COVID-19 has also forced area hospitals to reconsider the types of services they offered due to finances and COVID-19. For example, a number of hospitals within Westlake Hospital's service area discontinued their long-term care/skilled nursing units. See, e.g., Project No. E-042-20 (Rush Oak Park Hospital received a COE on 9/17/2020 to discontinue its 36 bed long-term care/skilled nursing unit due to the fact that only 6% of their long term care patients generated revenues in excess of expenses); Project No. E-058-20 (AMITA Health St. Elizabeth Hospital received a COE on 12/8/2020 to discontinue its 28 bed long-term care/skilled nursing unit due to COVID-19).

The year 2021 looks no better for hospitals, as many experts are predicting that hospital revenues losses across the country could hit \$122 billion. See, e.g., "COVID 19 Hospital Revenue Losses Could Reach Up to \$122 billion in 2021," Rev Cycle Intelligence (February 21, 2020). The prognosis for safety-net hospitals in Chicago is even worse. According to The Challenging Future of the Chicago Safety Net 2021, a report from the Healthcare Council of Chicago, safety-net hospitals on Chicago's west and south sides "are projected to lose \$1.76 billion by 2024."

This Project attempts to address all of this. Indeed, this Project is arguably the first project in at least 30 years where an organization is attempting to re-open a general acute care hospital at the site of a previously closed hospital. Moreover, this Project is arguably the first project in at least 30 years where a new provider is prepared to invest over \$40 million into an underserved community with no real commitment that the State will cover any unprojected, operating losses. The Applicants are estimating that at least 500 to 600 permanent jobs will be created as a result of this Project. At the same time, this Project is proof that patience is a virtue. It highly unlikely that a project of this scope and nature would have ever happened immediately after the closure of Westlake Hospital.

Because of the uniqueness of this Project, the Illinois State House and the Illinois State Senate unanimously passed an amendment to SB 0168 in less than 2 weeks to allow this Project to move

forward. SB 0168 was signed into law by Governor Pritzker less than a week after SB 0168 was sent to him. See Public Act 102-0003.

**Connections Between the Applicants**

WSH has the following, three equal members: Mark Tress, Chaim Rottenberg, and Stephen Werdiger.

WPH has the following, three equal members: Mark Tress, Chaim Rottenberg, and Stephen Werdiger.

WSH will be the licensed operator of Woodlake Hospital.

WPH will own the building that houses Woodlake Hospital and WPH will lease the same to WSH.

**Related Project Costs**

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

Land acquisition is related to project <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Purchase Price: <u>\$11,450,000 (Includes building and land. WPH will own the building and land and will lease the same to WSH.)</u>
Fair Market Value: <u>\$11,450,000 (Includes building and land)</u>

**Project Status and Completion Schedules**

<p><b>Outstanding Permits:</b> Does the facility have any projects for which the State Board issued a permit that is not complete? Yes: <u>  </u> No: <u>  X  </u>. If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p><b>Anticipated exemption completion date</b> (refer to Part 1130.570): December 31, 2022 (although the IDPH licensing process and Medicare certification process could extend this date).</p>



**State Agency Submittals**

Are the following submittals up to date as applicable: **(NOT APPLICABLE)**

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


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


**CERTIFICATION**

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

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

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

  
SIGNATURE

  
SIGNATURE

Mark Tress  
PRINTED NAME

Chaim Rottenberg  
PRINTED NAME

Managing Member  
PRINTED TITLE


Managing Member  
PRINTED TITLE


Notarization:

Notarization:

Subscribed and sworn to before me  
this 27 day of May 2021

Subscribed and sworn to before me  
this 27 day of May 2021

  
Signature of Notary

  
Signature of Notary

Seal

Henny Tress Date  
NOTARY PUBLIC  
STATE OF NEW JERSEY  
ID #  
MY COMMISSION EXPIRES April 12, 2023

Seal

Henny Tress Date  
NOTARY PUBLIC  
STATE OF NEW JERSEY  
ID #  
MY COMMISSION EXPIRES April 12, 2023


\*Insert EXACT legal name of the Applicant

**CERTIFICATION**

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

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

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

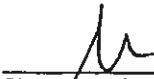
  
SIGNATURE

Mark Tress  
PRINTED NAME

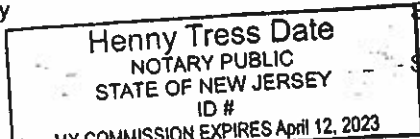
Managing Member  
PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 27 day of May 2021

  
Signature of Notary

Seal




  
SIGNATURE

Chaim Rottenberg  
PRINTED NAME

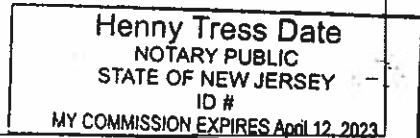
Managing Member  
PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 27 day of May 2021

  
Signature of Notary

Seal



\*Insert EXACT legal name of the applicant

## SECTION II. BACKGROUND.

### BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

For applications pursuant to PA 102-0003, Corporations and Limited Liability Companies must provide a current Certificate of Good Standing from the Illinois Secretary of State. If the applicant is not required to be registered to conduct business in Illinois, evidence of authorization to conduct business in other states must be provided. Partnerships must provide the name and address of each partner and specify whether each is a general or limited partner.

4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

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

### SECTION III. CHANGE OF OWNERSHIP (CHOW)

**Transaction Type. Check the Following that Applies to the Transaction:**

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

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

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

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

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
 RE-ESTABLISHMENT AND CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 04/2021 Edition

<p>1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;</p>	<p>X</p>
<p>1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;</p>	<p>X</p>
<p>1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;</p>	<p>X</p>
<p>1130.520(b)(9) - A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition. Documentation shall include the attached worksheet entitled "Facility Bed Capacity and Utilization." The proposed beds column should include changes that are anticipated within the first 24 months of the transaction. Documentation shall also include the attached "Cost Space Requirements" worksheet.</p>	<p>X</p>
<p><b>APPEND DOCUMENTATION AS <u>ATTACHMENT 6.</u> IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b></p>	

July 28, 2021

**Via E-mail**

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities & Services Review Board  
525 West Jefferson Street, 2nd Floor  
Springfield, IL 62761-0001

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

Re: Woodlake Hospital, COE Project No. 011-021  
1225 West Lake Street, Melrose Park, Illinois  
Re-Allocation of Beds

Dear Ms. Avery and Mr. Constantino:

As you know, we are counsel to Woodlake Specialty Hospital LLC and Woodlake Pacific Holdings LLC (the "Applicants") for COE Project No. 011-021. The Applicants would like to re-allocate the authorized beds originally set forth in the COE Application that the Applicants filed on June 1, 2021 to re-open the former Westlake Hospital as Woodlake Hospital.

Originally, the Applicants allocated the authorized beds for Woodlake Hospital as follows: 6 intensive care unit beds, 80 acute mental illness beds, 60 long term care beds, 44 long term acute care beds, and 40 comprehensive physical rehabilitation beds, for a total of 230 authorized beds.

Based on further review, the Applicants would now like to allocate the authorized beds for Woodlake Hospital as follows: 3 medical/surgical beds, 3 intensive care unit beds, 80 acute mental illness beds, 60 long term care beds, 44 long term acute care beds, and 40 comprehensive physical rehabilitation beds, for a total of 230 authorized beds.

An updated Facility Bed Capacity and Utilization Chart (i.e., page 16 from the COE Application) is attached.

Sincerely,



Edward J. Green





FOLEY &amp; LARDNER LLP

### Facility Bed Capacity and Utilization Worksheet (revised)

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

<b>FACILITY NAME: Woodlake Specialty Hospital</b>		<b>CITY: 1225 West Lake Street, Melrose Park, Illinois</b>			
<b>REPORTING PERIOD DATES: From: N/A to: N/A</b>					
<b>Category of Service</b>	<b>Authorized Beds*</b>	<b>Admissions</b>	<b>Patient Days</b>	<b>Bed Changes</b>	<b>Proposed Beds</b>
Medical/Surgical				+3	3
Obstetrics					
Pediatrics					
Intensive Care	0	0	0	+3	3
Comprehensive Physical Rehabilitation	0	0	0	+40	40
Acute/Chronic Mental Illness	0	0	0	+80	80
Neonatal Intensive Care					
General Long Term Care (Skilled Nursing)	0	0	0	+60	60
Specialized Long Term Care					
Long Term Acute Care	0	0	0	+44	44
Other (identify)					
<b>TOTALS:</b>	0	0	0	+230	230

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

Westlake Hospital had 230 authorized beds when it closed in 2019.

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
 RE-ESTABLISHMENT AND CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 04/2021 Edition

**Facility Bed Capacity and Utilization Worksheet**

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

<b>FACILITY NAME: Woodlake Specialty Hospital</b>		<b>CITY: 1225 West Lake Street, Melrose Park, Illinois</b>			
<b>REPORTING PERIOD DATES:</b>		<b>From:</b>	<b>N/A</b>	<b>to:</b>	<b>N/A</b>
<b>Category of Service</b>	<b>Authorized Beds*</b>	<b>Admissions</b>	<b>Patient Days</b>	<b>Bed Changes</b>	<b>Proposed Beds</b>
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care	0	0	0	+6	6
Comprehensive Physical Rehabilitation	0	0	0	+40	40
Acute/Chronic Mental Illness	0	0	0	+80	80
Neonatal Intensive Care					
General Long Term Care (Skilled Nursing)	0	0	0	+60	60
Specialized Long Term Care					
Long Term Acute Care	0	0	0	+44	44
Other (identify)					
TOTALS:	0	0	0	+230	230
<b>APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>					

Westlake Hospital had 230 authorized beds when it closed in 2019.

### Cost Space Requirements Worksheet

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	Construction Costs	Gross Square Feet		Amount of Proposed Total Gross Square Feet That is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Clinical Portions			154,369 DGSF				154,369 DGSF
Non-Clinical Portions			73,052 DGSF				73,052 DGSF
Circulation			42,603 GSF				42,603 GSF
<b>TOTAL</b>	<b>\$18,900,000</b>		<b>270,024 BGSF</b>				<b>270,024 BGSF</b>

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

## SECTION IV: ADDITIONAL REQUIREMENTS

1. Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through the Health Facilities Authority; cash gift from parent company, etc.)
2. Transaction Documents. Provide a copy of the document(s) which detail the terms and conditions of the proposed transaction (purchase, lease, stock transfer, etc.). Applicants should note that the document(s) submitted should reflect the applicant's (and co-applicant's, if applicable) involvement in the transaction.
3. Financial Statements. (Co-applicants must also provide this information.) Provide a copy of the applicant's latest audited financial statements. If the applicant is a newly formed entity and financials are not available, please indicate by checking "YES" , and indicate the date the entity was formed. **December 7, 2020 for WSH and December 9, 2020 for WPH.**
4. Total Estimated Project Cost Worksheet. (attachment included)
5. A copy of the PROPOSED by-laws for the health care facility's governing body and medical staff.
6. A copy of the by-laws of the discontinued health care facility's governing body and medical staff.

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

**Total Estimated Project Cost Worksheet**  
 (This must include all "Components" of the project)

If there is no cost in any of the lines below, please enter 0 (zero). Costs should be through date of completion of the project.

Total Estimated Project Costs Worksheet			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			\$0
Site Survey and Soil Investigation			\$0
Site Preparation			\$0
Off Site Work			\$0
New Construction Contracts			\$0
Modernization Contracts			\$18,900,000
Contingencies			\$1,420,000
Architectural/Engineering Fees			\$300,000
Consulting and Other Fees			\$250,000
Movable or Other Equipment (not in construction contracts)			\$0
Bond Issuance Expense (project related)			\$0
Net Interest Expense During Construction (project related)			\$0
Fair Market Value of Leased Space*			\$0 (see note)
Leased Equipment			\$11,072,895
Acquisition of Building And Land			\$11,450,000
<b>TOTAL ESTIMATED PROJECT COSTS</b>			<b>\$43,392,895</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**SECTION V. CHARITY CARE AND ACCESS INFORMATION**

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.
4. The applicant must document any changes which may result in the restriction of patient admissions and document that no reductions in access to care will result from the transaction. Documentation shall consist of a written certification that the admission policies of the facilities involved will not become more restrictive and the submission of both the admission policy of the recently discontinued hospital and the anticipated policy following completion of the project.

**"Charity care" is defined as 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 8.**

CHARITY CARE			
	Year	Year	Year
<b>Net Patient Revenue</b>			
<b>Amount of Charity Care (charges)</b>			
<b>Cost of Charity Care</b>			

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

**Section I**  
**Attachment 1**  
**Applicant Identification**

The Certificates of Good Standing for Woodlake Specialty Hospital LLC ("WSH") and Woodlake Pacific Holdings LLC ("WPH," and collectively with WSH, the "Applicants") are attached at ATTACHMENT 1.

WSH will be the licensed operator of Woodlake Hospital.

WPH will own the building that houses Woodlake Hospital (and the land upon which it sits) and WPH will lease the same to WSH.



**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*

WOODLAKE SPECIALTY HOSPITAL LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON DECEMBER 07, 2020, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 27TH day of MAY A.D. 2021 .***

*Jesse White*

SECRETARY OF STATE

Authentication #: 2114702808 verifiable until 05/27/2022  
Authenticate at: <http://www.cyberdriveillinois.com>





**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*

WOODLAKE PACIFIC HOLDINGS LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JULY 16, 2020, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



**In Testimony Whereof, I hereto set**  
*my hand and cause to be affixed the Great Seal of*  
*the State of Illinois, this 27TH*  
*day of MAY A.D. 2021 .*

*Jesse White*

SECRETARY OF STATE

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

On August 6, 2019 (the "Petition Date"), Pipeline-Westlake Hospital, LLC ("Pipeline-Westlake") and Westlake Property Holdings LLC ("Westlake Holdings," and collectively with Pipeline Westlake, the "Westlake Debtors") filed for Chapter 7 bankruptcy protection. On August 14, 2019, the Office of the United States Trustee appointed Mr. Bodenstein to serve as the successor Chapter 7 Trustee (the "Chapter 7 Trustee") of the Pipeline-Westlake Bankruptcy Estate and the Westlake Holdings Bankruptcy Estate.

Prior to the Petition Date, the Westlake Debtors owned and operated Westlake Hospital. On August 14, 2019, Westlake Hospital ceased all operations. On November 6, 2019, the Chapter 7 Trustee formally surrendered Westlake Hospital's general acute care hospital license to the Illinois Department of Public Health ("IDPH").

On September 14, 2020, WPH and the Chapter 7 Trustee entered into that certain Purchase and Sale Agreement (the "Purchase Agreement"), pursuant to which Woodlake Pacific Holdings LLC ("WPH") WPH acquired the real property assets, and certain other assets, of Westlake Holdings, including the former Westlake Hospital building and the land upon which it sat (the "Site Parcels"), for \$11,450,000. On October 5, 2020, the Bankruptcy Court approved the terms of the Purchase Agreement (the "Sale Order"). The Purchase Agreement is expressly contingent upon the approval of this CON Application by the Review Board to establish a new general acute care hospital on the site of the former Westlake Hospital.

Copies of the Purchase Agreement and the Sale Order are attached at ATTACHMENT 2.

On December 8, 2020, WPH and Woodlake Specialty Hospital LLC ("WSH") entered into a twenty (20) year lease (the "Hospital Lease") for \$250,000 per month. A copy of the proposed Hospital Lease is attached at ATTACHMENT 2.

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re: ) Chapter 7  
 ) Case No. 19-22878  
WESTLAKE PROPERTY HOLDINGS, LLC, ) (Jointly Administered)  
*et al.*, )  
 ) Hon. Deborah L. Thorne  
Debtors. )  
 )

**ORDER (I) AUTHORIZING SALE OF WESTLAKE PROPERTY HOLDING, LLC'S  
PROPERTY TO WOODLAKE PACIFIC HOLDINGS, LLC FREE AND CLEAR OF  
LIENS, CLAIMS AND INTERESTS AND (II) GRANTING RELATED RELIEF**

Upon consideration of the motion [ECF No. 300] (the "Sale Motion") of Ira Bodenstein, not individually, but solely in his capacity as chapter 7 trustee (the "Trustee") for the bankruptcy estate of Westlake Property Holdings, LLC ("Holdings"), for the entry of an order authorizing (i) the sale of certain of Holdings' real property, improvements and related assets (the "Property") outside the ordinary course of business to Woodlake Pacific Holdings, LLC (the "Buyer") pursuant to the terms of the Purchase and Sale Agreement dated as of September 14, 2020 (the "Agreement") free and clear of liens, claims and other interests other than certain Permitted Encumbrances<sup>1</sup> and (ii) the assignment of certain related postpetition contracts and leases (the "Designated Agreements");<sup>2</sup> the Court having determined that proper notice of the Sale Motion and the Trustee's intended private sale of the Property has been provided; the Court having conducted a hearing on the Sale Motion on October 1, 2020 (the "Sale Hearing"); all interested parties having been afforded an opportunity to be heard with respect to the Sale Motion; the Court having reviewed and considered (x) the Sale Motion, (y) the arguments of counsel made at the

<sup>1</sup> Capitalized terms not otherwise defined carry the same meanings ascribed to such terms in the Agreement.

<sup>2</sup> No Designated Agreements will be assumed by the Trustee and assigned to Buyer at Closing pursuant to the sale.

Sale Hearing, and (z) the evidence proffered or adduced at the Sale Hearing, specifically including the Declaration of Eric Weissman [ECF No. 309] and the Declaration of Mark Tress [ECF No. 306]; no objections to the Sale Motion having been filed with the Court or made at the Sale Hearing; it appearing that the relief requested in the Sale Motion and the authorization of the sale of the Property identified in the Agreement is in the best interests of the Holdings' bankruptcy estate (the "Estate"), its creditors, and other parties in interest; and based on the Sale Motion, the statements of counsel, the record of the Sale Hearing and the record in this case, the Court having determined and concluded as follows:<sup>3</sup>

A. This Court has core subject matter jurisdiction to hear and resolve the Sale Motion pursuant to 28 U.S.C. §§ 1334, 157(b)(2)(A), (M), (N), and (O) and applicable local rules regarding the referral to this Court of cases under title 11 of the United States Code.

B. The Property is property of the Estate. *See* 28 U.S.C. § 1334(e); 11 U.S.C. § 541(a).

C. As evidenced by the certificate of service previously filed with the Court, and based on the representations of counsel at the Sale Hearing, (i) proper, timely, adequate and sufficient notice of the Sale Motion, the Sale Hearing and the sale has been provided or otherwise excused in accordance with 11 U.S.C. §§ 105(a) and 363 and Fed. R. Bankr. P. 2002, 6004, 9007 and 9014; (ii) such notice was reasonable, sufficient, and appropriate under the circumstances; and (iii) no other or further notice of the Sale Motion, Sale Hearing, or the sale is or shall be required.

D. A reasonable opportunity to object or be heard with respect to the Sale Motion has been afforded to all interested persons and entities, including: (i) counsel to VHS of Illinois, Inc. ("VHS"); (ii) counsel to the United States Trustee; (iii) the Office of the Illinois Attorney General;

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<sup>3</sup> Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact when appropriate. *See* Fed. R. Bankr. P. 7052.

(iv) all entities reasonably known by the Trustee to have an Interest in the Property; (v) the creditors that filed proofs of claim against Holdings' Estate (other than former employees of Pipeline-Westlake Holdings, LLC) that filed wage related claims against Holdings' Estate); and (vi) all parties that have filed appearances or requested notices through the Court's CM/ECF system.

E. As demonstrated by (i) the evidence proffered or adduced at the Sale Hearing and (ii) the representations of counsel made on the record at the Sale Hearing, the Trustee has adequately marketed the Property and appropriately conducted the private sale.

F. The Trustee has (i) full power and authority to execute the Agreement and all other documents contemplated thereby, (ii) all of the power and authority necessary to consummate the transactions contemplated by the Agreement, and (iii) taken all action necessary to authorize and approve the Agreement and the consummation by the Trustee of the transactions contemplated thereby.

G. The Trustee has demonstrated sound business justifications for the sale pursuant to 11 U.S.C. § 363(b).

H. The Agreement was negotiated, proposed and entered into by the Trustee and the Buyer without collusion, in good faith, and from arm's-length bargaining positions. Neither the Trustee nor the Buyer has engaged in any conduct that would cause or permit the Agreement to be avoided under 11 U.S.C. § 363(n). The Buyer is a good faith purchaser under 11 U.S.C. § 363(m) and, as such, is entitled to all of the protections afforded thereby.

I. The consideration provided by the Buyer for the Property pursuant to the Agreement (i) is fair and reasonable, (ii) is the highest or otherwise best offer for the Property, (iii) will provide a greater recovery for the Estate, its creditors and other interested parties than

would be provided by any other practical available alternatives, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

J. The transfer of the Property to the Buyer will be a legal, valid, and effective transfer of the Property, and will vest the Buyer with all right, title and interest of the Estate in the Property free and clear of all liens, claims and other interests of any kind whatsoever (collectively, "Interests"), other than the Permitted Encumbrances.

K. The Buyer would not have entered into the Agreement and will not consummate the transactions contemplated thereby, thus adversely affecting the Estate, and its creditors, if the sale of the Property was not (i) made by private sale and contingent upon the Review Board's approval of the CON and (ii) free and clear of all Interests, or if the Buyer would, or in the future could, be liable for any of the Interests.

L. The Trustee may sell the Property free and clear of all Interests because, in each case, one or more of the standards set forth in 11 U.S.C. § 363(f) has been satisfied. Those holders of Interests who did not object, or who withdrew their objections, to the sale or the Sale Motion, including specifically VHS, are deemed to have consented pursuant to 11 U.S.C. § 363(f)(2). Those holders of Interests who did object fall within one or more of the other subsections of 11 U.S.C. § 363(f) and are adequately protected by having their Interests, if any, attach to the net proceeds of the sale ultimately attributable to the property against or in which they claim or may claim an Interest.

M. The liabilities being assumed by the Buyer ("Assumed Liabilities"), are an integral part of the Property being purchased by the Buyer and, accordingly, such assumption of the

Assumed Liabilities' are reasonable, enhance the value of the Estate, and do not constitute unfair discrimination.

N. Authorization of the Agreement and consummation of the sale at this time are in the best interests of the Estate, its creditors and other parties in interest.

**NOW THEREFORE, BASED UPON THE FOREGOING FINDINGS OF FACT, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Sale Motion is granted as further described herein.
2. All objections to the Sale Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are overruled on the merits.
3. Pursuant to 11 U.S.C. § 363(b), the Trustee is authorized to consummate the sale pursuant to and in accordance with the terms and conditions of the Agreement attached hereto as Exhibit 1.
4. The Trustee is authorized to execute and deliver, and is empowered to perform under, consummate, and implement, the Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Agreement, and to take all further actions as may be requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer or reducing to possession, the Property, or as may be necessary or appropriate to the performance of the obligations as contemplated by the Agreement.
5. Except as expressly permitted or otherwise specifically provided for in the Agreement or this Sale Order, pursuant to 11 U.S.C. §§ 105(a) and 363(f), the Property shall be transferred to the Buyer, and as of the date ("Closing Date") of the closing of the transactions

contemplated in the Agreement (“Closing”), free and clear of all Interests, other than the Permitted Encumbrances, with all such Interests of any kind or nature whatsoever to attach to the Net Proceeds (defined below) of the sale in the order of their priority, with the same validity, force and effect which they now have as against the Property, subject to any claims and defenses the Trustee and the Estate may possess with respect thereto.

6. The Trustee is authorized to pay at Closing, without further Court order, all sale related costs and expenses, including, but not limited to, closing costs, real estate taxes, personal property taxes, title insurance, recording fees and the Wilshire Success Fee in an amount not to exceed \$343,500.00 (collectively, the “Sale Expenses”) from the proceeds of the sale of the Property. The “Net Proceeds” means all sale proceeds remaining from the sale of the Property after payment of all Sale Expenses.

7. Within three (3) business days of the Closing, the Trustee shall remit seventy-five percent (75%) of the Net Proceeds to VHS (the “VHS Initial Payment”) on account of VHS’s asserted secured claim against the Property (the “VHS Secured Claim”). The VHS Initial Payment shall be made to VHS on a provisional basis, subject to the ultimate allowance or disallowance of the VHS Secured Claim, and subject to all of the claims and defenses that the Trustee and/or the Estate may possess, including but not limited to the Trustee’s right to surcharge VHS pursuant to 11 U.S.C. § 506(c).

8. Except as expressly permitted or otherwise specifically provided for in the Agreement or this Sale Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax, and regulatory authorities, lenders, trade and other creditors holding Interests against or in Property (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent; liquidated or unliquidated, senior



or subordinated), arising under or out of, in connection with, or in any way relating to, Holdings, the Property, the operation of Holdings' business prior to the Closing Date, or the transfer of the Property to the Buyer, hereby are forever barred, estopped, and permanently enjoined from asserting against the Buyer, its successors or assigns, its property, or the Property, such persons' or entities' Interests.

9. The transfer of the Property to the Buyer pursuant to the Agreement shall constitute a legal, valid and effective transfer of the Property, and shall vest the Buyer with all right, title and interest of the Estate in and to the Property free and clear of all Interests, other than the Assumed Liabilities and the Permitted Encumbrances.

10. On the Closing Date of the sale, each of the Holdings' creditors is authorized to execute such documents and take all other actions as may be necessary to release its Interests in the Property, if any, as such Interests may have been recorded or may otherwise exist.

11. If any person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens, or other documents or agreements evidencing Interests in the Property shall not have delivered to the Trustee prior to the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Interests which the person or entity has with respect to the Property or otherwise, then (a) the Trustee is hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Property, and (b) the Buyer is hereby authorized to file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Interests in the Property of any kind or nature whatsoever.

12. Notwithstanding anything to the contrary in this Sale Order, the Buyer is assuming all of the Assumed Liabilities whether such liabilities arise or arose pre- or post-Closing.

13. The consideration provided by the Buyer for the Property under the Agreement shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia.

14. This Sale Order shall be (a) effective as a determination that, on the Closing Date, all Interests existing as to the Property prior to the Closing have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected, and (b) binding upon and shall govern the acts of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Property.

15. Each and every federal, state and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

16. Except as expressly permitted or otherwise specifically provided for in the Agreement or this Sale Order, the Buyer shall have no liability or responsibility for any liability or other obligation of Holdings or the Estate arising under or related to the Property.

17. This Court retains jurisdiction to enforce and implement the terms and provisions of the Agreement, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to (a) compel delivery of possession of the Property to the Buyer subject to the State of Illinois' right of possession under the Notice of Exercise of Gubernatorial Emergency Taking Power, dated April 2, 2020, (b) compel delivery of the purchase price or performance of other obligations owed to the Trustee, (c) resolve any disputes arising under or related to the Agreement, except as otherwise provided therein, and (d) interpret, implement, and enforce the provisions of this Sale Order.

18. The transactions contemplated by the Agreement are undertaken by the Buyer in good faith, as that term is used in 11 U.S.C. § 363(m), and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the sale shall not affect the validity of the sale to the Buyer, unless such authorization is duly stayed pending such appeal prior to the Closing. The Buyer is a purchaser in good faith of the Property, and the Buyer is entitled to all of the protections afforded by 11 U.S.C. § 363(m).

19. The terms and provisions of the Agreement and this Sale Order shall be binding in all respects upon, and shall inure to the benefit of, the Trustee, the Estate, and its creditors, the Buyer, and its respective affiliates, successors and assigns, and any affected third parties including, but not limited to, all persons asserting Interests in the Property to be sold to the Buyer pursuant to the Agreement, notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding.

20. The failure specifically to include any particular provisions of the Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement be authorized and approved in its entirety.

21. The Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, in a writing signed by both parties, and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Estate.

22. Except as provided in the Agreement, this Sale Order, or other order of this Court, after the Closing, the Trustee and the Estate shall have no further liabilities or obligations with respect to any Assumed Liabilities and all holders of such claims are forever barred and estopped from asserting such claims against the Trustee, the Estate, its successors or assigns, or the Property.

23. As provided by Fed. R. Bankr. P. 6004(h), this Sale Order shall not be stayed for 14 days after the entry of the Sale Order and shall be effective and enforceable immediately upon entry.

ENTER:



Deborah L. Thorne  
United States Bankruptcy Judge

Date: October 5, 2020

**Prepared By:**

Allen J. Guon  
Cozen O'Connor  
123 Wacker Drive, Suite 1800  
Chicago, Illinois 60606  
(312) 474-4450

# EXHIBIT 1

## PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT** (this “**Agreement**”), dated as of September 14, 2020, is entered into by and between **IRA BODENSTEIN**, not individually, but solely in his capacity as the chapter 7 trustee (“**Trustee**” or “**Seller**”) of the bankruptcy estate (the “**Estate**”) of **WESTLAKE PROPERTY HOLDINGS, LLC**, a Delaware limited liability company and a debtor (the “**Debtor**”) under the United States Bankruptcy Code (the “**Code**”) in a case pending before the United States Bankruptcy Court for the Northern District of Illinois (the “**Bankruptcy Court**”) as Case No. 19-22878 (the “**Case**”) and **WOODLAKE PACIFIC HOLDINGS, LLC**, a Delaware Limited Liability Company (“**Buyer**”).

### RECITALS

A. On August 6, 2019 (“**Petition Date**”), Pipeline-Westlake Hospital, LLC (“**Pipeline-Westlake**”) and Westlake Property Holdings, LLC (“**Holdings**,” and together with Pipeline-Westlake, the “**Debtors**”) filed voluntary bankruptcy petitions under chapter 7 of title 11 of the United States Code (“**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (“**Delaware Court**”), designated as Case Nos. 19-11756 and 19-11757, respectively (collectively, the “**Cases**”).

B. On August 13, 2019, the Delaware Court entered the Order Granting Motion of the United States Trustee to Transfer Venue to the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (“**Transfer Orders**”) in each of the Cases. Pursuant to the Transfer Orders, the Delaware Court transferred the Cases to the Bankruptcy Court for the Northern District of Illinois (“**Bankruptcy Court**”), where the bankruptcy cases are jointly administered under Case No. 19-22878.

C. On August 14, 2019, the Office of the United States Trustee appointed Mr. Bodenstein to serve as the successor chapter 7 Trustee of the Estates.

D. Prior to the Petition Date, the Debtors owned and operated the Westlake Hospital located at 1225 West Lake Street, Melrose Park, Illinois (the “**Hospital**”) and the adjoining medical office building located at 1111 W. Superior Street, Melrose Park, Illinois (the “**MOB**”) and certain additional properties in the surrounding area (the “**Surrounding Properties**,” and together with the MOB, the “**Additional Properties**”). Holdings is the owner of the real and personal property associated with the Hospital and the MOB. Pipeline-Westlake is the company that operated the Hospital. As of August 14, 2019, the Hospital ceased all operations other than those necessary to maintain the Property (defined below). The MOB remains partially leased to a number of tenants.

E. The Trustee has also entered into a Purchase and Sale Agreement for the Additional Properties (the “**Lakeland Agreement**”) with Lakeland Holdings 2020 LLC (“**Lakeland**”). It is the intention of Buyer and Seller that the transactions contemplated under both this Agreement and the Lakeland Agreement close contemporaneously.

F. On March 9, 2020, the Governor of the State of Illinois proclaimed a disaster in all counties of the State of Illinois under Section 7 of the Illinois Emergency Management Agency Act, 20 ILCS 3305/1, *et seq.* (the “**Act**”) in response to the COVID-19 pandemic. On April 2, 2020, the State of Illinois issued its Notice of Exercise of Gubernatorial Emergency Taking Power asserting the State’s right to sole and exclusive possession and occupancy of Hospital and certain personal property pursuant to the Act, and any extensions thereof (the “**State’s Possessory Interest**”).

G. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Property as described in Section 1 below for the consideration and upon the terms and conditions set forth in this

Agreement. Buyer and Seller intend to effectuate the transactions contemplated by this Agreement through a sale of the Property pursuant section 363 of the Bankruptcy Code.

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are hereby incorporated into this Agreement as if specifically set forth therein, and in consideration of the mutual representations, covenants, undertakings and agreements hereinafter contained, Seller and Buyer agree as follows:

#### AGREEMENT

1. **Purchase and Sale of Property.** Subject to the terms and conditions of this Agreement, including, without limitation, the Sale Order (as hereinafter defined in Section 22(b)), Seller agrees to sell, convey, assign, transfer and deliver to Buyer, and Buyer agrees to purchase, acquire and take from Seller, free and clear of all claims, liens and interests to the maximum extent permitted under section 363(f) of the Bankruptcy Code and subject to the Permitted Encumbrances (as hereinafter defined in Section 7(a)(i) below), the following property (collectively, the “**Property**”):

(a) The parcels of land owned by the Estate commonly known as 1225 West Lake Street, Melrose Park, Illinois and all other parcels of land utilized in the operation of the Hospital, providing medical services and parking, as legally described on Exhibit A attached hereto and made a part hereof (the “**Land**”);

(b) All improvements located on the Land, including without limitation, the buildings (the “**Buildings**”); all HVAC and other mechanical systems and attached equipment, fixtures, and improvements associated with the Buildings; and all paved areas, lighting, landscaping and other exterior improvements in or on the Land (the Buildings, together with such other improvements, collectively the “**Improvements**”);

(c) The tangible personal property located in the Buildings or on the Land and owned by Seller (the “**Transferred Personal Property**”), but specifically excluding all tangible personal property owned by third-parties, provided, however, Transferred Personal Property shall not include any patient information, patient records, patient lab or test results or electronic data that may reside in any of the Transferred Personal Property;

(d) Any and all of the rights and appurtenances to the Land and Improvements, including all right, title, and interest of the Estate in and to adjacent streets, easements and rights-of-way, if any;

(e) All of Seller’s interest in, and all of Seller’s obligations due under, to the extent assignable or transferrable, the leases identified in Exhibit B (the “**Assigned Leases**”) pursuant to pursuant to Section 3; and

(f) All of Seller’s interest in, and all of Seller’s obligations due under, to the extent assignable or transferrable, the contracts identified in Exhibit C (the “**Assigned Contracts**,” and together with the Assigned Leases, the “**Assigned Agreements**”) pursuant to Section 3.

2. **Purchase Price, Earnest Money Deposit and Escrow.** The purchase price for the Property (the “**Purchase Price**”) shall be Eleven Million Four Hundred Fifty Thousand and No/100 Dollars (\$11,450,000.00), and shall be payable as follows:

(a) **Earnest Money.** An earnest money deposit, in immediately available funds, in the total amount of Nine Hundred Fifty Thousand and No/100 Dollars (\$950,000.00) (together with

any interest earned thereon, the “**Deposit**”), shall be deposited by Buyer with the Escrow Agent as follows: (i) the amount of Ninety-Five Thousand and No/100 Dollars (\$95,000.00) (the “**Earned Deposit**”) shall be deposited by Buyer with the Escrow Agent within three (3) business days after the full execution and delivery of this Agreement and (ii) the amount of Eight Hundred Fifty-Five Thousand and No/100 Dollars (\$855,000.00) shall be deposited by Buyer with the Escrow Agent within three (3) business days after the entry of the Sale Order. The Earned Deposit is non-refundable and deemed fully earned by Seller upon the entry of the Sale Order. The full amount of the Deposit will be non-refundable and deemed fully earned by Seller upon the Review Board approving the CON (as defined in Section 4(d)). So long as Buyer is not in default under the terms of this Agreement, the Deposit will be returned to Buyer in accordance with the terms of this Agreement (net of the Earned Deposit if after entry of the Sale Order) if the transaction contemplated herein does not close. At Closing, the Deposit will be applied in partial satisfaction of the Purchase Price.

(b) The balance of the Purchase Price will be paid at the Closing in immediately available federal funds.

(c) Buyer has allocated (for basis and tax purposes) the Purchase Price amongst the Hospital, MOB and vacant parcels, provided, however, Seller is not bound by Buyer’s allocations for the purposes of the Cases. Buyer represents and warrants to Seller that the Purchase Price for the Property is based on Buyer’s reasonable valuation of the Property for its intended use. Buyer shall indemnify, defend and hold Seller harmless from and against any claims, damages, liability, cost or expense (including, without limitation, reasonable attorneys’ fees and court costs) arising out of or in connection with, or otherwise relating to, Buyer’s allocations. The provisions of this Section 2(c) shall survive Closing.

(d) The date on which both parties have signed this Agreement and Buyer has deposited the Deposit shall be deemed to be the “**Effective Date.**”

3. **Assumption and Assignment of Contracts and Leases.**

(a) Assumption and Assignment. Subject to the terms and conditions set forth in this Agreement, at the Closing, Buyer shall assume and agree to discharge when due in accordance with their respective terms and subject to the respective conditions thereof all of the liabilities and obligations of Seller associated with the Assigned Agreements. Subsequent to the Closing, Buyer agrees to be responsible for the payment and performance of each Assigned Agreement and shall indemnify and hold Seller harmless with respect to the Assigned Agreements, including, without limitation, any loss, liability, cost or expense (including, without limitation, legal fees and court costs) arising out of or in connection with, or otherwise relating to, the Assigned Agreements.

(b) Consent. For all purposes of this Agreement (including all representations and warranties of Seller contained herein), Seller shall be deemed to have obtained all required consents in respect of the assignment of any Assigned Agreement if, and to the extent that, pursuant to the Sale Order or other Bankruptcy Court Order, Seller is authorized to assume and assign such Assigned Agreement.

(c) At Closing, and subject to the allocation and procedures set forth in this Agreement, Seller will assign to Buyer all of Seller’s right to receive any just compensation obtained from the State of Illinois in litigation pending in the Circuit Court of Cook County, Illinois, Country Department, Law Division entitled *The State of Illinois v. Westlake Property Holdings, LLC*, Case No. 2020-L-050213 (the “**State Condemnation Action**”). Just



compensation payments relating to the period prior to Closing will be allocated to Seller, and just compensation payments related to the period post-Closing will be allocated to Buyer. Seller will retain the right to prosecute all claims and causes of action in the State Condemnation Action to recover just compensation awards for the use, occupancy and possession of the Property from the State of Illinois and Buyer will cooperate in Seller's prosecution of the State Condemnation Action. The procedures to be followed for the prosecution of the State Condemnation Action are set forth in Paragraphs 6(b) and 17(c) of this Agreement.

4. **Inspection Rights; Certificate of Need; and Contingencies:**

(a) **Inspection.** Subject to coordination with the State of Illinois, Buyer and its agents and representatives shall have the right to go on the Property for the purpose of conducting tests, surveys, assessments, inspections, investigations, and undertaking such other activities as are appropriate or desirable to planning the development, use and operation of the Property; provided that Buyer shall not undertake any invasive testing without first obtaining Seller's prior written consent thereto, which consent shall not be unreasonably withheld, conditioned, or delayed, and any such testing shall be performed in a manner such that it minimizes any disruption to, or use of, the Property and provided further that Buyer shall provide Seller with reasonable prior notice prior to such access. Buyer shall not disclose the results of any inspections, tests or audits to any third party or governmental authority without the express prior written consent of Seller or by court order, and such information shall be deemed to be Confidential Information as hereinafter defined in Section 32. Prior to any such entry on the Property by Buyer, Buyer shall deliver to Seller a certificate or other proof that Buyer has commercial general liability insurance in an amount reasonably acceptable to Seller and not less than One Million Dollars (\$1,000,000) including coverage for Buyer's obligations to indemnify Seller, the Estate and their respective employees, representatives, advisors, attorneys, agents, successors and assigns hereunder (collectively, the "**Indemnified Parties**"), all of which shall be primary as to any valid and collectible insurance available to Seller (or such other Indemnified Parties). Buyer shall also require all consultants, contractors and sub-contractors engaged by Buyer to obtain and maintain insurance of the same types and amounts as the insurance coverages set forth hereinabove. Seller makes no representation or warranty regarding the suitability of the Property for any purpose.

(b) All information, reports or other written materials prepared by third parties prepared for Buyer or provided by Seller to Buyer relating to any inspections, investigation or other due diligence performed at the Property by Buyer shall be deemed Confidential Information that is subject to Buyer's obligations regarding Confidential Information pursuant Section 32 hereof. Any reliance upon the third party documents which are either prepared by or for Buyer or which are provided by Seller to Buyer regarding the Property shall be at Buyer's sole risk. Seller does not warrant the accuracy of any of the information contained in any third party reports or other written materials prepared by third parties relating to any inspections, investigation or other due diligence performed at the Property.

(c) Buyer shall indemnify, defend and hold the Indemnified Parties harmless from and against any claims, damages or liability (including reasonable attorneys' fees) resulting from any injury to persons or damage to the Property resulting from Buyer's and Buyer's employees', contractors', agents' and invitees' negligence or intentional misconduct in the exercise of its right of entry; provided, however, Buyer shall not be responsible for indemnifying the Indemnified Parties from the mere discovery of any pre-existing adverse condition of the Property (environmental or otherwise).

(d) The parties acknowledge and agree that Buyer's intended use of the Property (i.e., re-establishment of a licensed healthcare facility) is subject to review and approval by the Illinois Health Facilities & Services Review Board (the "**Review Board**") and IDPH, and that the consummation of the transactions set forth in this Agreement are expressly subject to, and contingent upon, the Review Board approving a Certificate of Need (the "**CON**"). The parties further acknowledge and agree that Buyer (with the cooperation of Seller as necessary) will begin to draft a CON Application (the "**CON Application**"), with the goal of being heard by the Review Board as soon as practical. Buyer will provide Seller with a draft of the CON Application at least three (3) business days prior to submitting the CON Application to the Review Board. Subject to Buyer's approval, which approval will not be unreasonably withheld, Buyer will incorporate any modifications to the CON Application requested by Seller. Buyer will not materially modify the CON Application without Seller's consent, which consent will not be unreasonably withheld by Seller. The parties further acknowledge and agree that Buyer will, after the CON Application has been deemed complete by the Review Board, file a request for an expedited hearing with the Review Board (although the parties acknowledge that the approval of an expedited hearing request is subject to the sole and absolute discretion of the Chair of the Review Board). In the event that a timely Appeal is filed to contest the approval of the CON, Buyer will actively oppose any effort to stay the effectiveness of the CON pending appeal.

(e) Buyer will use its best efforts to obtain or support obtaining the necessary regulatory approvals to operate an urgent care center at the Hospital or MOB. Notwithstanding the foregoing, the parties have been informed that a group of local physicians (who were formerly on the medical staff at Westlake Hospital) (the "**Local Physicians**") are developing an urgent care center at 1419 West Lake, Melrose Park, Illinois. To the extent the Local Physicians are, in fact, successful in those efforts, Buyer will not include an urgent care center in the CON Application and will, instead, (i) support the Local Physicians in their efforts to develop the urgent care center and (ii) use its best efforts to obtain the support of the Local Physicians for the CON Application.

(f) Except for (i) Seller's performance of his obligations under this Agreement and (ii) the Review Board's approval of the CON pursuant to Section (4)(d), there are no other contingencies for Buyer's performance of its obligation to close.

5. **Closing.** The closing of the sale of the Property from Seller to Buyer (the "**Closing**") shall occur at the office of the Escrow Agent (as hereinafter defined in Section 10), with documents and funds to be delivered in escrow, on a date determined as follows:

(a) The Closing will occur no later than three (3) business days after the Review Board approves the CON Application (defined below) if no competing healthcare facility (a "**Competing Facility**") files an objection to the CON Application. If a Competing Facility files an objection to the CON Application before the Review Board, then the Closing will occur either: (a) thirty-six (36) days after the Review Board approves the CON Application if such Competing Facility does not timely file an administrative or court action to challenge the Review Board's decision (collectively, an "**Appeal**"); or (b) three (3) business days after the entry of a Final Order affirming the Review Board's decision to approve the CON Application if such Competing Facility timely files an Appeal. For purposes of this Agreement, the term "**Final Order**" means an order of an administrative, state or federal court that has not been vacated, stayed, amended, reversed or modified and that is no longer subject to any further appeals, either because the time to appeal has expired without an appeal being filed, or because it has been affirmed by any and all courts with jurisdiction to consider any appeals therefrom; provided, however, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Fed. R. Civ. P. 59 or 60 or any similar state or local rule may be filed with respect to such order.

(b) The Closing shall occur in escrow at the office of the Escrow Agent, provided, that either party may elect to deposit monies and documents with the Escrow Agent in lieu of actual physical attendance at the Closing.

(c) The Closing shall be contingent upon the deposit in escrow with the Escrow Agent of all documents required to close the transaction required under this Agreement and all closing documents required to close the transaction for the Lakeland Agreement. It is the intention of Buyer and Seller that the transactions contemplated under both this Agreement and the Lakeland Agreement close contemporaneously through the same closing escrow.

6. **Seller's Obligations Until Closing.** Until Closing, Seller shall:

(a) **Insurance.** Continue to insure the Property in accordance with its current practice.

(b) **Litigation.** Seller shall give Buyer prompt notice of any litigation, arbitration or administrative proceeding of which it becomes aware prior to the Closing Date involving the Property other than the litigation pending in the State Condemnation Action. Upon the written request of Buyer, Seller shall provide Buyer with the status of the State Condemnation Action, including copies of any and all filings requested and otherwise publicly unavailable to Buyer. At all times after the Effective Date, including without limitation following the Closing, Seller shall not take an affirmative action or waive any rights with respect to the State's Possessory Interest or the State Condemnation Action, which would have a material adverse effect upon the Property or materially affect the Just Compensation Recoveries under the State Condemnation Action, without first obtaining Buyer's written consent, not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, if Buyer's consent to an affirmative action or waiver of any rights with respect to the State's Possessory Interest or the State Condemnation Action is, in Seller's sole opinion, unreasonably withheld, conditioned or delayed prior to Closing, then Seller may upon written notice to Buyer, take such affirmative action or waive such rights and, if such affirmative action or waiver actually occurs, then Buyer may, as its sole and exclusive remedy, terminate this Agreement by sending Seller written notice of its election to terminate this Agreement within five (5) business days of receiving such notice from Seller. If such notice of termination is timely delivered to Seller by Buyer, this Agreement shall be of no further force or effect, except for any and all of the obligations expressly stated herein to survive the Closing or the termination of this Agreement (collectively, the "**Surviving Obligations**"). If Buyer terminates the Agreement in accordance with this Section 6(b), the Deposit and any interest earned thereon (net of the Earned Deposit if after entry of the Sale Order) shall be refunded to Buyer. Absent such termination, the provisions of this Section 6(b) shall survive Closing.

(c) **Leases.** Seller shall not enter into any leases or occupancy agreements for space at the Property without Buyer's consent, which consent shall not be unreasonably withheld, conditioned or delayed. If Buyer does not consent to any material lease, lease amendment or occupancy agreements at the Property, then Seller may terminate this Agreement and the Deposit and any interest earned thereon shall be returned to Buyer and this Agreement shall be of no further force or effect, except for the Surviving Obligations.

(d) **Service Contracts.** Seller shall not enter into any renewal, extension, modification or replacement of any existing service contract or enter into any new employment, maintenance, service, supply or other contract or agreement relating to the Property that cannot be terminated by Seller on or before the Closing.

(e) Encumbrances. Seller shall not grant or otherwise create or consent to the creation of any easement, restriction, lien, assessment or encumbrance with respect to the Property other than in connection with the State's Possessory Interest or the State Condemnation Action.

7. Closing Documentation.

(a) Seller's Deliverables. At Closing, Seller shall execute, where applicable, and deliver to the Escrow Agent the following:

(i) A trustee's quit claim deed in the form attached hereto as Exhibit D (the "Deed") conveying to Buyer fee simple title to the Land and Improvements free and clear of all liens, charges and encumbrances created by or through the Seller or Debtor, except for the following (collectively, the "Permitted Encumbrances"): (a) liens for taxes not yet due and payable; (b) with respect to real property, zoning, building codes and other land use laws regulating the use or occupancy of such real property or the activities conducted thereon that are imposed by any governmental authority having jurisdiction over such Property; (c) easements, covenants, conditions, restrictions and other similar matters affecting title to real property and other encroachments and title and survey defects with respect to the Property that Buyer accepts; (d) any liens that Buyer has expressly stated are acceptable to Buyer in a writing delivered to Seller; (e) the State Condemnation Action and the State's Possessory Interest; (f) the Assigned Agreements; (g) exceptions noted as D through W set forth in the Title Commitment (as defined in Section 10); (h) those valid title objections Seller has notified Buyer that Seller is not willing to cure; and (i) acts of Buyer.

(ii) A Bill of Sale in the form attached hereto as Exhibit E transferring to Buyer the Transferred Personal Property.

(iii) The Assignment and Assumption Agreement in the form attached hereto as Exhibit F.

(iv) All other documents, including such documents required by the Title Insurer, which are customary and necessary to close this transaction in accordance with this Agreement; provided that, unless expressly set forth herein, Seller shall have no obligation to execute any affidavits, indemnities or other agreements in connection with the issuance of Buyer's title insurance policy, other than affidavits in form satisfactory to Seller as to authority.

(v) Such affidavits and/or lien waivers from Seller and Seller's Broker, as hereinafter defined, in a form acceptable to the Title Insurer, as may be required by the Title Insurer (as defined in Section 10) to issue the Title Policy (as hereinafter defined in Section 12(b)(v)) without exception for any lien arising as a result of Broker's representation of Seller in this transaction.

(vi) An affidavit in a form complying with law that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act and information necessary to complete an IRS Form 1099.

(vii) To the extent in Seller's possession, all keys and electronic pass cards or devices to all entrance doors to, and equipment and utility rooms and vault boxes located in, the Property.

(viii) An Illinois Real Estate Transfer Declaration, for payment of State of Illinois and Cook County real estate transfer taxes.

(ix) A closing statement in a form mutually acceptable to Seller and Buyer.

(b) Buyer's Deliverables. At Closing, Buyer shall execute and deliver to the Escrow Agent the following:

(i) All documents required by the Title Insurer, and other documents which are customary and necessary to close this transaction in accordance with this Agreement, together with documents evidencing the due organization and existence of Buyer, and authority of Buyer to execute and deliver the Closing documents.

(ii) Such affidavits and/or lien waivers from Buyer and Buyer's broker (if any), as hereinafter defined, in a form acceptable to the Title Insurer, as may be required by the Title Insurer to issue the Title Policy without exception for any lien arising as a result of Buyer's broker's representation of Buyer in this transaction.

(iii) The Bill of Sale.

(iv) The Assignment and Assumption Agreement.

(v) A Real Estate Transfer Tax Application for the Village of Melrose Park, Illinois.

(vi) A closing statement in a form mutually acceptable to Seller and Buyer.

8. Closing Expenses. Seller shall pay for the following: (i) the cost of preparation of the Deed; (ii) the Title Commitment and the premium for the Owner's Title Policy including extended coverage; (iii) one-half of the sale escrow fee charged by the Title Company to close through escrow; (iv) the costs and fees incurred in obtaining the Sale Order (as hereinafter defined in Section 22(a)); (v) the cost of updating the Survey; and (vi) Seller's attorney's fees. In addition, Seller shall pay the transfer taxes levied by the State of Illinois and the County of Cook on the transfer of the Property. Buyer shall pay for the following: (v) the recording fees for the Deed; (w) Buyer's attorney's fees; (x) one half of the sale escrow fee and one hundred percent (100%) of any lender's escrow fee charged by the Title Company to close through escrow; (y) the premium for the Lender's Title Policy and the premium for any endorsements requested by Buyer; (z) one hundred percent (100%) of the transfer taxes levied by the Village of Melrose Park on the transfer of the Property. Except as otherwise provided for herein, the parties will each be responsible for all of their other closing costs, including their respective attorneys' fees.

9. Prorations and Adjustments.

(a) Taxes and Other Expenses. All non-delinquent general real estate taxes and other ad valorem taxes and assessments for the Property shall be prorated on an accrual basis at the time of Closing. The proration for 2019 and 2020 real estate taxes shall be prorated based upon an estimated tax bill calculated as the most recently reduced assessed appeal decision for the Property times the most recent available tax rate times the most recent state equalizer. Seller will give Buyer a credit at Closing for all real estate taxes attributable to the Property for 2019 and 2020 through the date of Closing, deducting from said credit any installment shown paid to the county treasurer by Seller prior to Closing. Seller agrees that all utility and other expenses, charges, assessments, bills, or trade accounts maintained or incurred by Seller, in connection with the management or

operation of the Property or otherwise accrued for the calendar month in which the Closing Date occurs shall be the responsibility of the Seller to pay, and shall be paid as of the Closing, provided that if Seller is not able to pay any such charges (other than water, gas and electric bills), such amounts shall be prorated as of the Closing Date. Seller shall retain all rights to all deposits made with any entity that provides utilities to the Property.

(b) Rents and Security Deposits. Rents and other charges (including, without limitation, non-delinquent amounts collected by Seller under any Assigned Leases for the month of Closing and succeeding months shall be prorated by credit to Buyer. Rents and other charges due under any Assigned Leases, which have not been collected as of Closing (collectively, “**Delinquent Rents**”) shall not be prorated. Rents and other amounts received by Buyer or Seller under any Assigned Leases after Closing shall be applied: (i) first, to all of Buyer’s reasonable costs of collection incurred, if any, with respect to Delinquent Rents (including reasonable attorneys’ fees and costs); (ii) second, to rents due for the month in which such payment is actually received by Buyer; (iii) third, to rents attributable to any period after Closing which are past due on the date of receipt; and (iv) fourth, to Delinquent Rents. Seller shall promptly remit to Buyer any rents or other sums received under any Assigned Leases after Closing for application by Buyer in the manner provided above. Buyer shall promptly remit to Seller any amounts due Seller on account of Delinquent Rents after application of rents in the manner provided above. The amount of all security deposits and other deposits made under any Assigned Leases shall be credited to Buyer. Nothing in this Section shall be construed to waive or modify the conditions to Closing as set forth in Section 12.

(c) All prorations and adjustments under this Section 9 shall be made against the Purchase Price. The provisions of Section 9 shall survive Closing.

10. Title. Seller has delivered at its own expense with respect to the Property, (i) the title Commitment No. CCHI1904638LD dated August 29, 2019 (the “**Title Commitment**”) from Chicago Title Insurance Company (the “**Title Insurer**” and sometimes referred to herein as the “**Escrow Agent**”), (ii) copies of or access to all material underlying the title documents listed in the Title Commitment, and (iii) the ALTA/NSPS Land Title Survey of the Property prepared by Michael D. Raimondi, National Survey Service, Inc. dated December 14, 2018 (the “**Survey**”).

11. Phase I Environmental Assessment. Buyer, at Buyer’s sole cost and discretion, may obtain a Phase I Environmental Assessment from a provider of its choosing prior to Closing.

12. Conditions to Closing.

(a) Seller’s Conditions. The obligation of Seller to sell and convey the Property pursuant to this Agreement is subject to the satisfaction on or before the Closing Date of all of the following conditions precedent, which conditions are for the benefit of Seller only and the satisfaction of which may be waived only in writing by Seller:

(i) Buyer’s Deliveries. Delivery and execution by Buyer of all monies, items and instruments required to be delivered by Buyer pursuant Sections 2, 7, 8, 10, and 11 of this Agreement;

(1) Buyer’s Representations. Buyer’s warranties and representations set forth herein shall be true and correct in all material respects when made and as of the Closing Date as if made on the Closing Date; and

(2) Buyer's Performance. Buyer shall have performed each and every agreement to be performed by Buyer pursuant to this Agreement.

(ii) Sale Order. The entry of the Sale Order from the Bankruptcy Court pursuant to Section 22 hereof.

(iii) Lakeland Agreement. Lakeland shall: (1) not be in default under the terms of the Lakeland Agreement; (2) have deposited in escrow with the Escrow Agent all documents required to close the transaction contemplated under the Lakeland Agreement; (3) be obligated to acquire the Additional Property under the Lakeland Agreement; and (4) have authorized the closing of the transaction contemplated under the Lakeland Agreement to occur contemporaneously with the Closing.

(b) Buyer's Conditions. The obligation of Buyer to acquire the Property pursuant to this Agreement is subject to the satisfaction on or before the Closing Date of all of the following conditions precedent, which conditions are for the benefit of Buyer only and the satisfaction of which may be waived only in writing by Buyer:

(i) Seller's Deliveries. Delivery and execution by Seller of all instruments and other items required to be delivered by Seller pursuant to Sections 7, 8, 9, 10 and 11 of this Agreement;

(ii) Sale Order. The entry of the Sale Order from the Bankruptcy Court pursuant to Section 22 hereof.

(iii) Seller's Performance. Seller shall have performed each and every covenant and agreement to be performed by Seller pursuant to this Agreement;

(iv) Seller's Representations. Seller's representations set forth herein shall be true and correct in all material respects when made and as of the Closing Date as if made on the Closing Date;

(v) Title Policy. As of the Closing, the Title Company shall have issued or shall have committed to issue, upon the sole condition of the payment of its regularly scheduled premium, an ALTA Owner's Title Policy (the "Title Policy") insuring title to the Property (subject to the Permitted Encumbrances) in the amount of the Purchase Price; and

(vi) CON. The Review Board's approval of the CON.

(c) Failure of Conditions.

(i) If any of the Seller's Conditions set forth in Section 12(a) are not timely satisfied or waived for any reason, then Seller may elect to terminate this Agreement as its sole recourse or remedy, in which event Buyer and Seller shall have no further obligations hereunder, except for the Surviving Obligations, provided however, that if the subject failure of Seller's Condition is also due to a default by Buyer, the foregoing shall not preclude any right of Seller to pursue any remedies that Seller may be entitled to. In the event that the Agreement is terminated pursuant to this Section 12(c)(i), the Deposit shall not be refunded to Buyer and shall be retained by Seller.

(ii) If any of the Buyer's Conditions set forth in Section 12(b) are not timely satisfied or waived, for any reason, then Buyer may elect to terminate this Agreement as its sole recourse or remedy, in which event Buyer and Seller shall have no further obligations hereunder, except for the Surviving Obligations. In the event that the Agreement is terminated pursuant to this Section 12(c)(ii), the Deposit shall be refunded to Buyer.

13. **Approvals.** Prior to Closing, neither Seller nor Buyer shall take any action to change the zoning or other entitlements or status under applicable land use or other regulations pertaining to the permitted use of the Property without the other party's prior written consent.

14. **Delivery of Possession/Inspection prior to Closing.** The Buyer's right to possession of the Property upon Closing shall remain subject to the State's Possessory Interest. Subject to coordination with the State of Illinois, Buyer and its authorized representatives are hereby granted the right to enter upon and inspect the Property within seventy-two (72) hours prior to the Closing. If the Property is not materially in the same condition as of the Effective Date (other than modifications made by the State of Illinois), then Buyer may terminate this Agreement and the Deposit and any interest earned thereon shall be returned to Buyer and this Agreement shall be of no further force or effect, except for the Surviving Obligations; provided, however, material modifications to the Property made during the term of the State's Possessory Interest shall not constitute a basis for Buyer to terminate this Agreement.

15. **Representations.**

(a) Seller represents to Buyer that:

(i) Subject to the Bankruptcy Court's entry of the Sale Order and any other necessary order to close the sale of the Property, Seller has full power and authority to enter into this Agreement, and to convey the Property to Buyer in accordance with the terms of this Agreement. Subject to obtaining applicable approvals from the Bankruptcy Court in accordance with Section 22 of this Agreement, the execution and performance of this Agreement by Seller will not conflict with any provision of law applicable to Seller, nor will it result in the breach of any provision of, or constitute a default under, any agreement or instrument to which Seller is a party or by which the Property is bound.

(ii) Subject to the Bankruptcy Court's entry of the Sale Order and any other necessary order to close the sale of the Property, this Agreement and the documents to be delivered by Seller at Closing have been or will be duly authorized by all necessary action on the part of Seller, and have been or will be duly executed and delivered by Seller.

(iii) Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and the income tax regulations issued thereunder;

(iv) Seller agrees that the truthfulness of each of the representations of Seller in the Agreement as of the Effective Date and the Closing Date is a condition precedent to Buyer's performance under this Agreement pursuant to Section 12(b), and all of such representations shall be deemed renewed at Closing.

(b) Buyer represents and warrants to Seller that:

(i) The execution and performance of this Agreement by Buyer will not conflict with any provision of law applicable to Buyer, nor will it result in the breach of



any provision of, or constitute a default under, any agreement or instrument to which Buyer is a party.

(ii) This Agreement and the documents to be delivered by Buyer at Closing have been or will be duly authorized by all necessary action on the part of Buyer, and have been or will be duly executed and delivered by Buyer.

(iii) Buyer agrees that the truthfulness of each of the representations and warranties of Buyer in the Agreement as of the Effective Date and the Closing Date is a condition precedent to Seller's performance under this Agreement pursuant to Section 12(a), and all of such representations and warranties shall be deemed repeated at Closing.

(iv) Upon the Closing, Buyer will have immediately available funds sufficient for the satisfaction of all of Buyer's obligations under this Agreement, including the payment of the Purchase Price and all fees, expenses of, and other amounts required to be paid by, Buyer in connection with the transactions contemplated hereby.

16. **"AS IS, WHERE AS" CONDITION.**

IT IS UNDERSTOOD AND AGREED THAT THE PROPERTY IS BEING SOLD AND CONVEYED HEREUNDER "AS IS, WHERE IS" AND WITH ANY AND ALL FAULTS AND LATENT AND PATENT DEFECTS WITHOUT ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY BY SELLER. SELLER HAS NOT MADE AND DOES NOT MAKE AND HEREBY SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, ITS CONDITION (INCLUDING WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY REGARDING QUALITY OF CONSTRUCTION, STATE OF REPAIR, WORKMANSHIP, MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE), ITS COMPLIANCE WITH ENVIRONMENTAL LAWS OR OTHER LAWS, ITS ENVIRONMENTAL CONDITION, AVAILABILITY OF ACCESS, INGRESS OR EGRESS, RIGHT TO POSSESSION OR USE, INCOME TO BE DERIVED THEREFROM OR EXPENSES TO BE INCURRED WITH RESPECT THERETO, THE OBLIGATIONS, RESPONSIBILITIES OR LIABILITIES OF THE OWNER THEREOF, OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY, AND SELLER HEREBY DISCLAIMS AND RENOUNCES ANY OTHER REPRESENTATION OR WARRANTY.

BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS ENTERING INTO THIS AGREEMENT WITHOUT RELYING UPON ANY SUCH REPRESENTATION, WARRANTY, STATEMENT OR OTHER ASSERTION, ORAL OR WRITTEN, MADE BY SELLER OR ANY REPRESENTATIVE OF SELLER OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT FOR OR ON BEHALF OF SELLER WITH RESPECT TO THE PROPERTY, BUT RATHER IS RELYING UPON ITS OWN EXAMINATION AND INSPECTION OF THE PROPERTY. BUYER REPRESENTS THAT IT IS A KNOWLEDGEABLE BUYER OF REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF ITS CONSULTANTS IN PURCHASING THE PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE DISCLAIMERS, AGREEMENTS AND ACKNOWLEDGMENTS CONTAINED HEREIN, BUYER FURTHER ACKNOWLEDGES THAT SELLER HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING (A) THE TRUTH, ACCURACY, AUTHENTICITY OR COMPLETENESS OF ANY DOCUMENTS PROVIDED BY SELLER TO BUYER, THE TITLE COMMITMENT, TITLE POLICY, SURVEY OR ENVIRONMENTAL SITE

ASSESSMENT; OR (B) THE QUALIFICATIONS OR EXPERTISE OF THE RESPECTIVE PARTIES CONDUCTING THE ENVIRONMENTAL SITE ASSESSMENT OR ANY OF THE DOCUMENTS.

UPON THE CLOSING AND THE PURCHASE OF THE PROPERTY, BUYER AGREES THAT BUYER SHALL BE SOLELY RESPONSIBLE FOR COMPLYING WITH, AND AGREES TO WAIVE AND RELEASE THE INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS (OTHER THAN CLAIMS OF FRAUD OR INTENTIONAL MISREPRESENTATION), DEMANDS, LIABILITIES AND OBLIGATIONS OF WHATSOEVER KIND OR NATURE, DIRECT OR INDIRECT, AND WHETHER CONTINGENT, CONDITIONAL OR OTHERWISE, THAT ARE KNOWN OR UNKNOWN, ARISING UNDER, PURSUANT TO, FROM OR BY REASON OF OR IN CONNECTION WITH ANY AND ALL FEDERAL, STATE AND LOCAL LAWS, STATUTES, ORDINANCES, RULES, REGULATIONS, PERMITS OR STANDARDS, INCLUDING, BUT NOT LIMITED TO, THOSE RELATING TO ENVIRONMENTAL PROTECTION; INFECTIOUS, HAZARDOUS OR SOLID WASTES OR HAZARDOUS SUBSTANCES (INCLUDING, BUT NOT LIMITED TO, PETROLEUM, PETROLEUM PRODUCTS, CONSTITUENTS, DERIVATIVES, AND WASTES; ASBESTOS AND ASBESTOS CONTAINING MATERIALS AND WASTES; POLYCHLORINATED BIPHENYLS AND WASTES; RADON; RADIOACTIVE MATERIALS; MOLD; CHEMICALS; ORGANIC SOLVENTS; AND METALS) OR ANY SUBSTANCES OR MATERIALS NOW OR IN THE FUTURE SUBJECT TO REGULATION AT, ON OR ABOUT THE PROPERTY. THE TERMS AND CONDITIONS OF THIS SECTION SHALL EXPRESSLY SURVIVE THE CLOSING, SHALL NOT MERGE WITH THE PROVISIONS OF ANY CLOSING DOCUMENT AND SHALL BE INCORPORATED INTO THE DEED TO BE DELIVERED BY SELLER AT CLOSING. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF THIS SECTION WERE A MATERIAL FACTOR IN THE DETERMINATION OF THE PURCHASE PRICE FOR THE PROPERTY.

17. **Risk of Loss.**

(a) **Damage or Destruction.** Risk of loss until Closing shall be borne by Seller. In the event that damage or destruction of the Property or any part thereof caused by fire or other casualty exceeds twenty percent (20%) of the Purchase Price to repair or replace such damage or destruction, Buyer shall elect in writing, at its option, one of the following:

(i) To terminate this Agreement, in which event each party shall be released from all obligations hereunder (except for the Surviving Obligations), and the Deposit shall be returned to Buyer; or

(ii) To proceed with Closing, and Seller shall pay to Buyer all insurance proceeds payable to Seller with respect to such loss or damage to the Property.

(b) **Condemnation.** Other than with respect to the State Condemnation Action and the State's Possessory Interest, in the event that any portion of the Building, the Improvements, or a material portion of the parking shall be taken in condemnation or under the right of eminent domain after the Effective Date and before the Closing, Buyer may, at its option either (a) terminate this Agreement by written notice thereof to Seller and the Deposit shall be returned to Buyer or (b) proceed to close the transaction contemplated herein pursuant to the terms hereof in which event Seller shall assign and turn over to Buyer, and Buyer shall be entitled to receive and keep, all awards for the taking by eminent domain that accrue to Seller and there shall be no reduction in the Purchase Price. In the event that Buyer elects not to terminate this Agreement, Buyer shall proceed to close the transaction contemplated herein, and there shall be no reduction in the Purchase Price. Seller shall assign and turn over to Buyer and Buyer shall be entitled to receive and keep all awards

for the taking by eminent domain that accrue to Seller after the Effective Date other than with respect to any awards for the taking pursuant to the State's Possessory Interest.

(c) State Condemnation Action. After the Closing but subject to Section 6(b), Seller shall retain the right to prosecute all claims and causes of action in the State Condemnation Action to recover just compensation awards for the use, occupancy and possession of the Property from the State of Illinois (the "**Just Compensation Recoveries**") and Buyer shall cooperate in Seller's prosecution of the State Condemnation Action. All Just Compensation Recoveries obtained by or through settlement or judgment in the State Condemnation Action shall be first be applied to reimburse all of Seller's reasonable costs of collection incurred with respect to the Just Compensation Recoveries (including, but not limited to, reasonable attorneys' fees and costs and expert and consulting witness fees and expenses) (the "**Litigation Expenses**"). After payment of the Litigation Expenses, the remaining Just Compensation Recoveries (the "**Net Recoveries**") shall be allocated as follows: (1) Seller shall be entitled to retain any and all Net Recoveries that relate to compensation awarded for the use, occupancy and possession of the Property prior to the Closing and shall include, but not be limited to, use and occupancy, real estate taxes, utilities, insurance, and other expenses, charges, assessments, bills, or trade accounts ("**Carry Costs**") incurred by Seller in connection with the management or operation of the Property, and (2) Buyer shall be entitled to retain any and all Net Recoveries that relate to compensation awarded for the use, occupancy and possession of the Property for all time periods after Closing, including, but not limited to, Carry Costs incurred by Buyer in connection with the management or operation of the Property. The provisions of this Section 17(c) shall survive Closing.

18. Intentionally Omitted.

19. Commissions. Seller and Buyer represent that they have not worked with or been represented by any real estate brokers regarding this Agreement or the transactions contemplated by it other than Wilshire Pacific Capital Advisors, LLC (the "**Broker**"). Seller shall pay a commission to the Broker pursuant to a separate agreement between Seller and Broker. Seller agrees to indemnify, defend and save harmless Buyer from and against any cost and expense (including reasonable attorneys' fees) incurred by Buyer as a result of the untruth of the foregoing representation by Seller, or any claims by a broker for a lien against the Property or for payment of a commission by Buyer based upon the actions of Seller (including without limitation the commission due to Broker). Buyer agrees to indemnify, defend and save harmless the Seller from and against any cost and expense (including reasonable attorneys' fees) incurred by Seller as a result of the untruth of the foregoing representation by Buyer, or any claims by a broker for a lien against the Property or for payment of a commission by Seller based upon the actions of Buyer.

20. Assignment. Except as expressly provided herein, the Sale Order or by order of the Bankruptcy Court, this Agreement and any documents executed in connection herewith shall not be assigned by Seller or Buyer without the prior written consent of the other party, and any assignment without such prior written consent shall be null and void. Notwithstanding the foregoing, this Agreement may be assigned by Buyer in the limited instance that the assignment is to an Affiliate of Buyer. The term "**Affiliate**" shall mean an entity or person owned or controlled, directly or indirectly, by Buyer, or under common ownership or control, directly or indirectly, with Buyer. No assignment shall be deemed to release the Buyer from any liability, any indemnity or other obligation under this Agreement. The provisions of this Section 20 shall survive Closing or the termination of this Agreement.

21. Notices. Any notice, consent, request for approval, objection or other communication required or permitted under or pursuant to this Agreement will be in writing and delivered by: (a) hand delivery; (b) e-mail; (c) registered or certified mail, return receipt requested; (d) reputable overnight delivery service with proof of delivery (and will be deemed to have been delivered upon (i) receipt, if hand

delivered; (ii) transmission, if delivered by e-mail (provided such transmission by e-mail is followed by express overnight delivery); and (iii) the next business day, if delivered by express overnight delivery service); and will be delivered or transmitted to, the following addresses or to such other addresses as either Party may direct in writing:

If to Buyer:

Mark Tress  
Managing Member  
Woodlake Pacific Holdings, LLC  
150 Airport Road, Suite 900  
Lakewood, New Jersey 08701  
Email: [mark@cedarholdings.net](mailto:mark@cedarholdings.net)

With copy to:

Edward J. Green, Esq.  
Foley & Lardner LLP  
321 North Clark Street, Suite 3000  
Chicago, Illinois 60654-4762  
Email: [egreen@foley.com](mailto:egreen@foley.com)

If to Seller:

Ira Bodenstein  
Chapter 7 Trustee  
123 N. Wacker Drive, Suite 1800  
Chicago, Illinois 60606  
E-mail: [ibodenstein@cozen.com](mailto:ibodenstein@cozen.com)

with Copy to:

Cozen O'Connor  
123 N. Wacker Drive, Suite 1800  
Chicago, Illinois 60606  
Attn: Allen J. Guon  
E-mail: [aguon@cozen.com](mailto:aguon@cozen.com)

Any party may change its address for notices by giving written notice of the change to the other parties in the manner provided above. Notice by a party may be given and received by its counsel.

**22. Bankruptcy Court Approval and Private Sale.**

(a) Bankruptcy Court Approval. Notwithstanding anything in this Agreement to the contrary, this Agreement is subject to approval by the Bankruptcy Court.

(b) Sale Process. Within three (3) business days of the Effective Date, Seller will file a motion, seeking approval of the sale of the Property pursuant to Section 363 of the Bankruptcy Code and not subject to higher and better offers, as set forth in this Agreement; (ii) scheduling a hearing before the Bankruptcy Court to approve the sale of the Property to Buyer free and clear of all claims, liens and interests, other than any Permitted Encumbrances pursuant to the terms the Sale Order, (iii) approving procedures relating to Seller's assumption and assignment of the Assigned Agreements to Buyer as provided in this Agreement, and (4) authorizing Seller's

performance of its obligations under this Agreement, which motion (the “**Sale Motion**”) and order shall be in form and substance reasonably acceptable to Buyer. As used herein, a “**Sale Order**” shall be deemed to mean an order of the Bankruptcy Court (w) approving the sale of the Property to Buyer free and clear of all claims, liens, and interests, other than any Permitted Encumbrances; (x) determining that Buyer or such other buyer is a good faith purchaser under section 363(m) of the Bankruptcy Code and is entitled to all of the protections afforded by section 363(m); and (y) the sale and conveyance to Buyer of the Property pursuant to this Agreement constitutes a transfer for reasonably equivalent value under state and federal law.

(c) Cooperation in Obtaining Bankruptcy Court Orders. Buyer agrees that it will promptly take such actions as are reasonably requested by Seller to assist in obtaining Bankruptcy Court approval of the transactions contemplated by this Agreement, including furnishing affidavits or other documents or information, and filing with the Bankruptcy Court for the purposes, among others, of demonstrating that Buyer is a “good faith” purchaser under section 363(m) of the Bankruptcy Code and resolving any objection to the assumption by Seller and assignment to Buyer of the Assigned Agreements; provided, however, that Buyer’s cooperation shall not result in any additional cost or liability to Buyer. Buyer shall not, without the prior written consent of Seller, file, join in, or otherwise support in any manner whatsoever any motion or other pleading relating to the sale of the Property hereunder. In the event the entry of the Sale Order or approval of the transactions contemplated by this Agreement shall be appealed, Seller shall use commercially reasonable efforts to defend such appeal and, subject to Section 22(d), and provided Buyer has not terminated this Agreement in accordance with the terms of this Agreement, Buyer shall cooperate in any such appeal provided such cooperation shall not result in any additional cost or liability to Buyer.

(d) Seller’s Right To Adjourn. Notwithstanding anything herein to the contrary, at any time and from time to time on or prior to the Closing Date, in the event that Seller reasonably believes that any of the conditions set forth in this Section 22 will not be satisfied as of the Closing Date, Seller shall have the right in its reasonable discretion to adjourn the Closing Date upon written notice to Buyer to the extent required to resolve any matters that are then preventing the satisfaction of such condition. Seller shall be entitled to seek redress from the Bankruptcy Court to resolve such matters if necessary, and in no event shall such adjournment of the Closing Date be deemed a default or failed condition under this Agreement. Upon resolution of any such matter, Seller shall provide written notice of the new Closing Date to Buyer, which shall be not less than three (3) Business Days after the date such notice is received by Buyer. In the event Seller is unable to resolve such matter on a date that is one hundred twenty (120) days from the then applicable Closing Date, then both Seller and Buyer shall have the right to terminate this Agreement by notice to the other party. Upon such termination, Escrow Agent shall promptly return the Deposit (net of the Earned Deposit if after the entry of the Sale Order) to Buyer, and the parties shall have no further rights or obligations hereunder except for the Surviving Obligations.

23. Counterparts. This Agreement may be executed in any number of identical counterparts, any or all of which may contain the signatures of fewer than all of the parties, but all of which shall be construed together as a single instrument.

24. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties with respect to the Property and supersedes any prior oral or written agreements between the parties. No modification of this Agreement, and no waiver of any of its terms or conditions, shall be effective unless made in writing and duly executed by both parties. Signatures and initials required in this Agreement may be executed via “wet” original handwritten signatures, or via electronic signature or mark, which shall be binding on the parties as originals, and the executed signature

pages may be delivered using pdf or similar file type transmitted via electronic mail, cloud based server, e-signature technology or other similar electronic means, and any such transmittal shall constitute delivery of the executed document for all purposes of this Agreement.

25. **Captions.** All captions, headings, paragraph and subparagraph numbers and letters are solely for reference purposes and shall not be deemed to be supplementing, limiting, or otherwise varying the text of this Agreement.

26. **Severability.** The invalidity or enforceability of a particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

27. **Binding Effect.** All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, personal representatives, successors and assigns.

28. **Controlling Law and Jurisdiction.** This Agreement has been made and entered into under the laws of the State of Illinois and those laws shall control the interpretation of this Agreement. The parties agree that the Bankruptcy Court shall retain exclusive jurisdiction over all matters relating to this Agreement.

29. **Time of the Essence.** Time shall be of the essence in the performance of all obligations under this Agreement. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required under this Agreement must be performed, or by which Closing must be held, expires on a Saturday, Sunday or a holiday, then such time period shall be automatically extended to the next business day.

30. **Survival.** Except as otherwise expressly set forth in this Agreement, all of the terms, covenants, conditions, representations, warranties and agreements of this Agreement shall survive and continue in full force and effect and shall be enforceable after Closing or the earlier termination of this Agreement.

31. **Further Assurances.** Upon the terms and subject to the conditions set forth in this Agreement, each of the parties shall use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper, or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby (including by giving, or causing to be given, any notices to, making any filings with, and using commercially reasonable efforts to obtain any consents of governmental authorities, as applicable, as are necessary and appropriate to consummate the transactions contemplated hereby). Without limiting the generality of the foregoing, (i) Seller shall use its commercially reasonable efforts to cause the conditions set forth in Sections 12(a) and 22 that are within his control or influence to be satisfied or fulfilled, (ii) Buyer shall use its commercially reasonable efforts to cause the conditions set forth in Sections 12(b) and 22 that are within its control or influence to be satisfied or fulfilled. This Section 31 shall not require Seller to assist Buyer with any licensure, permit or similar applications related to Buyer's intended use of the Property or operations at the Property on and after Closing.

32. **Confidentiality.** This Agreement and the terms hereof and any investigations, reports or other documents obtained from Buyer's investigation and due diligence work at the Property and documents provided by Seller to Buyer regarding the Property shall be strictly confidential (collectively, "**Confidential Information**"). Buyer hereby covenants with Seller that, except to the extent required by applicable law or

order by a court of competent jurisdiction, neither Buyer, nor any of Buyer's employees, contractors, consultants or representatives (together with Buyer, the "**Buyer Parties**") shall disclose or reveal any Confidential Information to any party or entity other than Seller and, subject to the proviso at the end of this sentence, Buyer's lenders, investors, consultants, legal representatives and other advisors; provided, that in the case of disclosures to Buyer's legal representatives and other advisors, such representatives and advisors shall agree to keep such results confidential and provided that Buyer acknowledges and agrees that Buyer is responsible for any breaches of the provisions of this Section 32 by such parties. The foregoing shall not preclude either party from complying with laws, rules, regulations and court orders, including, without limitation, the Sale Order, the Bankruptcy Court, governmental regulatory, disclosure, tax and reporting requirements. In addition to any other remedies available to a party, each party shall have the right to seek equitable relief, including, without limitation, injunctive relief or specific performance, against the other party in order to enforce the provisions of this Section 32. If this Agreement is terminated, Buyer shall also return to Seller all reports and other documents prepared by third parties for Buyer or provided by Seller to Buyer relating to any inspections, investigation or other due diligence performed at the Property. The provisions of this Section 32 shall survive Closing or the earlier termination of this Agreement. It shall not be a breach of this Section 32 if (i) any information disclosed by any of the Buyer Parties is information known prior to learning it under this Agreement; (ii) any information is now, or becomes in the future, publicly available other than by an act or omission of any of the Buyer Parties; (iii) a third party discloses such information to any of the Buyer Parties as a matter of right, without any restriction on disclosure, and without any breach of any direct or indirect obligation of confidentiality to Seller; or (iv) a consultant independently develops information without use of or reference to information provided by Seller or information obtained from Buyer Parties' investigations and due diligence work at the Property.

33. **Trademarks and Patents.** Notwithstanding anything to the contrary contained in this Agreement or implied by this transaction, and except as otherwise set forth herein, Seller is not selling, conveying, assigning, transferring, waiving, releasing or relinquishing, and the Property shall not include, any of the Estate's or Debtor's parent's, subsidiaries', successors' or affiliates' rights to any trademarks, logos, service marks, emblems, or patented or licensed processes or formulas (collectively, "**Seller Intellectual Property**").

34. **Public Announcements.** Buyer shall not make any public announcements or press release concerning this Agreement, the parties' names or the transactions contemplated herein except as may be mutually agreed upon by the parties in writing, except as required for a party to comply with its express obligations hereunder or as required by applicable law or regulation, including, without limitation, as required by the Bankruptcy Court, the Bankruptcy Code or the Sale Order. Buyer shall be permitted to discuss the transaction with potential tenants, partners and/or lenders of the Property (collectively, "**Interested Parties**") during the escrow period, provided that such parties agree to comply with the terms of this Section 34. Notwithstanding anything to the contrary contained herein, neither Buyer nor any of the Interested Parties shall use the Estate's, the Debtor's, the Seller's or any of their affiliates names publicly, including, without limitation, in any press releases, publicity or sales or marketing materials, without the prior consent of Seller, except as required to complete the transactions that are contemplated by this Agreement, such as in communications with the Title Company. The provisions of this Section 34 shall survive Closing or the earlier termination of this Agreement. Notwithstanding the foregoing, Buyer acknowledges and agrees that Seller shall have the right to continue to market the Property for sale during the term of this Agreement and may inform potential parties that the Property is under contract for sale.

35. **Relationship of Parties.** Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of (i) principal and agent; (ii) a partnership; or (iii) a joint venture between the parties hereto; it being understood and agreed that neither any provisions contained herein nor any acts of the parties hereto shall be deemed to create any relationship between the parties hereto other than the relationship of seller and buyer.

36. **Bulk Transfer Laws.** Buyer acknowledges that Seller will not comply with the provisions of any bulk transfer laws or similar laws of any jurisdiction in connection with the transactions contemplated by this Agreement, including the United Nations Convention on the Sale of Goods, and hereby waives all claims related to the non-compliance therewith.

37. **Recitals Incorporated.** The Recitals set forth above are hereby incorporated in full, and made a part of, this Agreement.

*[Signature page follows.]*



IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed as of the day and year first above written.

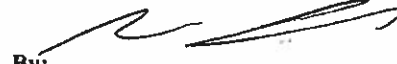
**SELLER:**

IRA BODENSTEIN, not individually, but solely in his capacity as the chapter 7 trustee of the bankruptcy estate of WESTLAKE HOLDINGS, LLC

 trustee

**BUYER:**

WOODLAKE PACIFIC HOLDINGS LLC, a Delaware Limited Liability Company

  
By: \_\_\_\_\_

Name: Mark Tress

Title: Managing Member

**SCHEDULE OF SCHEDULES AND EXHIBITS**

- Exhibit A - Legal Description of the Land
- Exhibit B - Assigned Leases
- Exhibit C - Assigned Contracts
- Exhibit D - Form of Trustee's Deed
- Exhibit E - Form of Bill of Sale
- Exhibit F - Form of Assignment and Assumption Agreement

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE LAND**

\*The information on this Exhibit A shall be subject to confirmation via Chicago Title Insurance Company pursuant to the updated title commitment that Chicago Title Insurance Company is preparing for the Property. Legal to be updated by mutual agreement of Buyer and Seller. The PINs subject to this Agreement shall be as follows (with the understanding that the Buyer and Seller may mutually agree to re-allocate the PINs between this Agreement and the Lakeland Agreement):

**HOSPITAL BUILDING AND PARKING**

(starting from the northwest corner of Chicago Ave. x 15<sup>th</sup> Ave., working eastwards)

Hospital Parking Lot West (Chicago Ave. x 14<sup>th</sup> Ave. x midblock x Superior St. x 15<sup>th</sup>)

15-10-202-001  
15-10-202-002  
15-10-202-003  
15-10-202-008  
15-10-202-010  
15-10-202-011  
15-10-202-012  
15-10-202-013

Hospital Parking Lot East (Chicago Ave. x partway between 13<sup>th</sup> and 14<sup>th</sup> Ave. x Superior St. x 14<sup>th</sup>)

15-10-203-001  
15-10-203-002  
15-10-203-003  
15-10-203-017  
15-10-203-006  
15-10-203-007  
15-10-203-009  
15-10-203-010  
15-10-203-011  
15-10-203-012

Hospital Parking Lot South (Superior x 13<sup>th</sup> x W. Lake St. x 14<sup>th</sup>)

15-10-209-006  
15-10-209-007  
15-10-209-002  
15-10-209-003  
15-10-209-004  
15-10-209-005  
15-10-210-001

Main Hospital Building (Chicago x 12<sup>th</sup> x Superior St. x halfway between 13<sup>th</sup> and 14<sup>th</sup> Ave.)

15-10-203-013  
15-10-203-014  
15-10-203-015  
15-10-203-016  
15-10-204-006  
15-10-204-005

**EXHIBIT B**

**ASSIGNED LEASES**

1. Subject to Section 3 of this Agreement, all Debtor's and Seller's rental agreements or leases of any portion of the Property including the Medical Office Building.
2. Subject to the terms of this Agreement, including, but not limited to Sections 6(b) and 17(c), all rights to receive from the State of Illinois any and all payments of rent or compensation for the State of Illinois' use and occupancy of the Property or any portion thereof.

**EXHIBIT C**

**ASSIGNED CONTRACTS**

1. Licenses of all applicable state, local or municipal agencies to operate a hospital and provide medical services on the Property to the extent assignable under applicable state and federal law, if any.

**EXHIBIT D**

**TRUSTEE'S DEED**

**IRA BODENSTEIN**, not individually, but solely in his capacity as the chapter 7 trustee (the "**GRANTOR**") of the bankruptcy estate (the "**Estate**") of Westlake Property Holdings, LLC (the "**Debtor**"), a debtor under the United States Bankruptcy Code in a case pending before the United States Bankruptcy Court for the Northern District of Illinois, Case No. 19-22878 for and in consideration of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration in hand paid, CONVEYS and QUIT CLAIMS to Woodlake Pacific Holdings, LLC (the "**GRANTEE**"), of the City of Chicago, County of Cook, State of Illinois, any and all interest of the bankruptcy estate in the following described Real Estate situated in the county of Cook in the State of Illinois, to wit:

**SEE ATTACHED LEGAL DESCRIPTION**

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining

**SUBJECT TO:** All easements, covenants & restrictions, ordinances, rights of way of record and real estate taxes not yet due and payable and all liens, claims and encumbrances of record.

**FURTHER SUBJECT TO:**

THE REAL ESTATE IS BEING CONVEYED HEREUNDER "AS IS, WHERE IS" AND WITH ANY AND ALL FAULTS AND LATENT AND PATENT DEFECTS WITHOUT ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY BY GRANTOR. GRANTOR HAS NOT MADE AND DOES NOT MAKE AND HEREBY SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE REAL ESTATE, ITS CONDITION (INCLUDING WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY REGARDING QUALITY OF CONSTRUCTION, STATE OF REPAIR, WORKMANSHIP, MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE), ITS COMPLIANCE WITH ENVIRONMENTAL LAWS OR OTHER LAWS, ITS ENVIRONMENTAL CONDITION, AVAILABILITY OF ACCESS, INGRESS OR EGRESS, RIGHT TO POSSESSION OR USE, INCOME TO BE DERIVED THEREFROM OR EXPENSES TO BE INCURRED WITH RESPECT THERETO, THE OBLIGATIONS, RESPONSIBILITIES OR LIABILITIES OF THE OWNER THEREOF, OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE REAL ESTATE, AND GRANTOR HEREBY DISCLAIMS AND RENOUNCES ANY OTHER REPRESENTATION OR WARRANTY.

GRANTEE ACKNOWLEDGES AND AGREES THAT IT IS NOT RELYING UPON ANY SUCH REPRESENTATION, WARRANTY, STATEMENT OR OTHER ASSERTION, ORAL OR WRITTEN,

MADE BY GRANTOR OR ANY REPRESENTATIVE OF GRANTOR OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT FOR OR ON BEHALF OF GRANTOR WITH RESPECT TO THE REAL ESTATE, BUT RATHER IS RELYING UPON ITS OWN EXAMINATION AND INSPECTION OF THE REAL ESTATE. GRANTEE REPRESENTS THAT IT IS A KNOWLEDGEABLE GRANTEE OF REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF ITS CONSULTANTS IN PURCHASING THE REAL ESTATE. WITHOUT LIMITING THE GENERALITY OF THE DISCLAIMERS, AGREEMENTS AND ACKNOWLEDGMENTS CONTAINED HEREIN, GRANTEE FURTHER ACKNOWLEDGES THAT GRANTOR HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING (A) THE TRUTH, ACCURACY, AUTHENTICITY OR COMPLETENESS OF ANY DOCUMENTS PROVIDED BY GRANTOR TO GRANTEE, THE TITLE COMMITMENT, TITLE POLICY, SURVEY OR ENVIRONMENTAL SITE ASSESSMENT; OR (B) THE QUALIFICATIONS OR EXPERTISE OF THE RESPECTIVE PARTIES CONDUCTING THE ENVIRONMENTAL SITE ASSESSMENT OR ANY OF THE DOCUMENTS.

GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTEE SHALL BE SOLELY RESPONSIBLE FOR COMPLYING WITH, AND AGREES TO WAIVE AND RELEASE THE GRANTOR, THE ESTATE AND THEIR RESPECTIVE EMPLOYEES, REPRESENTATIVES, ADVISORS, ATTORNEYS AND AGENTS FROM ANY AND ALL CLAIMS (OTHER THAN CLAIMS OF FRAUD OR INTENTIONAL MISREPRESENTATION), DEMANDS, LIABILITIES AND OBLIGATIONS OF WHATSOEVER KIND OR NATURE, DIRECT OR INDIRECT, AND WHETHER CONTINGENT, CONDITIONAL OR OTHERWISE, THAT ARE KNOWN OR UNKNOWN, ARISING UNDER, PURSUANT TO, FROM OR BY REASON OF OR IN CONNECTION WITH ANY AND ALL FEDERAL, STATE AND LOCAL LAWS, STATUTES, ORDINANCES, RULES, REGULATIONS, PERMITS OR STANDARDS, INCLUDING, BUT NOT LIMITED TO, THOSE RELATING TO ENVIRONMENTAL PROTECTION; INFECTIOUS, HAZARDOUS OR SOLID WASTES OR HAZARDOUS SUBSTANCES (INCLUDING, BUT NOT LIMITED TO, PETROLEUM, PETROLEUM PRODUCTS, CONSTITUENTS, DERIVATIVES, AND WASTES; ASBESTOS AND ASBESTOS CONTAINING MATERIALS AND WASTES; POLYCHLORINATED BIPHENYLS AND WASTES; RADON; RADIOACTIVE MATERIALS; MOLD; CHEMICALS; ORGANIC SOLVENTS; AND METALS) OR ANY SUBSTANCES OR MATERIALS NOW OR IN THE FUTURE SUBJECT TO REGULATION AT, ON OR ABOUT THE REAL ESTATE.

Property Index Number (PIN): \_\_\_\_\_

Commonly known as: \_\_\_\_\_

Dated this \_\_\_\_ day of \_\_\_\_\_, 2020

**IRA BODENSTEIN**, not individually, but solely in his capacity as the chapter 7 trustee of the bankruptcy estate of Westlake Property Holdings, LLC, a debtor under the United States Bankruptcy Code in a case pending before the United States Bankruptcy Court for the Northern District of Illinois, Case No. 19-22878

State of Illinois )  
                              ) ss.  
County of Cook)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that IRA BODENSTEIN personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal, this \_\_\_\_ day of \_\_\_\_\_, 2020.

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

This instrument prepared by:  
Allen J. Guon  
Fox Rothschild LLP  
321 N. Clark Street, Suite 1600  
Chicago, Illinois 60654

Mail Future Tax Bills/Return to:  
Mark Tress  
Managing Member  
Woodlake Pacific Holdings LLC  
150 Airport Road, Suite 900  
Lakewood, New Jersey 08701  
Email: [mark@cedarholdings.net](mailto:mark@cedarholdings.net)



**EXHIBIT E**

**FORM OF BILL OF SALE**

**FOR VALUE RECEIVED**, including Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, it is hereby agreed as follows, **IRA BODENSTEIN**, not individually, but solely in his capacity as the chapter 7 trustee of the bankruptcy estate of Westlake Property Holdings, LLC, a debtor under the United States Bankruptcy Code in a case pending before the United States Bankruptcy Court for the Northern District of Illinois, Case No. 19-22878 (“**Transferor**”), hereby assigns, transfers and conveys unto **WOODLAKE PACIFIC HOLDINGS, LLC**, a Delaware Illinois Limited Liability Company (“**Transferee**”), all of Transferor’s right, title and interest in the personal property which is identified on Schedule 1 attached hereto and made a part hereof (collectively, the “**Transferred Personal Property**”), but expressly excluding the personal property identified on Schedule 2 attached hereto and made a part hereof (collectively, the “**Excluded Personal Property**”).

**IT IS EXPRESSLY UNDERSTOOD THAT THIS TRANSFER IS ON AN “AS IS,” “WHERE IS” BASIS AND TRANSFEROR DOES NOT WARRANT THE FITNESS OR CONDITION OF SAID ITEMS OF PROPERTY FOR ANY PARTICULAR USE OR PURPOSE. EXCEPT AS SET FORTH HEREIN, TRANSFEROR EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CONDITION, DESIGN, OPERATION, CAPACITY OR OTHERWISE.**

**TO HAVE AND TO HOLD** the Transferred Personal Property unto Transferee, its successors and assigns forever.

*[Signature page follows.]*

Executed this \_\_\_\_ day of \_\_\_\_\_, 2020

**TRANSFEROR:**

**IRA BODENSTEIN**, not individually,  
but solely in his capacity as the chapter 7  
trustee of the bankruptcy estate of  
Westlake Property Holdings, LLC

**ACCEPTANCE**

Buyer hereby accepts the foregoing Bill of Sale as of the date hereof.

Dated: \_\_\_\_\_, 2020

**TRANSFeree:**

**WOODLAKE PACIFIC HOLDINGS, LLC**

By: \_\_\_\_\_  
Name: Mark Tress  
Its: Managing Member

**SCHEDULE 1  
TO  
BILL OF SALE**

(Transferred Personal Property)

1. All personal property owned by the Debtor and used in conjunction with the operation of a hospital and facilities to render medical services upon the Property, if any; provided, however, the personal property shall not include any patient information, patient records, patient lab or test results or electronic data that may reside in any of the Transferred Personal Property.

**SCHEDULE 2  
TO  
BILL OF SALE**

(Excluded Personal Property)

All patient information, patient records, patient lab or test results or electronic data that may reside at the Property

**EXHIBIT F**

**FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT**

This Assignment and Assumption Agreement dated as of \_\_\_\_\_, 2020 (the “**Effective Date**”), by and between **IRA BODENSTEIN**, not individually, but solely in his capacity as the chapter 7 trustee (the “**Assignor**”) of the bankruptcy estate (the “**Estate**”) of Westlake Property Holdings, LLC (the “**Debtor**”), a debtor under the United States Bankruptcy Code in a case pending before the United States Bankruptcy Court for the Northern District of Illinois (the “**Bankruptcy Court**”), Case No. 19-22878, and **WOODLAKE PACIFIC HOLDINGS, LLC**, a Delaware Illinois Limited Liability Company (the “**Assignee**”).

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. As of the Effective Date, Assignor hereby assigns to Assignee all of the Debtor’s and the Estate’s right, title and interest in and to the executory contracts and unexpired leases identified on **Exhibit 1** attached hereto (collectively the “**Executory Contracts and Leases**”), without warranty or representation of any kind, express or implied, and without recourse in any event, pursuant to the terms of the Purchase and Sale Agreement dated July \_\_, 2020 by and between Assignor and Assignee (the “**Purchase Agreement**”) approved by Order of the Bankruptcy Court dated \_\_\_\_\_, 2020 (the “**Sale Order**”).
2. Assignee hereby assumes all of the Debtor’s and the Estate’s right, title and interest, and obligations under the Executory Contracts and Leases from and after the Effective Date.
3. Assignee shall be liable for any defaults under the Executory Contracts and Leases (as defined in the Purchase Agreement).
4. Assignor conveys the Debtor’s and the Estate’s rights and interests under the Executory Contracts and Leases to Assignee free and clear of all liens, claims, interests, or encumbrances, if any, with any such liens, interests, claims, or encumbrances attaching to the proceeds of the sale as set forth in the Sale Order.
5. Assignee and Assignor agree that the Bankruptcy Court shall retain jurisdiction over any and all disputes hereunder and hereby consent to such jurisdiction.
6. This Agreement may not be assigned by either party hereto without the prior written consent of the other party. This Agreement may be executed in any number of counterparts, by original or .PDF signature, each of which when executed and delivered shall be deemed an original, and such counterparts together shall constitute one instrument.
7. Assignee acknowledges that the foregoing assignment of the Executory Contracts and Leases relieves the Assignor, the Debtor and the Estate from any liability for any breach of the Executory Contracts and Leases occurring after the assignment. Assignee shall indemnify Assignor and hold Assignor harmless for, from and against any liability, damage and expense (including attorneys’ fees) arising out of, in connection with or related to the obligations, covenants, and agreements of Assignor, the Debtor or the Estate under the Executory Contracts and Leases to be performed or observed from and after the Effective Date, and any actions, causes of action or proceedings related thereto.
8. At any time after the Effective Date, Assignee and Assignor agree to execute and deliver such further instruments and documents as may be reasonably requested by the parties hereto, including the

execution and delivery of individual assignments of the Executory Contracts and Leases (in substantially the same form as this Agreement).

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assumption and Assignment Agreement as of the day and year first above written.

**ASSIGNOR:**

**IRA BODENSTEIN**, not individually, but solely in his capacity as the chapter 7 trustee of the bankruptcy estate of Westlake Property Holdings, LLC

\_\_\_\_\_

**ASSIGNEE:**

**WOODLAKE PACIFIC HOLDINGS, LLC**

By: \_\_\_\_\_

Name: Mark Tress

Its: Managing Member

**EXHIBIT 1 TO ASSIGNMENT AND ASSUMPTION AGREEMENT**



**LEASE**

**THIS LEASE** is made as of May 20, 2021, by and between Woodlake Pacific Holdings LLC, a Delaware limited liability company ("**Landlord**"), and Woodlake Specialty Hospital LLC, an Illinois limited liability company ("**Tenant**").

**WITNESSETH:**

**WHEREAS**, Landlord is the fee simple owner of certain real property land improvements located in Melrose Park, Illinois legally described in **Exhibit A** attached hereto and made a part hereof and having an address of 1225 West Lake Street, Melrose Park Illinois 60160 ("**Premises**"); and

**WHEREAS**, Landlord has agreed to lease the Premises to Tenant and Tenant has agreed to lease the Premises from Landlord on the terms stated herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, Landlord and Tenant hereby covenant and agree as follows:

1. **PREMISES**: Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord.
2. **RENT**: Tenant agrees to pay as rent for the Premises \$250,000.00 per month, payable in equal monthly installments, each payable in advance on the first day of each calendar month during the Term of this Lease. Any partial months shall be prorated.
3. **TERM**: This Lease shall be for a term of twenty (20) years (the "**Term**") commencing on July 1, 2021.
4. **DELIVERY AND ACCEPTANCE OF PREMISES**: Tenant has inspected and knows the condition of the Premises, and accepts the same in their present condition. Tenant acknowledges that Landlord has made no warranties or representations concerning the Premises.
5. **UTILITIES**: Tenant agrees to furnish all utilities and pay all electric, gas, water, fuel and sewer company charges, as well as all charges for any additional services or other utilities used on or assessed against the Premises.
6. **LICENSING AND FEES**: Tenant shall obtain all necessary licensing and registrations for the use and operation of the Premises and shall pay when due all license and registration fees.
7. **TAXES**: The following provisions shall apply:
  - 7.1. Tenant agrees to pay as additional rent any real estate taxes assessed for the Term. If Landlord receives a real estate tax bill for the Premises, then Landlord shall forward a copy of the bill to Tenant, together with a letter stating the amount due for the Term. Within ten (10) days of its receipt of the bill and letter, Tenant shall pay such amount to Landlord.

7.2. Tenant shall timely pay or cause to be paid when due all personal property, sales, use and other taxes or assessments, general or special, now or hereafter imposed by any federal, state, or local government on the Premises or on the ownership, lease, possession or use of the Premises by Tenant, whether the same are assessed against Landlord or Tenant. If any such tax is assessed against Landlord, Landlord shall provide Tenant with written notice of the assessment. Upon reasonable demand, Tenant shall provide Landlord with proof of all required payments.

8. **INSURANCE**: The following provisions shall apply:

8.1. **Tenant's Insurance**. At Tenant's sole cost and expense, Tenant shall purchase and maintain during the Term:

8.1.1. **Liability Insurance**. Commercial general liability insurance on a primary and non-contributory basis, insuring Tenant and naming Landlord and any other parties designated in writing by designated by Landlord from time to time as additional insureds, covering, without limitation, any liability for bodily injury, personal injury, including death, and property damage arising out of Tenant's operations, acts, omissions, assumed liabilities or use of the Premises, having a combined single limit of at least One Million and 00/100 Dollars (\$1,000,000.00).

8.1.2. **Property Insurance**. Special form property insurance covering all items of Landlord's and Tenant's Property in or on the Premises, including, but not limited to, fire, sprinkler leakage, vandalism, hazard and windstorm and all other risks of direct physical loss at their replacement value, and containing an ordinance or law coverage endorsement. In the event of a loss, the proceeds of such insurance will be used for the repair or replacement of the property insured; except that if this Lease is terminated following a casualty, the proceeds applicable to the Premises will be paid to Landlord and the proceeds applicable to Tenant's Property will be paid to Tenant.

8.1.3. **Workers' Compensation**. Workers' compensation insurance covering all employees of Tenant performing work in, on, or with respect to the Premises, in amounts not less than those required by Law and Employer's liability insurance covering all employees of Tenant performing work in, on or with respect to the Premises, in amounts not less than One Million and 00/100 Dollars (\$1,000,000.00) for each accident and One Million and 00/100 Dollars (\$1,000,000.00) for diseases of each employee, agent and contractor.

8.2. Tenant shall have an insurable interest in the Premises. All policies of liability insurance obtained now or at any future time by Tenant, must insure the interest of Landlord as an additional insured under the form of endorsement which makes the coverage thereunder primary insurance as regards Landlord, and non-contributory with any other insurance carried by Landlord, shall include a long form non- contributory clause naming Landlord, as well as Tenant, as an insured. The policies shall also provide that Landlord be given at least thirty (30) days' notice before any cancellation or material modification of the policy.

8.3. Upon request, Tenant shall furnish to Landlord Certificates of Insurance evidencing the insurance coverage required by these provisions, and providing that Landlord shall receive 30 days' notice of cancellation or material change in coverage. Upon reasonable request, Tenant shall

furnish Landlord with a copy of the premium bill and evidence of payment.

8.4. In the event of casualty damage to the Premises, Tenant shall promptly report the damage to Landlord. In the event of either damage to the Premises by casualty or an assertion of liability, then Tenant shall promptly report the same to the applicable insurance company and make a claim for insurance proceeds, delivering to Landlord a copy of the claim. Any insurance proceeds shall be applied to the rebuilding or repair of the Premises, with any excess paid to Landlord or disbursed as Landlord deems appropriate.

9. **LIENS AND ENCUMBRANCES**: This Lease shall be subject and subordinate to any present mortgages and other liens or encumbrances executed or consented to by Landlord, which do not materially adversely affect Tenant's use of the Premises. The holder of any such mortgage, lien or encumbrance may notify Tenant in writing of its interest, and in such event, Tenant shall send copies of all notices or communications regarding this Lease to the holder of the mortgage, lien or encumbrance. Such holder shall be entitled to take any action or exercise any rights reserved to Landlord under this Lease. Tenant shall, within ten (10) days after receipt of a request therefor, execute and deliver to Landlord and the holder of such a mortgage, lien or other encumbrance, an estoppel certificate and/or agreement evidencing the subordination of this Lease as described above, which estoppel certificate and/or agreement shall be in form satisfactory to Landlord and such holder.

9.1 Tenant shall not encumber or permit the encumbrance of the Premises or this leasehold estate by any mortgage, assignment, security interest, lien or other charge, without Landlord's prior written consent, which consent shall not be unreasonably withheld.

9.2 This Lease does not require Tenant to improve the Premises or construct any improvements or additions on the Premises. Any improvements or additions to the Premises which Tenant might make, or permit are for the sole use of Tenant and will not benefit Landlord's reversion. Tenant is not, and shall not be deemed to be, the agent of Landlord in contracting or arranging for any improvements to the Premises or any construction on the Premises. Additional provisions relating to alterations and improvements are contained in **Section 13** of this Lease.

9.3 Tenant shall promptly pay all bills for labor done or material or equipment supplied for any construction or repair work done on the Premises on behalf of Tenant. Failure to promptly pay any such bills shall be a default under this Lease. Tenant shall defend and indemnify Landlord from all liability, damages or expense resulting from any mechanic's lien claims affecting the Premises.

10. **MAINTENANCE AND REPAIR**: Tenant shall repair and maintain the roof, exterior walls and foundation of any structures located on the Premises.

10.1. Tenant shall have the obligation of maintaining all portions of the Premises. Tenant shall maintain and keep in good working order all equipment, fixtures, and systems on the Premises, and shall perform routine **repair and maintenance** on the same, including without limitation all heating and air conditioning systems and equipment. Tenant shall keep the Premises and all approaches, sidewalks, parking areas, truck pads, and adjacent alleys clean, sightly, and free of snow and rubbish, and shall keep and maintain the same in good condition repairing cracks and potholes and repairing the same when needed.

10.2. Tenant shall be responsible for all window glass replacement, for maintenance of light fixtures and lamps throughout the Premises, for repair and routine maintenance of gas heaters, boilers, water pipes, plumbing apparatus and fixtures, gutters, downspouts, and all other portions of or equipment upon the Premises, including without limitation all mechanical systems which are a part of the Premises. Tenant shall replace any worn or outdated equipment with new equipment of like quality and durability.

11. **USE OF PREMISES:** Tenant may use the Premises for any purpose which is not destructive of the Premises. Tenant shall not, however, commit or allow any waste, nuisance, or other such act or omission to occur on the Premises, and shall not do any act or allow on the Premises any condition which may disturb the quiet enjoyment of those occupying surrounding properties, including without limitation any other tenants or occupants in the Building or on the Premises. Tenant shall advise Landlord in writing of any change in the nature of Tenant's use of the Premises.

11.1. Tenant shall comply with all federal, state and local laws and regulations applicable to air emissions, water pollution, hazardous waste, hazardous materials, toxic materials, and underground storage tanks. Tenant shall secure all permits, licenses and approvals necessary for its operations and shall remain in compliance with such permits. Tenant shall notify Landlord within 10 days if Tenant learns of any allegation that Tenant's operations are in violation of any requirement of any permit or any requirement to have a permit.

11.2. Tenant shall not allow on the Premises any leakage, spillage or release of any hazardous substance, hazardous waste, petroleum, or toxic material as those terms are defined by federal or state law or regulation. If such a release should occur, Tenant shall notify Landlord of such fact within two (2) days. Furthermore, in such event, Tenant shall promptly remove and clean up any such leakage, spillage or release, at its own cost, and Tenant shall accomplish such removal and clean-up in strict compliance with all applicable laws, codes and regulations. Tenant shall notify Landlord within two (2) days if Tenant receives notice of intent to sue, notice of violation, citation, warning or similar notification arising out of operations on the Premises. Tenant shall notify Landlord within two (2) days if Tenant learns of any federal, state, or local agency investigation or inquiry concerning the Premises or Tenant's operations.

11.3. Tenant shall not use all or any part of the Premises for the purpose of refining, producing, storing, handling, transferring, processing, or transporting any pollutants or contaminants or any Hazardous Substances or petroleum products in any manner which would result in a release or threatened release which could require response under applicable Environmental Regulations, nor shall Tenant permit or suffer any other party to use all or any part of the Premises for any purpose forbidden herein. As used herein, the term "**Hazardous Substances**" shall mean ureaformaldehyde, polychlorinated biphenyls, asbestos, asbestos-containing materials, radioactive materials or wastes, petroleum products, or any other waste material or other substance which would subject the Landlord as owner of the Property to any response costs, damages, penalties or liabilities under any applicable Environmental Regulations. The term "**Environmental Regulations**" as used herein means any federal, state or local laws, statutes, codes, ordinances, regulations, requirements or rules relating to any environmental matters, including the removal, handling, and disposal of hazardous or toxic waste materials.

11.4. Tenant shall defend and indemnify Landlord from and against, any and all claims, assertions, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorney's fees and expenses incurred by Landlord, at any time, in any claim or action against or involving Tenant or Landlord resulting from (i) any breach of the covenants of Tenant contained herein, (ii) any act or failure to act by Tenant, its employees and assigns which results in a violation of or liability under any of the Environmental Regulations, or (iii) from the discovery of any Hazardous Substance in, upon, or over or emanating from the Premises as a result of acts or failures to act by Tenant, its agents, employees and assigns. It is the intent of Landlord and Tenant that Landlord shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to Hazardous Substances not caused by Landlord.

12. **PUBLIC REQUIREMENTS:** Tenant shall comply with all laws, orders, regulations, ordinances and other public requirements at any time affecting the Premises or the use of the Premises.

13. **ALTERATIONS:** At its sole expense, Tenant may, but is not required to, make improvements, alterations or additions to the Premises. Any alterations shall be of good workmanship and material and shall not reduce the size or strength of the then existing improvements or of any load bearing wall or structural support. Any improvements, alterations, additions or fixtures placed on the Premises, whether or not permanently affixed to the Premises, other than trade fixtures, shall become a part of the realty, shall belong to Landlord, and shall remain on and be surrendered with the Premises at the termination of this Lease. No improvements, alterations or additions to the Premises, other than trade fixtures, shall be removed without Landlord's prior written consent, which consent shall not unreasonably be withheld. Tenant shall repair all damage caused by any removal of any trade or other fixtures or additions. Notwithstanding the foregoing or anything else to the contrary, Tenant shall not be permitted to place any underground storage tanks on or under the Premises.

14. **ASSIGNMENT OR SUBLEASE:** Tenant shall not assign this Lease, sublease the Premises, or allow anyone else to use or occupy any part of the Premises, without Landlord's prior written consent, which consent shall not unreasonably be withheld. Landlord may assign this Lease.

15. **TENANT'S PERSONAL PROPERTY:** Landlord shall not be liable for any loss or damage to any of Tenant's merchandise, personal property or other property on or about the Premises, or for any lost profits of or consequential damage to Tenant, regardless of the cause of the loss or damage. Tenant shall be responsible for any taxes or assessments made against Tenant's personal property, and shall defend and indemnify Landlord against the same.

16. **EMINENT DOMAIN:** If any substantial part of the Premises (affecting Tenant's operations) is taken under the power of eminent domain, conveyed in lieu of condemnation, or acquired for any public or quasi-public use, this Lease may be terminated by either party. The parties shall make their individual claims for the award, which shall be distributed according to law.

17. **DAMAGE BY CASUALTY:**

17.1. If a substantial part of the Premises is so damaged by fire or other casualty that the Premises are totally untenable, Tenant may at its sole option terminate this Lease by sending

Landlord written notice within 10 days after the date of the casualty. If the Lease is so cancelled, rent shall be paid only to the date of cancellation and Tenant shall promptly surrender the Premises to Landlord.

17.2. If Tenant does not elect to terminate this Lease in case of total untenantability, this Lease shall continue in full force and effect provided that Tenant shall not have the obligation to restore the Premises to at least their previous condition within a reasonable time. For that purpose, Landlord and its agents and contractors may enter the Premises. Rent shall abate during the period of untenantability.

17.3. If the Premises are so damaged by fire or other casualty that tenantability is only partially disturbed, then Tenant shall restore the same to at least their previous condition within a reasonable time., and rent shall abate in proportion and in duration equal to the partial untenantability of the Premises. No claims shall be made by or allowed to Tenant by reason of any inconvenience or annoyance arising from the repair work.

17.4. In the event the Premises suffer any casualty damage, Tenant shall within 10 days remove any debris or rubbish, remove Tenant's personal property from the damaged Premises, and clean the damaged Premises to facilitate repair or restoring operations.

18. **DEFAULT BY TENANT:**

18.1. Tenant will be in default under this Lease upon the happening of any one or more of the following events:

18.1.1. Failure of Tenant to make any rent payment when due or fully and timely perform any obligation contained in this Lease.

18.1.2. Any warranty, representation or statement made or furnished to Landlord by or on behalf of Tenant for the purpose of inducing the execution of this Lease or any other agreement between the parties proves to have been false in any material respect when made or furnished.

18.1.3. Tenant is dissolved or its existence terminated; Tenant becomes insolvent, its business fails, or a receiver is appointed for any of Tenant's property; Tenant is generally not paying its debts as they become due; or Tenant makes an assignment for the benefit of its creditors or is the subject of any voluntary or involuntary bankruptcy or insolvency proceeding.

18.1.4. Tenant abandons the Premises, or the Premises or Tenant's leasehold interest in the Premises are attached or taken under any court order or writ of execution.

18.2. If Tenant defaults, Landlord may enforce its rights by an action for rent and possession, unlawful detainer, or other legal remedy. Tenant agrees that, notwithstanding Landlord's possession of the Premises, Tenant shall remain liable for and shall pay Landlord an amount equal to the entire rent payable to the end of the then-applicable Term of this Lease. This amount may either (a) be accelerated and become payable at once, or (b) become due and be payable monthly, at the sole option of Landlord. In addition, Tenant shall be liable for and shall pay to Landlord any loss or deficiency sustained by Landlord because of Tenant's default.

18.3. Notwithstanding Landlord's re-entry and possession of the Premises, Landlord

upon Tenant's default, shall have the right, without notice to Tenant, and without terminating this Lease, to make alterations and repairs for the purpose of reletting the Premises. Landlord may re-let or attempt to re-let the Premises or any part of the Premises for the remainder of the then-applicable Term or for any longer or shorter period as opportunity may offer, to such persons and at such rent as may be obtained. Nothing in this Lease shall require Landlord to re-let or make any attempt to re-let the Premises, and any reletting shall be done by Landlord as agent for Tenant. In case the Premises are re-let, Tenant shall pay the difference between the amount of rent payable during the remainder of the Term and the net rent actually received by Landlord during the Term after deducting all expenses for repairs, alterations, recovering possession and reletting the same, which difference shall either (a) accrue and be payable monthly, or (b) be accelerated and become payable at once, at Landlord's sole option.

18.4. No actions taken by Landlord after Tenant's default shall be construed as indicating a termination of this Lease. This Lease shall remain in full force and effect and shall not be terminated unless Landlord so elects in writing.

18.5. At Landlord's election, Landlord may cure any default of Tenant by expending money, contracting for the making of repairs, purchasing insurance, or by any other actions. If Landlord takes any such actions, Tenant will promptly, upon demand, reimburse Landlord for all of Landlord's expenses. All such expenses shall bear interest from the dates they are incurred until the dates they are paid, at a rate of ten percent (10%) per annum.

18.6. Landlord shall be entitled to recover from Tenant all of Landlord's expenses in exercising any of its rights under this Lease, including without limitation Landlord's reasonable attorney's fees.

18.7. All of Landlord's remedies are cumulative, and may be exercised successively or concurrently, at Landlord's election.

19. **WAIVERS:** Any waiver, consent or approval on the part of Landlord must be in writing and shall be effective only to the extent specifically set forth in the writing. No delay or omission by Landlord in the exercise of any right or remedy with respect to any one occasion shall impair Landlord's ability to exercise the right or remedy in the same or on another occasion.

20. **NOTICES:** All notices or other communications shall be in writing signed by the sender, and shall either be (a) personally delivered or (b) mailed by certified mail, at or to the following addresses:

Tenant: 150 Airport Road, Suite 900  
Lakewood, NJ 08701 Attn.:  
Managing Member

Landlord: 150 Airport Road, Suite 900  
Lakewood, NJ 08701 Attn.:  
Managing Member

Either party may change the address by written notice to the other. Notices shall be effective

when received (if personally delivered) or when deposited in the United States Mail (if mailed by certified mail).

21. **RETURN OF PREMISES**: At the termination of this Lease, Tenant agrees to deliver to Landlord the Premises and all mechanical systems and all equipment and fixtures thereon, in the same working order and condition as upon the execution of this Lease.

21.1 Should Tenant fail to vacate the Premises at the termination of this Lease, Tenant shall pay for each day of the holdover period the then-applicable rent. All the terms and provisions of this Lease shall continue to apply. Tenant will be a tenant at will during the holdover period. Nothing in this section shall be a waiver of or preclude the exercise of Landlord's remedies for Tenant's default. Should Tenant's holdover prevent Landlord from fulfilling the terms of another lease, Tenant shall defend and indemnify Landlord from all direct and consequential damages for which Landlord may be liable, or which Landlord may suffer, as a result thereof.

22. **QUIET ENJOYMENT**. Neither Landlord nor Landlord's successors or assigns will disturb Tenant in its quiet enjoyment of the Premises.

23. **INDEMNITY**. Tenant shall indemnify, defend and hold harmless Landlord from and against any and all damage, expense, claim, liability or loss, including reasonable attorneys' fees, arising out of or in any way connected to any condition, occurrence or event occurring on the Premises or arising out of any use of the Premises during the Term of this Lease. This duty to indemnify and defend shall include but shall not be limited to damages, costs, liability, loss and expense including professional consultant, engineering or attorneys' fees incurred in responding to federal, state, or local laws, strict liability, or common law.

24. **WAIVER OF SUBROGATION**. Landlord and Tenant each respectively waive all rights of recovery against the other and the other's agents, employees, permitted licensees and assignees, for any loss or damage to property or injury to or death of persons, to the extent the same is covered or indemnified by proceeds of any insurance, or for which reimbursement is otherwise received. This agreement, however, shall apply only so long as the parties' respective insurance companies expressly concur in this agreement and waive all subrogation rights. Each party shall have a continuing obligation to notify the other party if these waivers are not granted. Nothing in this section shall impose any greater liability upon the Landlord than would have existed in the absence of this section.

25. **ATTORNTMENT**: Tenant agrees to and does attorn to any successor to Landlord's interest in all or any part of the Premises, including without limitation any purchaser at any foreclosure sale of all or any part of the Premises.

26. **SUCCESSORS AND ASSIGNS**: This Lease shall inure to the benefit of and be binding upon the heirs, estates, executors, administrators, receivers, custodians, successors and (in the case of Tenant, permitted) assigns of the respective parties.

27. **AMENDMENTS**: This Lease contains the entire agreement of the parties. No amendments may be made to this Lease except by an agreement in writing executed by all the parties.



28. **MISCELLANEOUS**: The following provisions are additional terms of this Lease:
- 28.1. **Captions**. The captions of the sections of this Lease are inserted for convenience only and shall not be used in the interpretation or construction of any provisions of this Lease.
- 28.2. **Severability**. If any provision of this Lease is held invalid or unenforceable, the holding shall affect only the provision in question and that provision in other circumstances, and all other provisions of this Lease, shall remain in full force and effect.
- 28.3. **Relation of the Parties**. The rule that the terms of an agreement are strictly construed against the drafting party shall have no application to the construction of interpretation of this Lease. It is the intention of the parties that this Lease shall not create the relation between the parties hereto other than that of landlord and tenant and no other relation whatsoever, and nothing contained in this Lease (including, without limitation, the method of determining rent) will be construed to make the parties hereto partners or joint venturers or to render either party hereto liable for any of the debts or obligations of the other party.
- 28.4. **Successors and Assigns**. Subject to the terms of this Lease, each provision of this Lease will extend to, bind and inure to the benefit of Landlord and Tenant and their respective successors and assigns; and all references herein to Landlord and Tenant will be deemed to include all such parties.
- 28.5. **Entire Agreement**. This Lease, and the riders and exhibits, if any, attached to this Lease, represent the complete agreement between Landlord and Tenant; and Landlord has made no representations or warranties except as expressly set forth in this Lease. No modification or amendment of or waiver under this Lease will be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.
- 28.6. **Time**. If the date for payment of any sum or the performance of any obligation under this Lease by either party falls on a Saturday, Sunday or national holiday, then the date for such payment or performance will be extended to 5:00 p.m. **Eastern Time** on the first business day following such Saturday, Sunday or national holiday. Time is of the essence of this Lease and each and all of its provisions, specifically including, without limitation, the payment of rent and the exercise of any option or right in favor of Tenant under this Lease.
- 28.7. **Execution and Delivery**. Tenant covenants, warrants and represents that: (i) each individual executing, attesting and/or delivering this Lease on behalf of Tenant is authorized to do so on behalf of Tenant, (ii) this Lease is binding upon Tenant, and (iii) Tenant is duly organized and legally existing in the state of its organization and is qualified to do business in the state in which the Premises is located. Landlord covenants, warrants and represents that: (i) each individual executing, attesting and/or delivering this Lease on behalf of Landlord is authorized to do so on behalf of Landlord, (ii) this Lease is binding upon Landlord, and (iii) Landlord is duly organized and legally existing in the state of its organization and is qualified to do business in the state in which the Premises is located.
- 28.8. **Governing Law**. This Lease will be governed by and construed in accordance with the laws of the State of Illinois.

28.9. **Force Majeure.** If either party is delayed, hindered or prevented from the performance of an obligation under this Lease because of any accident, breakage, strike, lockout, delay in obtaining or inability to obtain any governmental permit or license, including any building permit, shortage of materials, act of God, power failure, unduly restrictive governmental regulation, riots, insurrection, war, pandemic or other causes beyond the reasonable control of such party, but not including financial inability to perform its obligations, the performance of such party will be excused for the period of delay. The period for the performance of such obligations will also be extended for a period equal to the period of delay. Notwithstanding the foregoing, in no event will Tenant be excused from the prompt payment of Rent.


28.10. **No Waiver.** No waiver of any default of Tenant will be implied from any omission by Landlord to take any action on account of such default if such default persists or be repeated, and no express waiver will affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated.

28.11. **Counterparts.** This Lease may be executed in counterparts and each copy of this Lease to which is attached counterpart signature pages collectively containing the signatures of all of the parties will be deemed for all purposes to be a fully executed original of this Lease. This Lease will not be effective unless and until the same has been executed and delivered by all parties whether in one or more counterparts. To facilitate execution of this Lease, the parties may execute and exchange counterparts of signature pages by Adobe portable document format (.pdf).

Intending to be fully bound, the parties have executed this Lease the day and year first above written.

**LANDLORD:**

Woodlake Pacific Holdings LLC

By:   
Name: Mark Tress  
Title: Member

**TENANT:**

Woodlake Specialty Hospital LLC

By:   
Name: Chaim Kottenberg  
Title: Member

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

Woodlake Specialty Hospital LLC ("WSH") will be the licensed operator of Woodlake Hospital.  
The Certificate of Good Standing for WSH is attached at ATTACHMENT 1.

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

1. WSH, the licensee and operator, has the following, three equal members: Mark Tress, Chaim Rottenberg, and Stephen Werdiger.
2. WPH, the owner of the land and buildings, has the same three equal members: Mark Tress, Chaim Rottenberg, and Stephen Werdiger.

**Section II**  
**Attachment 5**  
**Background of the Applicants**

**Westlake Specialty Hospital LLC ("WSH")**

1. WSH is an Illinois limited liability company.
2. WSH does not own or operate any other licensed healthcare facilities in Illinois.
3. WSH has three equal members (i.e., Mark Tress, Chaim Rottenberg, and Stephen Werdiger). The members of WSH do not own or operate any other licensed healthcare facilities in Illinois.
4. WSH was specifically organized for this Project.
5. There have been no adverse actions taken against any facility owned or operated by WSH during the three (3) years prior to the filing of this Application. A letter certifying the above information is attached at ATTACHMENT 5.
6. An authorization letter granting access to the Board and the Illinois Department of Public Health ("IDPH") to verify information about WSH is attached at ATTACHMENT 5.

**Woodlake Pacific Holdings LLC ("WPH")**

1. WPH is a Delaware Illinois limited liability company.
2. WPH does not own or operate any other licensed healthcare facilities in Illinois.
3. WPH has three equal members (i.e., Mark Tress, Chaim Rottenberg, and Stephen Werdiger). The members of WPH do not own or operate any other licensed healthcare facilities in Illinois.
4. WPH was specifically organized for this Project.
5. There have been no adverse actions taken against any facility owned or operated by WPH during the three (3) years prior to the filing of this Application. A letter certifying the above information is attached at ATTACHMENT 5.
6. An authorization letter granting access to the Board and the Illinois Department of Public Health ("IDPH") to verify information about WPH is attached at ATTACHMENT 5.

**Affiliates (Not In Illinois)**

1. WSH and WPH are affiliates of Intensive Specialty Hospital LLC, a health system with long term acute care hospitals located at 1800 Irving Place, Shreveport, Louisiana, 71101, and 2525 Viking Drive, Bossier City, Louisiana 71111 (collectively, the "Intensive Hospitals"). See <https://intensivespecialty.com>.
2. The Intensive Hospitals provided post-acute care to hundreds of COVID-19 patients following its affiliation with the largest acute care health system in the Shreveport-Bossier City

service area, Willis-Knighton Health System. The Intensive Hospitals have long term acute care beds, rehabilitation beds, psychiatric beds, skilled nursing beds, and outpatient services.

3. The Applicants are planning a similar bed model and focus for Woodlake Hospital (i.e., long term acute care beds, rehabilitation beds, psychiatric beds, skilled nursing beds, and outpatient services).

4. In addition to the Intensive Hospitals, the principals own nursing homes and healthcare facilities across the country.

**Woodlake Specialty Hospital LLC  
Woodlake Pacific Holdings LLC**

May 25, 2021

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

Re: No Adverse Actions Certification (Woodlake Specialty Hospital COE)

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 Woodlake Specialty Hospital LLC, which was organized specifically for this Project, during the three (3) years prior to the filing of this Certificate of Exemption Application.
2. There have been no adverse actions taken against any facility owned or operated by Woodlake Pacific Holdings LLC, which was organized specifically for this Project, during the three (3) years prior to the filing of this Certificate of Exemption Application.

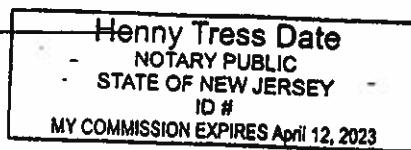
Sincerely,



\_\_\_\_\_  
Mark Tress  
Managing Member  
Woodlake Specialty Hospital LLC  
Woodlake Pacific Holdings LLC

Subscribed and Sworn to before me  
this 27 day of May, 2021.

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



**Woodlake Specialty Hospital LLC  
Woodlake Pacific Holdings LLC**

May 25, 2021


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

Re: Authorization to Access Information (Woodlake Specialty Hospital COE)

Dear Mr. Constantino:

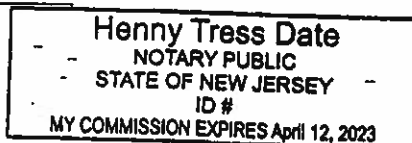
I hereby authorize the Illinois Health Facilities & Services Review Board (the "Board") and the Illinois Department of Public Health ("IDPH") to access all information necessary to verify any documentation or information submitted by Woodlake Specialty Hospital LLC and Woodlake Pacific Holdings LLC with this Certificate of Exemption 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 Exemption Application.

Sincerely,

  
\_\_\_\_\_  
Mark Tress  
Managing Member  
Woodlake Specialty Hospital LLC  
Woodlake Pacific Holdings LLC

Subscribed and Sworn to before me  
this 27 day of May, 2021.

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





**Section III**  
**Attachment 6**

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

**Criterion 1130.520(b)(1)(A), Name of the Parties**

1. Woodlake Specialty Hospital LLC ("WSH") will be the licensed operator of Woodlake Hospital. Woodlake Pacific Holdings LLC ("WPH") will own the building that houses Woodlake Hospital (and the land upon which it sits) and WPH will lease the same to WSH.

**Criterion 1130.520(b)(1)(B), Background of the Applicants**

1. See Section II, Background of The Applicants, in support of this Criterion.

**Criterion 1130.520(b)(1)(C), Structure of the Transaction**

1. On August 6, 2019 (the "Petition Date"), Pipeline-Westlake Hospital, LLC ("Pipeline-Westlake") and Westlake Property Holdings LLC ("Westlake Holdings," and collectively with Pipeline Westlake, the "Westlake Debtors") filed for Chapter 7 bankruptcy protection. On August 14, 2019, the Office of the United States Trustee appointed Mr. Bodenstein to serve as the successor Chapter 7 Trustee (the "Chapter 7 Trustee") of the Pipeline-Westlake Bankruptcy Estate and the Westlake Holdings Bankruptcy Estate.

Prior to the Petition Date, the Westlake Debtors owned and operated Westlake Hospital. On August 14, 2019, Westlake Hospital ceased all operations. On November 6, 2019, the Chapter 7 Trustee formally surrendered Westlake Hospital's general acute care hospital license to the Illinois Department of Public Health ("IDPH").

On September 14, 2020, WPH and the Chapter 7 Trustee entered into that certain Purchase and Sale Agreement (the "Purchase Agreement"), pursuant to which WPH acquired the real property assets, and certain other assets, of Westlake Holdings, including the former Westlake Hospital building and the land upon which it sat, for \$11,450,000. On October 5, 2020, the Bankruptcy Court approved the terms of the Purchase Agreement. The Purchase Agreement is expressly contingent upon the approval of this CON Application by the Review Board to establish a new general acute care hospital on the site of the former Westlake Hospital.

**Criterion 1130.520(b)(1)(D), Licensed Party**

1. Woodlake Specialty Hospital LLC ("WSH") will be the licensed operator of Woodlake Hospital.

**Criterion 1130.520(b)(1)(E), List of Ownership Interests in the Licensed Party**

1. WSH, the licensee and operator, has the following, three equal members: Mark Tress, Chaim Rottenberg, and Stephen Werdiger.
2. WPH, the owner of the land and buildings, has the same three equal members: Mark Tress, Chaim Rottenberg, and Stephen Werdiger.

**Criterion 1130.520(b)(1)(F), Fair Market Value of Assets to be Transferred**

1. On September 14, 2020, WPH and the Chapter 7 Trustee entered into that certain Purchase and Sale Agreement, pursuant to which WPH acquired the real property assets, and certain other assets, of Westlake Holdings, including the former Westlake Hospital building and the land upon which it sat, for \$11,450,000.

**Criterion 1130.520(b)(1)(G), Purchase Price of Assets to be Transferred**

1. On September 14, 2020, WPH and the Chapter 7 Trustee entered into that certain Purchase and Sale Agreement, pursuant to which WPH acquired the real property assets, and certain other assets, of Westlake Holdings, including the former Westlake Hospital building and the land upon which it sat, for \$11,450,000.

**Criterion 1130.520(b)(2), Completion of Pending CONs**

1. There are no pending Certificates of Need for WPH or WSH.

**Criterion 1130.520(b)(3), Charity Care Policies**

1. WSH will adopt the same charity policies that were in place at the former Westlake Hospital at the time Westlake Hospital closed. WSH will maintain those same charity care policies for no less than two years after the opening of Woodlake Hospital. See ATTACHMENT 6. Copies of the Westlake Hospital charity care policies are attached at ATTACHMENT 6.

**Criterion 1130.520(b)(4), Benefits to the Community**

1. The Review Board is well aware of the controversy that surrounded the closure of Westlake Hospital in 2019 and the impact that the closure had on the communities served by Westlake Hospital. Not only did those communities lose a vital healthcare resource that treated all patients regardless of their ability to pay, but nearly 1,000 employees lost their well-paying jobs. In the months that followed the closure of Westlake Hospital, COVID-19 gripped these same communities and highlighted the healthcare and economic disparities in our brown and black communities. Indeed, Westlake Hospital was converted into a COVID-19 surge hospital by the State of Illinois and the Federal Government because the Westside of Chicago was severely impacted by COVID-19.

The lockdowns and social isolation caused by COVID-19 have also ushered in an unprecedented need for inpatient and outpatient behavioral health services. For example, opioid overdose deaths in Cook County have doubled since 2019 as patients have been unable or afraid to seek help because of COVID-19. See, e.g., "West Side Overdoses Surge as Coronavirus Shutdown Makes It Harder to Access Addiction Help," Block Club of Chicago (August 27, 2020).

COVID-19 has also forced area hospitals to reconsider the types of services they offered due to finances and COVID-19. For example, a number of hospitals within Westlake Hospital's service area discontinued their long-term care/skilled nursing units. See, e.g., Project No. E-042-20 (Rush Oak Park Hospital received a COE on 9/17/2020 to discontinue its 36 bed long-term care/skilled nursing unit due to the fact that only 6% of their long term care patients generated revenues in excess of expenses); Project No. E-058-20 (AMITA Health St. Elizabeth Hospital

received a COE on 12/8/2020 to discontinue its 28 bed long-term care/skilled nursing unit due to COVID-19).

The year 2021 looks no better for hospitals, as many experts are predicting that hospital revenues losses across the country could hit \$122 billion. See, e.g., "COVID 19 Hospital Revenue Losses Could Reach Up to \$122 billion in 2021," Rev Cycle Intelligence (February 21, 2020). The prognosis for safety-net hospitals in Chicago is even worse. According to The Challenging Future of the Chicago Safety Net 2021, a report from the Healthcare Council of Chicago, safety-net hospitals on Chicago's west and south sides "are projected to lose \$1.76 billion by 2024."

This Project attempts to address all of this. Indeed, this Project is arguably the first project in at least 30 years where an organization is attempting to re-open a general acute care hospital at the site of a previously closed hospital. Moreover, this Project is arguably the first project in at least 30 years where a new provider is prepared to invest over \$40 million into an underserved community with no real commitment that the State will cover any unprojected, operating losses. The Applicants are estimating that at least 500 to 600 permanent jobs will be created as a result of this Project.

Because of the uniqueness of this Project, the Illinois State House and the Illinois State Senate unanimously passed an amendment to SB 0168 in less than 2 weeks to allow this Project to move forward. SB 0168 was signed into law by Governor Pritzker less than a week after SB 0168 was sent to him. See Public Act 102-0003.

**Criterion 1130.520(b)(5), Cost Savings**

1. At this time, it is not possible to predict with specificity the cost savings that will be realized because the former Westlake Hospital is currently closed.

**Criterion 1130.520(b)(6), Quality Improvement**

1. WSH will adopt quality improvement plans that are the same or better than the quality improvement plans that were in place at Westlake Hospital. Copies of WSH's proposed quality improvement plans are attached at ATTACHMENT 6.

**Criterion 1130.520(b)(7), Governing Body**

1. Mark Tress, Chaim Rottenberg, and Stephen Werdiger, will serve as the managing members of WSH.

2. WSH has also established a Local Board of Directors, comprised of local community leaders and physicians. To date, the following individuals have agreed to join the Local Board of Directors:

Hon. Thomas "Ned" Benigno, Deputy Illinois Secretary of State and Chief of Staff

Hon. Andre Harvey, Mayor of Bellwood

Dr. Glenn Kushner, Last President of the West Lake Hospital Medical Staff

Dr. Martha Kushner, Melrose Park resident and community activist

Doug Olson, Melrose Park Chamber of Commerce

Hon. Anthony Sanchez, Village of Melrose Park Trustee

Sergio Saurez, Entrepreneur, Philanthropist and Melrose Park resident

Hon. Katrina Thompson, Mayor of Broadview

Hon. Anthony Williams, Proviso Township Clerk

3. Dr. Glenn Kushner, the last President of the Medical Staff at Westlake Hospital prior to its closure, has agreed to serve as the inaugural President of the Medical Staff at Woodlake Hospital. Dr. Kushner will also serve as the inaugural President of the Medical Executive Committee at Woodlake Hospital.

**Criterion 1130.520(b)(9), Scope of Service Changes**

1. Woodlake Hospital will occupy approximately 270,024 gross square feet and will have 80 acute mental illness ("AMI") beds, 60 long term care ("Skilled Nursing") beds, 44 long term acute care ("LTAC") beds, 6 intensive care unit ("ICU") beds to support the LTAC unit, and 40 comprehensive physical rehabilitation ("Rehab") beds, for a total of 230 authorized beds. Woodlake Hospital will also maintain a stand-by emergency department.

2. On the day it closed, Westlake Hospital had 230 total authorized beds.

**Section III**  
**Attachment 6**  
**Cost Space Requirements Worksheet**

Dept. / Area	Construction Costs	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Clinical Portions			154,369 DGSF				154,369 DGSF
Non-Clinical Portions			73,052 DGSF				73,052 DGSF
Circulation			42,603 GSF				42,603 GSF
<b>TOTAL</b>	<b>\$18,900,000</b>		<b>270,024 BGSF</b>				<b>270,024 BGSF</b>

**Woodlake Specialty Hospital LLC  
Woodlake Pacific Holdings LLC**

May 25, 2021


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

Re: Charity Care Certification (Woodlake Specialty Hospital COE)

Dear Mr. Constantino:

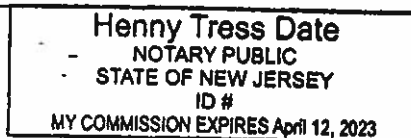
I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, and pursuant to 77 Ill. Admin. Code § 1130.520(b)(3), that Woodlake Specialty Hospital LLC will not adopt more restrictive charity care policies that were in effect at Westlake Hospital prior to its closure in 2019, and that those charity care policies will remain in effect for no less than two years following the re-opening of the former Westlake Hospital.

Sincerely,

  
\_\_\_\_\_  
Mark Tress  
Managing Member  
Woodlake Specialty Hospital LLC  
Woodlake Pacific Holdings LLC

Subscribed and Sworn to before me  
this 27 day of May, 2021.

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



## SRC HOSPITAL INVESTMENTS II, LLC

### Charity Care, Financial Assistance and Billing & Collection Policies for Uninsured Patients

#### SCOPE:

This Charity Care, Financial Assistance and Billing & Collection Policies for Uninsured Patients (the "Policy") shall apply to Louis A. Weiss Memorial Hospital, VHS West Suburban Medical Center, and VHS Westlake Hospital (each, a "Hospital," and collectively, the "Hospitals").

#### PURPOSE:

This Policy is established to provide the operational guidelines for the Hospitals to (i) identify Uninsured Patients who are Financially Indigent or Medically Indigent that may qualify for charity care (free care) or financial assistance, (ii) process Patient applications for charity care or financial assistance and (iii) bill and collect from Uninsured Patients, including those who qualify as Financially Indigent or Medically Indigent under this Policy.

#### DEFINITIONS:

The following definitions shall apply to this Policy:

1. **Family Income**: the sum of a family's annual earnings and cash benefits from all sources before taxes, less payments made for child support.
2. **Federal Poverty Income Guidelines**: the federal poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under authority 42 U.S.C. 9902(2).
3. **Financially Indigent**: a person who qualifies for financial assistance under Section A.6 of this Policy.
4. **Guarantor**: a Patient's spouse or Partner and if the Patient is a minor, the Patient's parents or guardians.
5. **Health Care Services**: any Medically Necessary inpatient or outpatient Hospital service, including pharmaceuticals or supplies.
6. **IHUPDA**: the Illinois Hospital Uninsured Patient Discount Act, as may be amended from time to time.
7. **Medically Indigent**: a person who qualifies for financial assistance under Section A.7 of this Policy.
8. **Illinois Fair Patient Billing Act**: the Illinois Fair Patient Billing Act and implementing regulations, as may be amended from time to time.
9. **Medically Necessary**: means any inpatient or outpatient Hospital service, including pharmaceuticals or supplies provided by the Hospital to a Patient, covered under Title XVIII of the federal Social Security Act for beneficiaries with the same clinical presentation as the Uninsured Patient. A medically necessary service does not include any of the following: (i) non-medical services such as social and vocational services, or (ii) elective cosmetic surgery, but not plastic surgery designed to correct disfigurement caused by injury, illness, or congenital defect or deformity.
10. **Partner**: a person who has established a civil union pursuant to the Illinois Religious Freedom Protection and Civil Union Act or similar state law.

**PROCEDURE:**

**A. CHARITY CARE AND FINANCIAL ASSISTANCE PROCESS**

1. **Application.** Each Hospital will request that each Patient applying for charity care financial assistance complete a Financial Assistance Application Form that conforms to the Illinois Fair Patient Billing Act (the "Assistance Application"). An example of the Assistance Application is attached hereto as Exhibit A. The Assistance Application allows for the collection of needed information to determine eligibility for financial assistance.

a. **Calculation of Immediate Family Members.** Each Hospital will request that Patients requesting charity care verify the number of people in the Patient's household.

i. **Adults.** In calculating the number of people in an adult Patient's household, the Hospital will include the Patient, the Patient's spouse and any dependents of the Patient or the Patient's spouse.

ii. **Minors.** For persons under the age of 18 (the "Minor Patient"). In calculating the number of people in the Minor Patient's household, the Hospital will include the Minor Patient, the Minor Patient's mother, dependents of the Minor Patient's mother, the Minor Patient's father, and dependents of the Minor Patient's father.

b. **Calculation of Income.**

i. **Adults.** For adults, determine the Family Income. The Hospital may consider other financial assets of the Patient and the Patient's family and the Patient's or the Patient's family's ability to pay.

2. **Income Verification.** The Hospital shall request that the Patient verify Family Income and provide the documentation requested as set forth in the Assistance Application.

a. **Documentation Verifying Income.** Family Income may be verified through any of the following mechanisms:

- i. Tax Returns (for year prior to date of admission);
- ii. IRS Form W-2;
- iii. Wage and Earnings Statement;
- iv. Pay Check Remittance;
- v. Social Security;
- vi. Worker's Compensation or Unemployment Compensation Determination Letters;
- vii. Qualification within the preceding six (6) months for governmental assistance program (including food stamps, CDIC, Medicaid and AFDC);



viii. Telephone verification by the Patient's employer of the Patient's Income;

ix. Bank statements, which indicate payroll deposits.

b. **Documentation Unavailable.** In cases where the Patient is unable to provide documentation verifying Income, the Hospital may at its sole discretion verify the Patient's Family Income in either of the manners:

i. By having the Patient sign the Assistance Application attesting to the veracity of the Income information provided; or

ii. Through the written attestation of the Hospital personnel completing the Assistance Application that the Patient verbally verified the Hospital's calculation of Family Income.

*Note: In all instances where the Patient is unable to provide the requested documentation to verify Family Income, the Hospital will require that a satisfactory explanation of the reason the Patient is unable to provide the requested documentation be noted by the Hospital Supervisor.*

c. **Expired Patients.** Subject to the presumptive eligibility criteria set forth herein, expired Patients may be deemed to have no Family Income for purposes of the Hospital's calculation of Family Income. Documentation of Income is not required for expired Patients. Income verification is still required for any other family members.

d. **Incarcerated Patients.** Incarcerated Patients (incarceration verification should be attempted by Hospital personnel) may be deemed to have no Family Income for purposes of the Hospital's calculation of Income, but only if their medical expenses are not covered by the governmental entity incarcerating them (i.e. the Federal Government, the State or a County is responsible for the care) since in such event they are not Uninsured Patients. Family Income verification is still required for any other family members.

e. **International Patients.** International Patients who are uninsured and whose visit to the Hospital was unscheduled will be deemed to have no Family Income for purposes of the Hospital's calculation of Family Income. Family Income verification is, moreover, still required for any other family members, but only if other family members are United States citizens.

f. **Eligibility Cannot be Determined.** If and when Hospital personnel cannot clearly determine eligibility, the Hospital personnel will use best judgment and submit a memorandum (such memorandum should be the first sheet in the documentation packet) listing reasons for judgment along with Financial Assistance documentation to appropriate supervisor. The Hospital Supervisor will then review the memorandum and documentation. If the Supervisor agrees to approve the eligibility, they will sign Eligibility Determination form and continue with normal Approval process. If the Hospital Supervisor does not approve eligibility of the Patient under this Policy, the Hospital Supervisor should sign the submitted memorandum and return all documentation to Hospital personnel who will note account and send documentation to the Hospital's business office for filing. If the Hospital Supervisor disagrees with the Hospital personnel's judgment, the Hospital Supervisor should state reasons for new judgment and will return documentation to hospital personnel who will follow either denial process or approval process as determined by the Hospital Supervisor.

g. **Classification Pending Income Verification.** During the Family Income verification process, while the Hospital is collecting the information necessary to determine a Patient's Family Income, the Patient may be treated as a self-pay Patient in accordance with Hospital policies.

3. **Information Falsification.** Falsification of information may result in denial of the Assistance Application. If, after a Patient is granted financial assistance as a Qualifying Individual, and the Hospital finds material provision(s) of the Assistance Application to be untrue, the financial assistance may be withdrawn.

4. **Request for Additional Information.** If adequate documentation is not provided, the Hospital will contact the Patient and request additional information. If the Patient does not comply with the request within thirty (30) calendar days from the date of the request, such non-compliance will be considered an automatic denial for financial assistance. A note will be input into the Hospital computer system and any and all paperwork that was completed will be filed according to the date of the denial note. No further actions will be taken by Hospital personnel. If requested documentation is later obtained, all filed documentation will be pulled and Patient will be reconsidered for Financial Assistance.

5. **Automatic Classification as Financially Indigent.** The following is a listing of types of accounts where Financial Assistance is considered to be automatic and documentation of Income or a Financial Assistance application is not needed:

- a. Medicaid accounts-Exhausted Days/Benefits;
- b. Medicaid spend down accounts;
- c. Medicaid or Medicare Dental denials; and
- d. Medicare Replacement accounts with Medicaid as secondary-where Medicare Replacement plan left Patient with responsibility.

6. **Classification as Financially Indigent.** The Hospital shall classify as "Financially Indigent" any Uninsured Patient who qualifies for assistance under IHUPDA as set forth above in CHARITY CARE AND FINANCIAL ASSISTANCE Policy #2.

7. **Classification as Medically Indigent.** The Hospital may classify as "Medically Indigent" any Uninsured Patient whose hospital bills exceed a specified percentage of the person's Family Income, and who is unable to pay the remaining bill. In the event a Patient is Medically Indigent, the Hospital will not collect additional amounts from the Patient for Health Care Services, to the extent set forth below.

a. **Medical Indigence Under the IHUDPA.** The Hospital shall accept a Patient as Medically Indigent when he or she meets the acceptance criteria set forth below:

- i. The Patient is Financially Indigent; and
- ii. The Patient's bill, in any twelve (12) month period, is greater than 25% of the Patient's Family Income, calculated in accordance with the Hospital's income verification procedures. The twelve (12) month period to which the maximum amount applies shall begin on the first date an Uninsured Patient receives Health Care Services that qualify for financial assistance under IHUDPA. To be eligible to have this maximum amount applied to subsequent charges, the Uninsured Patient shall inform the Hospital in subsequent inpatient admissions or outpatient encounters that the Patient has previously received Health Care Services from that Hospital and was determined to qualify for financial assistance under IHUDPA.

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iii. **Other Medical Indigence.** The Hospital, in its sole discretion, also may deem an Uninsured Patient to be Medically Indigent if the Patient's bill is greater than 50% of the Patient's income calculated in accordance with Hospital income verification procedures and the Patient is not otherwise Financially Indigent.

8. **Presumptive Eligibility.**

a. Uninsured Patients demonstrating one (1) or more of the following shall be deemed presumptively eligible for hospital financial assistance, pursuant to the Illinois Fair Patient Billing Act:

- i. Homelessness;
- ii. Deceased with no estate;
- iii. Mental incapacitation with no one to act on Patient's behalf;
- iv. Medicaid eligibility, but not on date of service or for non-covered service;
- v. Enrollment in the following assistance programs for low-income individuals having eligibility criteria at or below 200% of the Federal Poverty Income Guidelines:
  - Women, Infants and Children Nutrition Program (WIC);
  - Supplemental Nutrition Assistance Program (SNAP);
  - Illinois Free Lunch and Breakfast Program;
  - Low Income Home Energy Assistance Program (LIHEAP);
  - Enrollment in an organized community-based program providing access to medical care that assesses and documents limited low-income financial status as a criterion for membership;
  - Receipt of grant assistance for medical services.

b. The Hospital also may deem presumptively eligible for Hospital financial assistance those Patients listed above in Section A.5 of this Policy.

9. **Approval Procedures.** Hospital will complete a Financial Assistance Eligibility Determination Form Eligibility for each Patient granted status as Financially Indigent or Medically Indigent. The approval signature process is as following:

\$1 - \$1,000	Director
\$1,001 - \$50,000	Director and CFO
\$50,001 and above	Director, CFO and CEO

a. The accounts will be filed according to the date the Financial Assistance adjustment was entered onto the account.

b. The Eligibility Determination Form allows for the documentation of the

administrative review and approval process utilized by the Hospital to grant financial assistance. Any change in the Eligibility Determination Form must be approved by the Director of Patient Financial Services. *Note: If the application is approved, approval for previous twelve months services (with outstanding balances) can be considered as part of the current request for financial assistance.*

10. **Denial for Financial Assistance.** If the Hospital determines that the Patient is not Financially Indigent or Medically Indigent under this policy, it shall notify the Patient of this denial in writing.

11. **Document Retention Procedures.** The Hospital will maintain documentation sufficient to identify for each Patient qualified as Financially Indigent or Medically Indigent, the Patient's Family Income, the method used to verify the Patient's Income, the amount owed by the Patient, and the person who approved granting the Patient status as Financially Indigent or Medically Indigent. All documentation will be forwarded and filed within the Hospital's Business Office for audit purposes. Financial Assistance applications and all documentation will be retained within the Hospital's Business Office for one calendar year. After which, the documents will be boxed and marked as: "FINANCIAL ASSISTANCE DOCUMENTATION, JANUARY YYYY-DECEMBER YYYY" and forwarded to the Hospital storage facility, where it will then be retained for an additional six (6) years before shredding.

12. **Reservation of Rights.** It is the policy of the Hospitals to reserve the right to limit or deny financial assistance at the sole discretion of each, subject to applicable law.

13. **Non-covered Services.** Services not defined as Medically Necessary are not covered by this Policy.

**B. BILLING AND COLLECTION PRACTICES FOR ALL UNINSURED PATIENTS, INCLUDING THOSE WHO QUALIFY AS FINANICALLY INDIGENT OR MEDICALLY INDIGENT UNDER THIS POLICY.**

1. **Fair and Respectful Treatment.** Uninsured Patients will be treated fairly and with respect during and after treatment, regardless of their ability to pay.

2. **Trained Financial Counselors.** All Uninsured Patients at the Hospitals will be provided with financial counseling, including assistance applying for state and federal health care programs such as Medicare and Medicaid. If not eligible for governmental assistance, Uninsured Patients will be informed of and assisted in applying for charity care and financial assistance under the hospital's charity care and financial assistance policy. Financial counselors will attempt to meet with all Uninsured Patients prior to discharge from the Hospital. The Hospitals should ensure that appropriate staff members are knowledgeable about the existence of the hospital's financial assistance policies. Training should be provided to staff members (i.e., billing office, financial department, etc.) who directly interact with Patients regarding their hospital bills.

3. **Additional Invoice Statements or Enclosures.** When sending a bill to Uninsured Patients, the Hospital shall include (a) the date or dates that health care services were provided to the Patient; (b) an itemized list of services and charges; (c) the total amount owed for hospital services; (d) hospital contact information for addressing billing inquiries; and (e) a prominent statement regarding how an Uninsured Patient may apply for consideration under the hospital's financial assistance policy on or with each hospital bill sent to an Uninsured Patient. The bill shall also include (a) a statement on the bill or in an enclosure to the bill that indicates that if the Patient meets certain Family Income requirements, the Patient may be eligible for a government-sponsored program or for financial assistance from the Hospital under its charity care or financial assistance policy; and (b) a statement on the bill or in an enclosure to the bill that provides the Patient a telephone number of a hospital employee or office from whom or which the Patient may obtain information

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about such financial assistance policy for Patients and how to apply for such assistance. The following statement on the bill or in an enclosure to the bill complies with the above requirements of this Section B.3.: "Please note, based on your household income, you may be eligible for Medicaid or financial assistance from the Hospital. For further information, please contact our customer service department at (XXX) XXX-XXXX."

4. Notices. Each of the Hospitals should post notices regarding the availability of financial assistance to Uninsured Patients in English and in any other language that is the primary language of at least 5% of Patients. These notices should be posted in conspicuous locations throughout the hospital such as admitting/registration, billing office and emergency department. The notices also should include a contact telephone number that a Patient or family member can call for more information. The following specific language complies the above notice requirements of this Section B.4.: "You may be eligible for financial assistance under the terms and conditions the hospital offers to qualified patients. For more information, please call or ask to see our Financial Counselor or call (XXX) XXX-XXXX (M-F 8:30 am to 4:30 pm)." In addition, this notice, along with a brochure in plain language summarizing the financial assistance process substantially in the form of Exhibit B to this Policy, and a Financial Assistance Application substantially in the form of Exhibit A to this Policy, shall be posted in a prominent place on each Hospital's website.

5. Liens on Primary Residences. The Hospitals shall not, in dealing with Patients who qualify as Financially Indigent or Medically Indigent under this Policy, place or foreclose liens on primary residences as a means of collecting unpaid hospital bills. However, as to those Patients who qualify as Medically Indigent but have Family Income in excess of 600% of the Federal Poverty Guidelines, the Hospitals may place liens on primary residences as a means of collecting discounted hospital bills, but the Hospitals may not pursue foreclosure actions in respect of such liens.

6. Garnishments. The Hospitals shall only use garnishments on Medically Indigent Patients where clearly legal under state law and only where it has evidence that the Medically Indigent Patient has sufficient Family Income or assets to pay his discounted bill.

7. Collection Actions Against Uninsured Patients. Each of the Hospitals should have written policies outlining when and under whose authority an unpaid balance of any Uninsured Patient is advanced to collection, and the Hospitals should use their best efforts to ensure that Patient accounts for all Uninsured Patients are processed fairly and consistently. No Uninsured Patient shall be referred to a collection agency unless (i) the Uninsured Patient is given an opportunity to (x) assess the accuracy of the bill, (y) apply for financial assistance under the Hospital's financial assistance policy, and (z) avail themselves of a reasonable payment plan, (ii) if the Uninsured Patient has indicated the inability to pay the full amount in one payment, the Hospital has offered the Uninsured Patient a reasonable payment plan, (iii) if the circumstances suggest potential eligibility for charity care or financial assistance, the Uninsured Patient has first been given sixty (60) days following the date of discharge or receipt of outpatient care to submit an application for financial assistance, (iv) the Uninsured Patient has agreed to a reasonable payment plan and has failed to make payments under such payment plan, or (v) the Uninsured Patient informs the Hospital that he or she has applied for health care coverage under Medicaid, Kidcare, or other government-sponsored health care programs (and there is a reasonable basis to believe that the Patient will qualify for such program) but the Patient's application is denied. The Hospital shall not pursue legal action for non-payment of a Hospital bill against Uninsured Patients who have clearly demonstrated that they have neither sufficient Family Income nor assets to meet their financial obligations. In addition, the Hospital will not refer any portion of a bill to a collection agency or other third party for collection, unless (i) the Patient is first offered the opportunity to request a reasonable payment plan within the first thirty (30) days following the Patient's initial bill, or (ii) the Patient fails to agree to a plan within thirty (30) days of the Patient's request for such repayment plan. Notwithstanding anything herein to the contrary, the Hospital shall not recommend for collection any bill of a Patient who is acting reasonably and cooperating in good faith with the Hospital to provide all reasonably requested financial and other relevant information and documentation needed to determine the Patient's eligibility under a financial

[HOSPITAL LOGO]

LAUREL

**FINANCIAL ASSISTANCE APPLICATION**

Patient Name: \_\_\_\_\_

MRN: \_\_\_\_\_

**IMPORTANT: YOU MAY BE ABLE TO RECEIVE FREE OR DISCOUNTED CARE:** Completing this application will help \_\_\_\_\_ Hospital determine if you can receive free or discounted services or other public programs that can help pay for your healthcare. Please submit this application to the Hospital.

**IF YOU ARE UNINSURED, A SOCIAL SECURITY NUMBER IS NOT REQUIRED TO QUALIFY FOR FREE OR DISCOUNTED CARE.**

However, a Social Security Number is required for some public programs, including Medicaid. Providing a Social Security Number is not required, but will help the hospital determine whether you qualify for any public programs. Please complete this form and submit it in person, by mail, by electronic mail, or by fax to apply for free or discounted care within sixty (60) days following the date of discharge or receipt of outpatient care. Patient acknowledges that he or she has made a good faith effort to provide all information requested in the application to assist the hospital in determining whether the patient is eligible for financial assistance.

**IF YOU ARE UNINSURED AND MEET SPECIFIC PRESUMPTIVE ELIGIBILITY CRITERIA, YOU ARE NOT REQUIRED TO COMPLETE THIS APPLICATION.**

- |   |  |
|---|--|
| <input type="checkbox"/> Homelessness   | <input type="checkbox"/> Enrollment in assistance programs for low-income individuals: |
| <input type="checkbox"/> Deceased with no estate                                      | <input type="checkbox"/> Women, Infants, and Children Nutrition Program (WIC)          |
| <input type="checkbox"/> Mental incapacitation with no one to act on patient's behalf | <input type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP)              |
| <input type="checkbox"/> Medicaid eligibility, but not on date of service             | <input type="checkbox"/> Illinois Free Lunch and Breakfast Program (LIHEAP)            |

APPLICANT			
Applicant Name		Social Security #	Date of Birth
Home Address	City	State	Zip
Home Phone Number	Cell Phone Number	Email Address	
Preferred Method of Contact <input type="checkbox"/> US Mail <input type="checkbox"/> Email <input type="checkbox"/> Home Phone <input type="checkbox"/> Cell Phone <input type="checkbox"/> I am homeless			Annual Household Income
Applicant's Marital Status <input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Widow			# of Individuals in your Household (as reported on your taxes)
Employment Status <input type="checkbox"/> Employed <input type="checkbox"/> Self-Employed <input type="checkbox"/> Retired <input type="checkbox"/> Disabled <input type="checkbox"/> Unemployed - Last date worked: _____			
Employer Name		Phone Number	
Employer Address	City	State	Zip
Name of Health Insurance Plan Offered by Employer <input type="checkbox"/> Health Insurance not provided			
SPOUSE/PARTNER/GUARANTOR (when applicable)			
Relationship			
Name		Social Security #	Date of Birth
Employment Status <input type="checkbox"/> Employed <input type="checkbox"/> Self-Employed <input type="checkbox"/> Retired <input type="checkbox"/> Disabled <input type="checkbox"/> Unemployed - Last date worked: _____			
Employer Name		Phone Number	
Employer Address	City	State	Zip
Name of Health Insurance Plan Offered by Employer <input type="checkbox"/> Health Insurance not provided			

[HOSPITAL LOGO]

**FINANCIAL ASSISTANCE APPLICATION**

Patient Name: \_\_\_\_\_

MRN: \_\_\_\_\_

INSURANCE COVERAGE		
1. Are you covered or eligible for any health insurance policy, including foreign coverage, Health Insurance Marketplace, Veterans' benefits, Medicaid, or Medicare?		
a. If yes, please provide the following information:		
Policy Holder	Insurer	Policy Number
Policy Holder	Insurer	Policy Number

QUESTIONNAIRE	
1. Were you an Illinois resident when you received your care?	__ yes __ no
2. Are you a foreign national residing in Illinois on a U.S. Visa?	__ yes __ no
a. If yes, what type of Visa? _____	
3. Are you seeking financial assistance for care received in our emergency room?	__ yes __ no
4. If you are divorced or separated, is your former spouse/partner financially responsible for medical care per the dissolution or separation agreement?	__ yes __ no
5. Is the treatment provided related to either of the following? __ Accident __ Crime	
6. Have you already applied for Medicaid? (we may require that you do so)	__ yes-awaiting approval __ yes - not eligible __ no
a. If no, please check all of the lines below that apply:	
<input type="checkbox"/> You are 19 years or younger	<input type="checkbox"/> You are 65 Years or older
<input type="checkbox"/> You are taking medication to control diabetes, high blood pressure, or seizures	<input type="checkbox"/> You are disabled as determined by the Social Security Administration
	<input type="checkbox"/> You are blind
	<input type="checkbox"/> You are pregnant
	<input type="checkbox"/> You have children under the age of 19 living with you

ASSETS	
1. <b>Property.</b> Please provide information regarding any property (buildings and/or land) that you own other than your primary residence	
a. What is the value of all buildings and land minus the amount owed on the property?	\$ _____ N/A
i. Is this property used as income?	__ yes __ no
b. What is the value of the land (without buildings) minus the amount owed on the property?	\$ _____ N/A
i. Is this property used as income?	__ yes __ no
2. <b>Bank Accounts/ Investments.</b> Please list the total current balance for each of the following:	
a. Checking/Savings/Credit Union Accounts	\$ _____ N/A
b. Other investments (bonds, stocks, etc. excluding IRA and/or retirement accounts):	\$ _____ N/A

EXPENSES	
3. Please provide estimated monthly expenses, including those for housing, utilities, food, transportation, child care, loans, medical expenses, and other expenses \$ _____	

I certify that the information in this application is true and correct to the best of my knowledge. I will apply for any state, federal, or local assistance for which I may be eligible to help pay for this hospital bill. I understand that the information provided may be verified by this hospital, and I authorize this hospital to contact third parties to verify the accuracy of the information provided in this application. I understand that if I knowingly provide untrue information in this application, or if the application otherwise contains a material error or omission, I will be ineligible for financial assistance, and any financial assistance granted to me may be reversed and I will be responsible for the payment of the bill.

Applicant Signature \_\_\_\_\_

Spouse/Partner/Parent/Guarantor Signature (when applicable) \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

Please return completed application and supporting documents by mail, electronic mail, or hand-deliver to:  
[Hospital address]

**Financial Assistance Required Supporting Documents**

Please provide the documents requested below. Your application will be delayed or denied in the event that any of the required documents are not included. If you cannot provide the document, please provide a letter of explanation.

**Required:**

- **Tax Documents:** Provide your most recent federal tax return and W-2 or IRS Form 4506-T: Request for Transcript of Tax Return.
- **Valid Government-Issued Photo ID:**
  - Driver's license, passport, etc.
- **Proof of Illinois Residency:** Provide at least one of the following documents:
  - Valid state-issued photo ID or driver's license
  - Recent utility bill with an Illinois address
  - IL Voter Registration card
  - Current mail addressed to applicant from a government or other credible source
  - Letter from homeless shelter
- **Proof of Income:** Provide all applicable documents listed below
  - Copies of your two most recent unemployment checks or stubs
  - Copies of your two most recent employer checks or stubs
  - Copies of your two most recent Social Security checks or stubs
- **Proof of Assets:** Provide your most recent statement for all checking, savings, and credit union accounts
- **Proof of Expenses:** Provide documentation of your monthly expenses, including those for housing, utilities, food, transportation, child care, loans, medical expenses, and other expenses
- Completed and signed application

**Supplemental/Other:**

- **Proof of Non-Wage Income:** Provide the following applicable documents, only if you have not submitted a tax return for the previous calendar year or if any of the following income sources will vary between this calendar year and the previous calendar year.
  - Statement of alimony income
  - Statement of business income
  - Statement of retirement or pension income
- **If Married or in a Civil Union:** Provide the following applicable documents regarding your spouse/partner.
  - Proof of income and non-wage income (as described above)
  - Federal tax return and W-2 or IRS Form 4506-T: Request for Transcript of Tax Return
  - Most recent statement for all checking, savings, and credit union accounts
- **Supplemental/Other (if applicable):**
  - If a foreign national, copy of your passport and United States Visa
  - Health insurance card (please copy front and back)
  - Medicaid approval/denial letter
  - Letter of support (i.e. if your living expenses are being paid by another party)



**FINANCIAL ASSISTANCE PLAIN LANGUAGE SUMMARY**

**General Information about \_\_\_\_\_ Hospital Financial Assistance.** The Hospital is committed to meeting the health care needs of those within the hospital community who are unable to pay for medically necessary or emergency care, including the uninsured. When needed, the Hospital provides medically necessary care at free or discounted rates ("Financial Assistance"). To manage its resources and responsibilities, and to provide Financial Assistance to as many people as possible, the Hospital has established program guidelines for providing Financial Assistance. However, the Hospital will always provide emergency care, regardless of a patient's ability to pay. Payment plans are also available. To be considered for free or discounted care, you may need to fill out an Application and provide supporting documentation about you and your family's financial circumstances, such as your income and assets.

**Eligibility Requirements.** Financial Assistance is only applied to your personal balances, after all other third party benefits (such as insurance benefits, government programs, proceeds from legal actions, or private fundraising) have been used. In addition, the Hospital will screen you to see if you are eligible for other payment assistance programs such as Medicaid. You are expected to cooperate by applying for such payment assistance. To be eligible for Financial Assistance, your annual household income ordinarily must be less than or equal to 600% of the Federal Poverty Income Level ("FPL") for your family size. The Hospital may also consider your assets in determining your eligibility and, in some situations, apply additional screening requirements. If you are approved for Financial Assistance, you must notify the Hospital within 30 days if your financial situation changes. Finally, to be fair to other patients, if you intentionally withhold information or provide false information, you may be disqualified for Financial Assistance.

**Financial Assistance Programs**

<b>Program</b>	<b>Eligibility Requirements</b>	<b>Assistance</b>
Uninsured Patients	Uninsured IL residents receiving medically necessary care* & any uninsured patient receiving emergency care	Free care for patients earning 200% or less of the applicable FPL; discounted care for those earning between 200% and 600% of applicable FPL; free care if Hospital bills exceed a specified percentage of Family Income
Presumptive Eligibility	Uninsured IL residents who qualify under certain federal and state assistance programs	Free care

\* Not all services are covered by Financial Assistance, and Financial Assistance is not available for out-of-network services. In addition, your physician or non-Hospital provider may not participate in the Hospital's Financial Assistance program.

If you receive discounted care and are responsible for paying a portion of your bill, the Hospital will not charge you more than the amount we generally bill patients who have insurance covering such care.

**When to apply for Financial Assistance.** When you call to make an appointment, you may be asked to make financial arrangements. If you cannot apply for Financial Assistance before your visit, you should do so as early as possible and within 60 days following Hospital discharge or outpatient treatment. The Hospital will then decide if you are eligible for Financial Assistance and how much you can receive. If you disagree with our determination, you can contact the Financial Counseling Department.

**How to Get Copies of the Hospital's Financial Assistance Policy & Application or Further Assistance.** You can obtain a free copy of the Hospital's Policy and Application: i) on the Hospital's website at \_\_\_\_\_, ii) in our Financial Counseling Departments, Patient Services Departments, and our Emergency Rooms at Admitting and Registration; or iii) by mail if you call the respective Financial Counseling Department.

Copies of our Financial Assistance Policy, Application, and this summary are available in English & Spanish.

Copias de nuestra Póliza de Asistencia Financiera, la Aplicación y este resumen están disponibles en Inglés y Español.

# WOODLAKE SPECIALTY HOSPITAL

## QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT

### **OVERVIEW**

Quality Improvement is a continuous process towards quality management. Improving services begins with the realization that higher levels of quality are achieved through every interaction between employees, patients, families and caregivers. Each person's effort contributes to improving patient outcomes and satisfying service expectations. In the quest for continuous improvement, team members bring together multidisciplinary expertise from all levels of the organization in approaching problems and finding solutions. Interventions are analyzed and targeted key performance improvement steps identified.

### **PERCEPTIONS OF QUALITY**

Quality Assurance and Performance Improvement (QAPI) builds upon traditional quality assurance methods by emphasizing the organization and systems. QAPI incorporates systems, programs, clinical practice, and clinical development driving system integrations and inter-program coordination through organized leadership oversight. Some characteristics of Quality Assurance and Performance Improvement include:

- Focuses on the patient needs and service
- Directs exploration of systems rather than identifying individual weaknesses
- Empowers employees
- Involves leadership
- Integrates analysis of data
- Finds opportunities to improve
- Provides participation, communication and team spirit
- Changes outcomes through process implementation
- Evaluates customer service and satisfaction
- Develops service quality
- Promotes a continuous closed loop process
- Encourages self-development and organizational interests

### **QAPI PROCESS**

The Quality Assessment and Assurance (QAA) Committee provides leadership and guidance for ongoing continuous quality and performance improvement. The central tenet of management is to provide motivating forces of engagement and empowerment rather than police errors or find fault. The following six steps are an adaptation of the scientific problem

solving process and nursing process. The process provides a structured methodology to analyze the problem, strategize possible solutions, determine actions required, develop plans, implement approaches, and evaluate effectiveness.

### SIX STEP PROCESS

The six step process analysis cycle includes the following steps:

LOOK – Gather and review the data

THINK – Determine any issue

TALK – Discuss potential solutions

DECIDE – Determine priorities and goals

DO – Implement changes

LOOK AGAIN - Evaluation of the outcome

### EXAMPLE

An example of asking why five times is listed below:

1. Why did the patient fall?

*He was ambulating to bathroom. There was no assistance.*

2. Why was there no assistance with ambulation?

*The patient ambulates independently.*

3. Why did the patient say he fell?

*He became dizzy.*

4. Why would he become dizzy?

*On a new medication for blood pressure.*

5. Why didn't staff monitor ambulation with change in medication?

*New orders were not on the 24 hr. report.*

## **ROOT CAUSE ANALYSIS**

Root Cause Analysis (RCA) is a problem solving method aimed at identifying primary causes of problems or issues. RCA is predicated on the belief that issues are best resolved by eliminating or correcting root causes as opposed to addressing obvious symptoms or popular assumptions. By directing corrective action to the underlying cause, it is likely reoccurrence will be minimized. RCA can be used for both reactive post occurrence problem analysis and as a proactive method to forecast likelihood of reoccurrence.

The RCA process starts by asking why until the causal chain leads to the root cause of the issue. Begin by asking, "Why did the problem happen?" Continue asking why and exploring associated symptoms until a single cause can be determined. After the root cause of a problem is identified, the plan is developed.

## **QAPI – OVERVIEW**

Quality Assurance and Performance Improvement is facilitated through leadership oversight. This is achieved through structured and ad hoc committee meetings daily and monthly. The focus of a QAA meeting is to identify systems to better meet the needs of the residents, organize interdisciplinary teams, clarify the knowledge of the situation, understand the causes of variation within a system, select improvement strategies, and monitor outcomes.

## **FOCUS MEETING**

The Focus Meeting is a twice daily interdisciplinary, care and service management system that serves as a subcommittee of the Quality Assessment and Assurance (QAA) Committee.

## **MONTHLY MEETING**

Facilities have a monthly QAA meeting to review available data such as trends, care measure outcomes and other facility data in order to identify areas needing additional review.

## **SUBCOMMITTEE MEETING**

Subcommittees are developed at the direction of the QAA Committee to address focus areas identified during the monthly meeting. These committees are short-term in nature and goal-directed to target an identified focus area.

## **AD HOC MEETING**

Ad hoc meetings are held as needed when issues occur that require immediate or rapid response.

## **CONDUCTING A MEETING**

Prior to each monthly QAA Committee meeting, the administrator as chair appoints a coordinator or ad hoc team to review data, and select agenda items for next meeting. Minutes from the previous QAA Committee meeting are reviewed with the team at the beginning of each meeting followed by review of the agenda items selected by the planning Committee. QAPI audit tool findings, additional trend information and current Quality Improvement Action Plan (QIAP) are discussed.

Meetings are scheduled in advance at a time that is agreeable to the majority of members but to make certain that the required members are present. The Committee chair calls the meeting to order. Using the QAA Committee meeting tool the chair requests a review of old business. This includes any previously identified problems and follow-up for resolution or an active QIAP. New business, derived from the data collected, is then reviewed for negative trends and plans determined. The plan may include additional audits, root cause analysis or a subcommittee to develop a QIAP. Three (3) to four (4) trends are identified and plans developed with assigned project champions.

The Committee may call upon ad hoc teams, individual committee members and others with assignments to report on project status. Based upon audit tool findings and other center identified trends the committee makes recommendations for system or process improvements and adjustment to current or development of new QIAPs as needed.

QAA Committee meeting minutes and signatures of attendees are entered on the Quality Assessment and Assurance Agenda Planning Meeting Minutes Tool, including discussion points, team member assignments QIAP development and root cause analysis.

## OUTCOMES

When a QIAP is final, audits are completed to monitor for continued compliance. Audits are evaluated and trends identified by the project champion or committee chair prior to the QAA meeting. Outcomes may also come from additional sources such as outside vendor reports.

## QAA MEETINGS – DAILY

### DAILY FOCUS ROOM MEETING

#### MORNING RISK IDENTIFICATION

Focus Room encompasses administration, interdisciplinary team members and ancillary services involved in patient care and service delivery focusing on:

- Assess/evaluate identified resident risk
- Plan action steps for identified priorities
- Implement action and assign staff responsible
- Evaluate task completion/resolution of risk

PRACTICE	THEORY
<ul style="list-style-type: none"> <li>• A designated time and place for Focus Room is selected</li> </ul>	<ul style="list-style-type: none"> <li>• Assists with maintaining confidentiality of resident specific information, decreases disruption to patient care routines.</li> </ul>
<ul style="list-style-type: none"> <li>• Administration and Director of Nursing (DON) identify team members for inclusion in the Focus Room meeting which may include, but are not limited to:               <ul style="list-style-type: none"> <li>○ Interdisciplinary department heads providing clinical care and services</li> <li>○ Medical Director as able</li> </ul> </li> <li>• Administration and DON lead discussion with the DON facilitating questioning and critical thinking.</li> </ul>	<ul style="list-style-type: none"> <li>• Having interdisciplinary participation in the Focus Room contributes to a holistic approach to patient care.</li> <li>• Administration oversees the meeting as the Centre leader. The DON drives the clinical discussion to promote critical thinking and determining root cause of identified issues.</li> </ul> <p><i>For example, determining the causal factors that attributed to a fall as opposed to putting a new intervention in place with no further investigation.</i></p>

## QAA MEETINGS – DAILY (CONT.)

PRACTICE	THEORY
<ul style="list-style-type: none"> <li>• Focus Room topic review include:               <ul style="list-style-type: none"> <li>○ 24 Hour Report</li> <li>○ Admissions</li> <li>○ Unexpected hospital readmission</li> <li>○ Unstable or acute conditions</li> <li>○ Incident reports</li> <li>○ New/discontinued medication orders</li> <li>○ Abnormal lab values</li> <li>○ Patient/family concerns/near misses</li> <li>○ Patients with pain scores <math>\geq 4</math></li> <li>○ Unresolved issues</li> <li>○ Mood and behavior symptoms</li> </ul> </li> </ul>	<p>Other pertinent areas for discussion may include issues which may help identify individual patient's needs as well as potential system concerns.</p>

○

### AFTERNOON RISK RESOLUTION

The afternoon meeting is held in a consistent and private location with the same interdisciplinary team members present from the morning risk identification meeting. Time of the meeting is coordinated to allow participation of oncoming clinical supervisory personnel. Minutes are taken during each meeting with summaries of trends submitted to the QAA Committee for trend analysis and recommendations.

PRACTICE	THEORY
<ul style="list-style-type: none"> <li>• Follow-up discussion of assignments given during the morning meeting is facilitated by administration and DON.               <ul style="list-style-type: none"> <li>○ Areas requiring completion are reviewed for resolution</li> <li>○ Incomplete areas identified and assignments made for completion</li> </ul> </li> </ul>	<p>Follow-up discussion of incomplete tasks assists in identifying causal factors that contributed to the task remaining incomplete, and ensure reassignment of tasks to oncoming shifts.</p>
<ul style="list-style-type: none"> <li>• Identification of new issues, such as significant events occurring after the morning meeting, are discussed.               <ul style="list-style-type: none"> <li>○ Responsibility for follow-up is assigned to oncoming shift(s) for resolution</li> </ul> </li> </ul>	<p>Identifying additional risks during the day helps to address issues promptly and implementation of needed process steps.</p>

## QAA MEETINGS

### OVERVIEW

A consistent and effective QAPI process requires planning, preparation and coordination. In order to utilize staff time and center resources efficiently it is necessary to conduct an agenda planning session prior to the monthly QAA Committee meeting.

The QAA agenda session reviews available data such as care measures, Focus Room trends and other center data in order to identify areas needing additional review and analysis. The planning Committee prioritizes issues and selects three (3) to four (4) items for the committee meeting.

The QAA Committee follows the agenda set during the planning session and reviews supporting documentation. This streamlines the process and allows the committee to focus on key issues, QIAP development and system improvement recommendations.

### QAA PLANNING SESSION

Prior to the monthly QAA Committee meeting the QAA coordinator and assigned committee planning members meet to review quality trend information. Prior to attending the meeting, the QAA coordinator and other committee members, as assigned, gather the center's data, such as care measures, completed audits, trends and other pertinent information. The data is reviewed during the planning session to determine three (3) to four (4) agenda items for follow-up.

## DATA ANALYSIS

Once an area of care or service delivery is identified for further review, the QAA coordinator assigns audit tools to be completed prior to the next scheduled QAA Committee meeting. Audit tools completed prior to the planning meeting are reviewed during the agenda planning session for possible inclusion into the next QAA Committee meeting. Single care issues are addressed immediately and audit tools are used to identify system breakdowns and trends.

QAA agenda planning session meeting minutes and signatures of attendees are documented on the *Quality Assessment and Assurance Committee Meeting Minutes Tool*. Information and trends reviewed are stapled to the meeting minutes tool.

## QAA MEETINGS (CONT.)

### FUNCTIONS

The QAA Committee is responsible for identifying whether potential or actual quality concerns exist that require action. If there are quality concerns, the committee is responsible for developing plans of action to correct them and for monitoring the effect of these corrections. Key aspects of QAPI requirements include the specifications that the center must have a QAA Committee; that this committee must include certain staff members, and that the committee meets monthly, which exceeds the federal requirement for quarterly meetings.

### QUALITY ASSESSMENT AND ASSURANCE COMMITTEE PURPOSE

The QAA Committee has the overall responsibility and authority to conduct a confidential and privileged review of resident care and service trends to identify opportunities for performance improvement, identify quality issues and develop plans of action. The Committee can appoint designated individuals or quality ad hoc teams to monitor areas identified. Some of the responsibilities of the Committee include:

- Evaluate monthly data related to systems and services
- Identify trends in clinical outcomes
- Monitor new systems and services
- Identify areas needing further education and training
- Monitor customer and resident satisfaction



- Track quality improvement plans currently in place
- Monitor systems for sustained improvement
- Investigation of unusual occurrences or significant events
- Make recommendations for action steps
- Solicit and receive outcomes and other performance data analysis by outside vendors with advanced approval from appropriate operations management.

## QAA MEETINGS (CONT.)

### **MEMBERSHIP**

The CEO or designee is the chairperson of the Committee and responsible for creating the environment for change and facilitating the quality improvement process. The administrator facilitates selecting and appointing Committee members which must include at a minimum the DON, a physician and at least three (3) other staff members. The CEO also appoints a coordinator and a recording secretary. The administrator and committee coordinator are knowledgeable of the center's QAPI processes and able to articulate the following:

- How the committee identifies current and ongoing issues for committee action
- Methods the committee uses to develop plans of action
- How current plans of action are being implemented

### **REQUIRED MEMBERS**

- CEO or designee serves as chairperson
- DON
- Medical director or other attending physician designated by the center
- At least three (3) other center staff responsible for direct patient care and services

### **OPTIONAL MEMBERS**

Committee members are multilevel rather than all management positions. Considerations for additional members include, but are not limited to:

- |                     |                   |
|---------------------|-------------------|
| • Pharmacist        | • Housekeeping    |
| • Dietary services  | • Activities      |
| • Social Services   | • Licensed nurse  |
| • Maintenance       | • Admissions      |
| • Nursing assistant | • Human resources |

### **ROLES**

#### **CHAIRPERSON**

- Establishes times and dates of meetings
- Assigns coordinator to act as QAA agenda and committee meeting coordinator
- Collaborates with QAA coordinator in developing agendas for meeting; assists in prioritizing agenda items
- Calls to order and convenes meetings
- Facilitates meeting
- Determines with QAA coordinator various employee participation as applicable

#### **COORDINATOR**

- Assists in prioritizing new business items
- Interfaces with ad hoc committees

- Facilitates ongoing monitoring of QAPI process tools
- Recommends areas for discussion by QAA Committee
- Gathers information monthly and compares performance to established thresholds
- Coordinates agenda and committee session
- Assists with trend analysis
- Assigns responsibility for additional audit tool/information review completion prior to next QAA Committee meeting

### **RECORDING SECRETARY**

- Records attendance of committee members (ensures signatures of attendees are obtained)
- Records minutes to include key points of discussion
- Produces and distributes minutes of the meeting that accurately reflect meeting and committee activities
- Maintains copies of studies conducted by QAA Committee, ad hoc committee and, or project teams

## **QAA MEETINGS (CONT.)**

### **EXPECTATIONS OF THE COMMITTEE**

QAPI is an ongoing process rather than a once a month event. Therefore, it is important for the process to be objective to effectively evaluate challenges and determine the root cause of the issues. To accomplish this task, committee members are expected to follow the guidelines listed below:

- The QAA Committee meets monthly
- The CEO or designee as chairperson, selects a coordinator to act in the chairperson's absence
- The CEO or designee selects a recording secretary to record attendance, minutes, and keep a record of all proceedings
- The CEO or designee designates a QAA coordinator who collates monthly trends, reviews quality improvement plan progress and attends a planning session to determine areas of discussion (See Appendix-1 for data collection methods)
- Committee members are required to attend regularly scheduled meetings
- The Committee empowers the administrator to initiate significant event investigations and document this authority on the *Quality Assessment and Assurance Committee Meeting Minutes Tool: Privileged Work Document*
- In the event that Committee members are unable to attend meetings, arrangements are made for a designee to present required work, data, reports and progress on issues
- The Committee tracks progress of improvement plans, rapid cycle change trials and previous issues to monitor sustained performance improvement
- Minutes, reports and tools of QAPI activity are stored in a secured area designated by the administrator, as chairperson
- Confidentiality of Committee activities is maintained

### **COMMUNICATION**

The center QAA Committee determines a method of communication for how committee information is provided to consultants, e.g., pharmacist, who may not be members of the committee but whose responsibilities include oversight of departments or services. Clinical consultants may attend meetings periodically as invited by QAA Committee members.

Committee members must take care to ensure that information pertaining to committee business is disclosed only to other committee members, guests, or witnesses. Inadvertent or unauthorized disclosures to other persons outside the committee can result in a waiver of privilege and loss of confidentiality.

## **CONFIDENTIALITY OF THE COMMITTEE**

The state surveyors may not require disclosure of the records of the QAA Committee except as identified in CMS SOM 483.75(0). Good faith attempts by the QAA Committee to identify and correct quality issues are not to be used as a basis for sanctions. Reports that surveyors may ask to review include:

- Open and closed record audits
- Center logs and tracking forms
- Incident reports
- Consultant feedback
- Other reports as part of the QAPI function

## **QAA – SUBCOMMITTEE ASSIGNMENT**

The QAA Committee may delegate responsibility and authority for development of action plans to improve outcomes to a subcommittee. A chairperson for the subcommittee is appointed and recruits additional members. The member(s) of the subcommittee do not need to be QAA Committee members.

When the subcommittee is given areas to review, it is the QAA Committee's responsibility to ensure the team has the tools, time and resources to complete their delegated assignment. Any limitations or constraints are identified prior to project initiation.

## **RAPID CYCLE CHANGE**

Rapid cycle change is an improvement approach used to achieve fast results for issues not requiring in depth planning. The process is used in quick, rapid succession on a small sample. To keep scope of change small ask the question, "What can be changed in the next two days?" After a change is made, data is collected and evaluated. The change is adapted, abandoned, or adopted.

Multiple small changes are often more effective than attempting a major improvement with a single change. Teams can stalemate waiting for the perfect plan or the grand fix-it-all idea. Grand fixes are often developed by a select few and given to others to carry out. Small changes are more likely to be attempted if those affected by the change are empowered to make adjustments when needed.

## **AD HOC COMMITTEE**

Ad hoc Committee meetings are held as needed at the direction of the QAA chairperson when issues occur that require immediate or rapid response. Results are summarized and forwarded to the QAA Committee.

## **MEETING TOOLS**

## QUALITY ASSESSMENT AND ASSURANCE COMMITTEE MEETING MINUTES TOOL

The QAA Committee chairperson and committee members utilize the *Quality Assessment and Assurance Committee Meeting Minutes Tool* to document audit findings, follow-up on assignments given, note progress toward quality milestone action plans and enter the meeting minutes taken during the QAA Committee meeting. Note that the tool contains a confidentiality statement at the bottom of the page. QAA Committee meeting participants sign the form acknowledging meeting attendance.

## QUALITY ASSESSMENT AND ASSURANCE MEDICAL DIRECTOR'S MONTHLY ACTIVITY REPORT

The center's medical director utilizes the *Quality Assessment and Assurance Medical Director's Monthly Activity Report* to document activities performed, including but not limited to, clinical record audits performed and medical director's alternate coverage provided. The completed form is signed and dated by the medical director and submitted to the administrator and QAA Committee monthly for review.

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*Facilities Planning & Management*. Iowa State University, 2010

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Furkay, Linda. *Quality Assurance and Performance Improvement Techniques for Healthcare Process Improvement*. Statit Software, Inc., 2007

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ATTACHMENT  
6

# DATA COLLECTION: PRIVILEGED WORK DOCUMENT

The QAA coordinator reviews information since the last monthly QAA meeting with staff from ad hoc Committees in order to formulate an agenda. Examples of material for review included, but are not limited to:

TRENDS	ADDITIONAL DATA	REPORTS
<ul style="list-style-type: none"> <li>• Admissions, Transfers</li> <li>• Discharges</li> <li>• Falls</li> <li>• Infection Control</li> <li>• Medication Errors</li> <li>• Pain Management</li> <li>• Pressure Ulcers</li> <li>• Physical Restraints</li> <li>• Unexpected Hospital Readmission</li> </ul>	<ul style="list-style-type: none"> <li>• Significant Events, Occurrence Investigation</li> <li>• Abuse Prohibition Behavior and Emotional Status, Psychoactive</li> <li>• Medications</li> <li>• Customer Service Issues</li> <li>• Concern Forms</li> <li>• Focus Room Process</li> <li>• Emergency Management Nursing Services,</li> <li>• Scheduling/Staffing</li> <li>• Bowel/Bladder Function,</li> <li>• Catheters</li> <li>• Incident/Accident Reports,</li> <li>• Trends</li> <li>• Tools Completed by Facility Staff</li> </ul>	<ul style="list-style-type: none"> <li>• Safety Committee Meeting Minutes</li> <li>• Medical Directors Report Requested Consultant</li> <li>• Reports</li> <li>• Care Measures</li> <li>• Open Survey Timelines/ F Tags</li> <li>• CASPER Reports</li> <li>• Work Place Safety Risk Assessment</li> <li>• OSHA Log</li> </ul>

The QAA coordinator and planning committee members should reference current company and industry standards a reference points for targeted thresholds.

# QUALITY ASSESSMENT AND ASSURANCE COMMITTEE MEETING MINUTES TOOL: PRIVILEGED WORK DOCUMENT

Directions: The QAA Committee receives report of assignments and findings from team members. The QAA cochair/coordinator documents topics reviewed, meetings minutes, responsible person(s) and target dates on tool below. Completed QAPI audit tools and any other pertinent data are reviewed and attached to this tool when indicated. QAA Committee team members sign in on the bottom of the tool validating meeting attendance.

QAA MEETING MINUTES: DISCUSSION, PLAN OF ACTION, RECOMMENDATIONS	RESPONSIBLE PERSON(S)	TARGET DATE
<ul style="list-style-type: none"> <li>• See attached QIAP</li> <li>• See attached audit tools</li> <li>• See attached notes Recommendations:</li> </ul>		
<ul style="list-style-type: none"> <li>• See attached QIAP</li> <li>• See attached audit tools</li> <li>• See attached notes Recommendations:</li> </ul>		
<ul style="list-style-type: none"> <li>• See attached QIAP</li> <li>• See attached audit tools</li> <li>• See attached notes Recommendations:</li> </ul>		
<ul style="list-style-type: none"> <li>• See attached QIAP</li> <li>• See attached audit tools</li> <li>• See attached notes Recommendations:</li> </ul>		

# QUALITY ASSESSMENT AND ASSURANCE COMMITTEE MEETING MINUTES TOOL: PRIVILEGED WORK DOCUMENT (CONT.)

**OTHER BUSINESS/COMMENTS**

[Empty rectangular box for notes]



Meeting Attendee Signatures:

NAME (PRINTED)	TITLE	SIGNATURE	DATE

# FOCUS ROOM MEETING MINUTES: PRIVILEGED WORK DOCUMENT

Directions: Administrator or QAA co-chair/coordinator designates staff person to take minutes during Focus Room meetings. Attendees sign in before each meeting. Completed meeting minutes are submitted to the QAA Committee weekly or per center-defined schedule for review and follow-up.

Date: \_\_\_\_\_

Location: \_\_\_\_\_

Start Time: \_\_\_\_\_

End Time: \_\_\_\_\_

**Attendees:**

NAME	TITLE	SIGNATURE

\*If additional documentation space is required, document on back of form.

ISSUES	RESOLUTION

Appendix - 3

# FOCUS ROOM MEETING MINUTES: PRIVILEGED WORK DOCUMENT (CONT.)

Page 3 of 3

ISSUES	RESOLUTION
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# WOODLAKE SPECIALTY HOSPITAL

## Quality Assurance and Performance Improvement Plan and Program

### Vision:

The vision of our organization is to create an environment where people are valued and esteemed in order to help them achieve their highest level of functioning.

### Mission:

We are committed to enhancing quality of life by sustaining an environment that nurtures individuality, independence, and self-determination.

### Purpose:

The Quality Assurance Performance Improvement Plan and Program (QAPI) is intended to provide a proactive approach to continually improving clinical care, quality of life, and resident choice. The QAPI plan and program involves all residents, staff, and families so that we may realize our vision in assisting residents reach their highest level of functioning. The plan provides a framework for a systematic, organization-wide improvement system specific to identifying all aspects of quality needs and gaps in systems of care and management practices in our organization in order to reduce preventable hospital admissions and readmissions, to reduce the incidence of adverse health care associated conditions, and to reduce harm from inappropriate or unnecessary care.

### Guiding Principles:

- To use QAPI to make decisions and guide our day-to-day operations
- To improve the quality of care and quality of life of our residents through QAPI outcomes
- To include all employees, all departments, and all services as part of QAPI
- To focus on systems and processes, rather than individuals, emphasizing identification of systems gaps rather than on individual performance.
- To make decisions on based on data, which includes the input and experience of caregivers, residents, health care practitioners, and resident representatives.
- To set goals for performance and measure progress toward those goals
- To support performance improvement by encouraging employees to support and each other as well as be accountable for their individual performance

### Design and Scope:

- QAPI includes feedback from resident/families, staff satisfaction, individualized care plans, information technology, and organization and maintenance plans, with a focus on safety and high quality while emphasizing autonomy and choice for residents.
- QAPI is ongoing and comprehensive within the facility.
- QAPI deals with all services offered and all departments over all shifts.

### Governance and Leadership:

- The Governing Body (or owner) of our facility has ultimate responsibility and leadership over our QAPI program, working with input from staff, residents, and resident representatives.
- The Governing Body designates a QAPI Steering Committee (CEO, CNO, Director of Nursing, and Medical Director).
- The Governing Body ensures that the QAPI program has sufficient resources, facility wide QAPI training occurs; that policies are in place to sustain the program despite personnel changes; supports a culture of resident-centered rights and choices; holds staff accountable for quality in an environment free of retaliation; ensures staff are educated and proficient in their duties,

### Feedback/Data Systems/Monitoring:

- Use of feedback system that actively incorporates input from residents and representatives (e.g. interviews, customer satisfaction surveys)
- Install data systems to monitor care and services (e.g. EN'IR dashboards/reports, leadership dashboards, mock survey activities, interviews with residents/representatives)
- Performance indicators monitor a wide range of care processes and outcomes. ● Findings are reviewed against benchmarks the organization has established for performance.
- Tracking, investigating and monitoring of adverse events.

### Performance Improvement Projects (PIPS):

- Conducts PIPS to examine and improve care.
- Focus on topics that are meaningful and address the needs of residents and staff (e.g. falls, psychotropic medication reduction, and pressure ulcers).
- Use tools to support effective teamwork (e.g. Team Steps, unit huddles, and storyboards)

## Systemic Analysis and Systemic Action:

- Use of systematic approach to determine when in-depth analysis is needed to fully understand a problem, its causes, and implications of a change.
- Use of root cause analysis (e.g. 5 Whys, fishbone analysis, and Joint Commission framework)
- Use of an improvement methodology such as the Plan-Do-Study-Act (PDSA cycle).
- Actions involve comprehensive review across systems to prevent future events and promote sustained improvement.

## OAPI Steering Committee:

The QAPI Steering Committee will be chaired by the administrator or designee. Members of the committee include: Director of Nursing, Director of Dining Services, Director of Social Services, Director of Life Enrichment, Director of Environmental Services, Director of Human Resources, a representative from the pharmacy, a representative from the laboratory, the Medical Director, inclusion of frontline staff when possible, and others as deemed necessary by the organization.

The functions of the QAPI Steering Committee will include:

- 1) Describing how the committee will work together, communicate, and coordinate activities (e.g. establishing format and frequency for meetings, method for communication between meetings).
- 2) Monitoring and reviewing PIP activities and allocating staff and resources prior to the launch of the PIP teams.
- 3) Assuring comprehensive reporting among various interdisciplinary quality improvement subcommittees, departments, and services.
- 4) Analyzing performance to identify and follow-up on areas of improvement.
- 5) Assisting department heads and other staffing the quality improvement planning process.
- 6) Participating in the annual appraisal of the QAPI program.

The QAPI Steering Committee will meet at quarterly at a minimum, and will record minutes identifying: (1) reports on quality improvement activities of each of the interdisciplinary quality improvement subcommittees, departments, and services; (2) review of any modifications of indicators being monitored; (3) communication of information that may be useful to other interdisciplinary quality improvement subcommittees, departments, and services; and (4) other matters as needed. The minutes will be shared with staff during meetings and posted in a designated area for staff to review after every meeting.

## Communication and Reports:

At a minimum, the Executive Leadership will report annually on the status of the current QAPI plan and proposed QAPI plan and goals for the coming year. The report will be made available to the corporation/board of directors, the organization's entire management team, the staff, resident/family councils, and other stakeholders as designated.

The QAPI Steering Committee will report the progress on established QAPI goals and trends to the organization's executive leadership, the entire management team, the staff, and the resident/family councils.

All designated interdisciplinary quality improvement subcommittees and specified clinical/services areas will report quarterly to the QAPI Steering Committee on improvement activities. The reports should include the following:

- Which indicators of quality were evaluated during the quarter and the results of the evaluation.
- What actions are planned and/or have been taken to improve quality and the results of those actions.
- Lessons learned from this process.
- Plan for sustained compliance.

## Medical Oversight:

The organization's medical director is the designated senior practitioner and advisor for all aspects of the QAPI program related to clinical care and safety the medical director is accountable for providing leadership for the implementation of the QAPI program. Performance accountabilities for the medical director include, but are not limited to:

- Ensuring that all quality management initiatives regarding the delivery and management of care are clinically sounds, promote consumer safety, and are based on current best practices.
- Active membership in the QAPI Steering Committee
- Participating in and providing support to other committees for the development of appropriate assessment and evaluation efforts, intervention strategies, and corrective action plans.



## Training and Orientation:

All staff will receive education to enable them to perform their jobs effectively including quality improvement training at orientation and on an ongoing basis. We will conduct an annual staff learning including but not limited to:

- confidentiality, • regulatory requirements, • orientation to job-specific functions and applicable policies and procedures, • ongoing training, including mandatory in servicing and skill competencies.

## Annual Appraisal of the OAPI Program:

The interdisciplinary quality improvement subcommittees will participate in annual appraisal of their individual team effectiveness. The QAPI Steering Committee will also conduct an annual appraisal of the QAPI Program. The appraisal should include the following:

- Review of the appropriateness of the indicators for monitoring during the previous year and recommendations for any necessary changes in indicators.
- Review of the QAPI Steering Committee's operations and recommendations for any necessary changes in frequency of meetings, agendas, and/or the committee's function.

## Confidentiality of Information:

Everyone involved in QAPI in our organization shall maintain all information related to quality improvement activities in a confidential manner. Only team members shall have access to quality improvement documentation. Team members may not discuss or disseminate information which they have obtained as a result of their participation with the QAPI Steering Committee and/or interdisciplinary quality improvement subcommittees. These committees are conducted under the auspices of quality improvement. All documentation is considered privileged status and confidential.

**Section IV**  
**Attachment 7**  
**Additional Requirements**

1. WPH will use cash to acquire the buildings and property from the Chapter 7 Trustee and to pay for the construction. WSH will pay for the other costs and will lease the equipment.
2. Copies of the Purchase Agreement and the Sale Order for the buildings and property are attached at ATTACHMENT 2.
3. The projected modernization/construction costs for Woodlake Hospital total \$18,900,000 and the projected contingency costs for Woodlake Hospital total \$1,420,000. These cost estimates were prepared by the ML Group (Design Build) and are attached at ATTACHMENT 7.
4. This Project will require \$11,072,895 of new or refurbished equipment (the "Equipment") because the Chapter 7 Trustee previously sold most of the existing equipment at Westlake Hospital (to another party not affiliated with the Applicants) prior to the execution of the Purchase Agreement for the building and real estate. A detailed listing of the Equipment for this Project is attached at ATTACHMENT 7.
5. WSH was specifically organized on December 7, 2020 for this Project and thus has no financial statements. WPH was specifically organized on December 9, 2020 for this Project and thus has no financial statements.
6. Woodlake Hospital will adopt the same Medical Staff Bylaws that were in place at Westlake Hospital when it closed, copies of which are attached at ATTACHMENT 7. Dr. Glenn Kushner, the last President of the Medical Staff at Westlake Hospital prior to its closure, has agreed to serve as the inaugural President of the Medical Staff at Woodlake Hospital. Dr. Kushner will also serve as the inaugural President of the Medical Executive Committee at Woodlake Hospital.

**Section IV**  
**Attachment 7**  
**Total Estimated Project Costs Worksheet**

Total Estimated Project Costs Worksheet			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			\$0
Site Survey and Soil Investigation			\$0
Site Preparation			\$0
Off Site Work			\$0
New Construction Contracts			\$0
Modernization Contracts			\$18,900,000
Contingencies			\$1,420,000
Architectural/Engineering Fees			\$300,000
Consulting and Other Fees			\$250,000
Movable or Other Equipment (not in construction contracts)			\$0
Bond Issuance Expense (project related)			\$0
Net Interest Expense During Construction (project related)			\$0
Fair Market Value of Leased Space*			\$0 (see note)
Leased Equipment			\$11,072,895
Acquisition of Building And Land			\$11,450,000
<b>TOTAL ESTIMATED PROJECT COSTS</b>			<b>\$43,392,895</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

1. The Applicants did not list the leasing expense for the building and instead only listed the purchase price of the building to avoid double counting.

2. This Project will require \$11,072,895 of new or refurbished equipment (the "Equipment") because the Chapter 7 Trustee previously sold most of the existing equipment at Westlake Hospital (to another party not affiliated with the Applicants) prior to the execution of the Purchase Agreement for the building and real estate.

A detailed listing of the Equipment for this Project is attached at ATTACHMENT 7.

Woodlake Specialty Hospital LLC ("WSH") and Cane Investment Partners LLC (based in Skokie, Illinois, and not affiliated with the Applicants)("Cane") have entered into a Leasing Agreement, (the "Equipment Lease"), pursuant to which Cane will lease the Equipment to WSH. The Equipment Lease is contingent upon the approval of this CON Application by the Review Board.

The material terms of the Equipment Lease are as follows:

Lessor: Cane Investment Partners LLC

Lessee: Westlake Specialty Hospital LLC

Term: 5 years

Effective Interest Rate: 6%

FLOOR	DESCRIPTION	# PT RMS	AREA (SF)	BUDGET (BY FLOOR)
0	Medical Records		2,737	
0	Doctors Lounge		845	
0	Staff Facilities		3,018	
0	Training Room		1,423	
0	Library		2,311	
0	Mechanical		16,285	
0	Staff Dining Rm		4,855	
0	Kit./Food Service		5,337	
0	IT		600	
0	Pharmacy		2,528	
0	Materials Mgmt.		2,741	
0	Morgue		329	
0	Support Spaces		3,614	
<b>GROUND FLOOR TOTAL</b>				<b>\$ 1,200,000</b>
1	Outpatient Rehab		7,683	
1	Clinical Lab		6,579	
1	Resp. Therapy		446	
1	Radiology		15,688	
1	Admin Offices		588	
1	Public Facilities		4,888	
1	Outpatient Center		10,854	
1	Staff Facilities		2,656	
1	BH Holding Bays		2,631	
1	Admit./Command Ctr.		1,174	
1	Acute Behavioral Health Daycare		1,090	
<b>1ST FLOOR TOTAL</b>				<b>\$ 3,300,000</b>
2	Acute Rehab Resident Beds	40	13,580	
2	Therapy		1,149	
2	Support Spaces		10,457	
2	Therapy Gym		7,940	
2	Mechanical		2,647	
<b>2ND FLOOR TOTAL</b>				<b>\$ 1,700,000</b>
3	Skilled Resident Rooms	19	6,543	
3	Activity		572	
3	LTACH Patient Rooms	50	16,984	
3	Quiet Room		200	
3	Family Room		383	
3	Support		8,422	
<b>THIRD FLOOR TOTAL</b>				<b>\$ 1,400,000</b>
4	Day Rooms		2,110	
4	Support Spaces		7,474	
4	Mechanical		1,608	
4	Skilled Resident Rooms	41	13,535	
<b>FOURTH FLOOR TOTAL</b>				<b>\$ 1,800,000</b>
5	Therapy		370	
5	Day Rooms		2,359	
5	Behavioral Health Patient Rooms	46	15,222	
5	Seclusion Room		186	
5	Consult		187	
<b>FIFTH FLOOR TOTAL</b>				<b>\$ 700,000</b>
6	Behavioral Health Patient Rooms	34	12,199	
6	Day Rooms		1,408	
6	Seclusion Room		179	
6	Mechanical		805	
<b>SIXTH FLOOR TOTAL</b>				<b>\$ 600,000</b>
	Misc Circulation (ALL Floors)		42,603	\$ 2,000,000
	Site and Exterior Improvements			\$ 1,500,000
	Misc CAPEX (building systems)			\$ 1,000,000
	ML Group Design and Construction Fee (15%)			\$ 2,280,000
	Contingency			\$ 1,420,000
<b>TOTAL BUDGET</b>				<b>\$ 18,900,000</b>

+ \$500,000 allowance for items excluded in proposal

	DESIGN START	PERMIT START	CONSTRUCTION START	COMPLETION
<b>PHASE 1A</b>				
Partial First Floor (Public Spaces/ Outpatient)	4/19/2021	N/A	6/15/2021	8/15/2021
<b>PHASE 1B</b>				
Ground Floor (Support)	8/1/2021	9/26/2021	12/25/2021	2/19/2022
First Floor (Public Spaces/ Outpatient)	4/19/2021	8/9/2021	11/7/2021	3/27/2022
Second Floor (LTACH)	4/19/2021	8/9/2021	11/7/2021	3/27/2022
Third Floor (Skilled)	4/19/2021	7/12/2021	10/10/2021	2/27/2022
Sixth Floor (Behavioral)	5/15/2021	7/24/2021	10/22/2021	2/25/2022
Circulation (ALL Floors)	8/1/2021	9/26/2021	12/25/2021	2/19/2022
ML Group Fee				4/17/2022
<b>PHASE 1B TOTAL</b>				4/17/2022
<b>PHASE 1C</b>				
Site and Exterior Improvements	5/1/2021	6/26/2021	9/24/2021	11/19/2021
Misc CAPEX (building systems)	6/1/2021	7/27/2021	10/25/2021	1/3/2022
ML Group Fee				4/17/2022
<b>PHASE 1C TOTAL</b>				4/17/2022
<b>PHASE 2</b>				
Fourth Floor (Skilled)	7/12/2021	10/4/2021	1/2/2022	4/24/2022
Fifth Floor (Behavioral)	7/24/2021	10/16/2021	1/14/2022	5/6/2022
ML Group Fee				5/27/2022
<b>PHASE 2 TOTAL</b>				5/27/2022
Contingency (not phase specific)				

Equipment List

BMS	Product/Service	Item	Quantity	Cost per Items	Total Cost
5 RN Units		Beds	80	\$2,000.00	\$160,000.00
		Mattress	80	\$735.00	\$58,800.00
		Sofa	4	\$2,300.00	\$9,200.00
		Task Chairs	20	\$805.00	\$16,100.00
		Overbed tables	80	\$865.00	\$69,200.00
		GE MAC 5500 EKG with cart	2	\$12,000.00	\$24,000.00
		SIGMA Spectrum Infusion System	8	\$5,400.00	\$43,200.00
		Zoll 3M Defibrillator with 3 lead and pacing	5	\$9,100.00	\$45,500.00
		Blanket Warmer	1	\$3,700.00	\$3,700.00
				<b>BHS Total</b>	<b>\$429,700.00</b>

SNF	Product/Service	Item	Quantity	Cost per Items	Total Cost
1 RN Unit		Hill-Rom CareAssist bed	58	\$12,000.00	\$696,000.00
	Stryker Bari bed	1050 LB bari bed	2	\$9,000.00	\$18,000.00
		Market Hill-Rom non powered VersaCare mattress	60	\$735.00	\$44,100.00
		Task Chairs	12	\$805.00	\$9,660.00
		Pt. Chairs	60	\$1,200.00	\$72,000.00
		Overbed tables	60	\$865.00	\$51,900.00
		Stryker Bari 10A Patient Helper	1	\$4,300.00	\$4,300.00
		GE MAC 5500 EKG with cart	1	\$12,000.00	\$12,000.00
		Stryker 5050 Cardiac Chair	2	\$5,800.00	\$11,600.00
		Chrome 4 legged IV Pole	60	\$160.00	\$9,600.00
	Sigma	SIGMA Spectrum Infusion System	60	\$5,400.00	\$324,000.00
		Zoll 3M Defibrillator with 3 lead and pacing	1	\$9,100.00	\$9,100.00
		Drive Levantar Floor lift , manual base	1	\$2,400.00	\$2,400.00
		Digital In-Bed / Stretcher Scale	1	\$3,800.00	\$3,800.00
		Drive Levantar Floor lift , manuel base	1	\$2,400.00	\$2,400.00
		Blanket Warmer	1	\$3,700.00	\$3,700.00
		Night Stands	60	\$750.00	\$45,000.00
				<b>SNF Total</b>	<b>\$1,319,560.00</b>

LTACH	Product/Service	Item	Quantity	Cost per Items	Total Cost
4 Units		Hill-Rom CareAssist bed	48	\$12,000.00	\$576,000.00
	Stryker Bari bed	1050 LB bari bed	2	\$9,000.00	\$18,000.00
		Market Hill-Rom non powered VersaCare mattress	50	\$735.00	\$30,000.00
		Task Chairs	14	\$805.00	\$11,270.00
		Pt. Chairs	50	\$1,200.00	\$60,000.00
		Overbed tables	50	\$865.00	\$43,250.00
		Stryker Bari 10A Patient Helper	4	\$4,300.00	\$17,200.00
		GE MAC 5500 EKG with cart	4	\$12,000.00	\$48,000.00
		Stryker 5050 Cardiac Chair	2	\$5,800.00	\$11,600.00
		Chrome 4 legged IV Pole	50	\$160.00	\$8,000.00
	Sigma	SIGMA Spectrum Infusion System	50	\$5,400.00	\$270,000.00

		Zoll 3M Defibrillator with 3 lead and pacing	4	\$9,100.00	\$36,400.00
		Drive Levantar Floor lift , manuel base	1	\$2,400.00	\$2,400.00
		Blanket Warmer	4	\$3,700.00	\$14,800.00
		Night Stands	50	\$750.00	\$37,500.00
				<b>LTACH Total</b>	<b>\$1,184,420.00</b>
<b>Phy Rehab</b>	<b>Product/Service</b>	<b>Item</b>	<b>Quantity</b>	<b>Cost per Items</b>	<b>Total Cost</b>
2 Units		Hill-Rom CareAssist bed	18	\$12,000.00	\$216,000.00
	Stryker Bari bed	1050 LB bari bed	2	\$9,000.00	\$18,000.00
		Drive Harmony True Low Air Loss Tri-Therapy Mattress	20	\$2,300.00	\$46,000.00
		Task Chairs	15	\$805.00	\$12,075.00
		Pt. Chairs	20	\$1,200.00	\$24,000.00
		Overbed tables	20	\$865.00	\$17,300.00
		Stryker Bari 10A Patient Helper	2	\$4,300.00	\$8,600.00
		GE MAC 5500 EKG with cart	2	\$12,000.00	\$24,000.00
		Stryker 5050 Cardiac Chair	2	\$5,800.00	\$11,600.00
		Chrome 4 legged IV Pole	20	\$160.00	\$3,200.00
	Sigma	SIGMA Spectrum Infusion System	10	\$5,400.00	\$54,000.00
		Zoll 3M Defibrillator with 3 lead and pacing	2	\$9,100.00	\$18,200.00
		Blanket Warmer	2	\$3,700.00	\$7,400.00
		Night Stands	20	\$750.00	\$15,000.00
				<b>Phy Total</b>	<b>\$475,375.00</b>

<b>Imaging</b>	<b>Product/Service</b>	<b>Item</b>	<b>Quantity</b>	<b>Cost per Items</b>	<b>Total Cost</b>
		General Rad	2	\$170,000.00	\$340,000.00
		X-ray Portable	2	\$110,000.00	\$220,000.00
		Ultrasound	2	\$140,000.00	\$280,000.00
		CT	1	\$700,000.00	\$700,000.00
		MRI	1	\$700,000.00	\$700,000.00
		Zoll 3M Defibrillator with 3 lead and pacing	2	\$9,100.00	\$18,200.00
		Blanket Warmer	1	\$3,200.00	\$3,200.00
		Fugi CR	1	\$250,000.00	\$250,000.00
		Furniture			\$55,000.00
		Chrome 4 legged IV Pole	10	\$160.00	\$1,600.00
				<b>Imaging Total</b>	<b>\$2,568,000.00</b>

<b>Occ Health</b>	<b>Product/Service</b>	<b>Item</b>	<b>Quantity</b>	<b>Cost per Items</b>	<b>Total Cost</b>
		Medical Equipment			\$89,000.00
		Office Equipment			\$111,000.00
		Furniture			\$15,000.00
				<b>Occ Health Total</b>	<b>\$215,000.00</b>

<b>Facilities</b>					
		Chiller	1		\$400,000.00
		Boilers	2		\$1,500,000.00
		Air Handlers			\$1,300,000.00
		Emergency Generator	1		\$500,000.00

Facilities Total \$3,700,000.00

Food Services	Product/Service	Item	Quantity	Cost per Items	Total Cost
		DBL Double Full Size Convertible Convection Oven - 108,000 BTU	3	\$5,000.00	\$15,000.00
		Planetary Mixer - Floor Model, 3/4 hp, 200-240v, 3 ph	1	\$12,000.00	\$12,000.00
		25 1/2"W 20 Sheet Pan Rack w/ 3" Bottom Load Slides	4	\$400.00	\$1,600.00
		Cookware			\$50,000.00
		Plates and silverware			\$50,000.00
		Two Section Glass Door Merchandiser, (2) Left/Right Hinge Doors, 115v	1	\$2,000.00	\$2,000.00
		DT0300A/D400 305 lb Indigo NXT™ Full Cube Ice Maker w/ Bin - 365 lb Storage, Air Cooled, 115v	1	\$3,400.00	\$3,400.00
		Economy Series 54 3/8" Two Section Reach In Refrigerator, (2) Left/Right Hinge Solid Doors, 115v	2	\$2,300.00	\$4,600.00
		6 Burner Gas Range w/ Griddle, Natural Gas	2	\$3,700.00	\$7,400.00
		Champion CG6 Low Temp Conveyor Glasswasher w/ Electric Tank Heat, 208v/1ph	1	\$13,000.00	\$13,000.00
		Two Section Reach In Freezer, (2) Solid Doors, 115v	2	\$2,200.00	\$4,400.00
		eQuipped F5-P Gas Fryer - (1) 70 lb Vat, Floor Model, Liquid Propane	1	\$1,000.00	\$1,000.00
		Alto-Shaam 1000-BQ2/128 Heated Banquet Cart - (128) Plate Capacity, Stainless, 120v	6	\$6,000.00	\$36,000.00
		Misc			\$25,000.00
		Furniture for Café			\$50,000.00
				<b>Food Service Total</b>	<b>\$275,400.00</b>
EVS	Product/Service	Item	Quantity	Cost per Items	Total Cost
		Carts	15	\$630.00	\$9,450.00
		Vacuum	7	\$800.00	\$5,600.00
		Floor Buffer	2	\$1,200.00	\$2,400.00
		Floor sweeper	2	\$10,000.00	\$20,000.00
		Floor scrubber	2	\$1,600.00	\$3,200.00
		Hand Sanitizer Stations	100	\$73.00	\$7,300.00
		Pt rm and office trash can	300	\$15.00	\$4,500.00
		32 gallon trash cans	20	\$32.00	\$640.00
		BLA 1 1/2 cu yd Trash Cart w/ 2100 lb	5	\$2,300.00	\$11,500.00
		Wall Mount Soap Dispenser	50	\$21.00	\$1,050.00
		Misc.			\$10,000.00
				<b>EVS Total</b>	<b>\$75,640.00</b>



Lab	Product/Service	Item	Quantity	Cost per Items	Total Cost
		Draw Stations			\$50,000.00
				Lab Total	\$50,000.00

Pharmacy	Product/Service	Item	Quantity	Cost per Items	Total Cost
					\$20,000.00
				Pharm Total	\$20,000.00

Miscellaneous	Product/Service	Item	Quantity	Cost per Items	Total Cost
		Waiting Room Furniture			\$250,000.00
		Signage (inside and outside hospital)			\$500,000.00
				Misc. Total	\$750,000.00

IT	Product/Service	Item	Quantity	Cost per Items	Total Cost
		LTACH	12	\$700.00	\$8,400.00
		BHS	24	\$700.00	\$16,800.00
		SNF	10	\$700.00	\$7,000.00
		PT	15	\$700.00	\$10,500.00
		Admi station	4	\$700.00	\$2,800.00
		HR	3	\$700.00	\$2,100.00
		Phy lounge	2	\$700.00	\$1,400.00
		Pharm	3	\$700.00	\$2,100.00
		Lab	3	\$700.00	\$2,100.00
		Imaging	5	\$700.00	\$3,500.00
		Occ Health	3	\$700.00	\$2,100.00
		EVS	2	\$700.00	\$1,400.00
		Food Services	3	\$700.00	\$2,100.00
		Facilities	2	\$700.00	\$1,400.00
		Security	3	\$700.00	\$2,100.00
		Admitting	4	\$700.00	\$2,800.00
		Case Management	2	\$700.00	\$1,400.00
		Central Supplies	2	\$700.00	\$1,400.00
		Quality Management	1	\$700.00	\$700.00
		Operators	3	\$700.00	\$2,100.00
		Medical Records	2	\$700.00	\$1,400.00
		Purchase Services	2	\$700.00	\$1,400.00
		Respiratory	3	\$700.00	\$2,100.00
		Risk Management	1	\$700.00	\$700.00
		Total PC	114		
				IT Total	\$79,800.00

<b>Grand Total</b>	<b>\$11,072,895.00</b>
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MEDICAL STAFF BYLAWS – WESTLAKE HOSPITAL

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**PREAMBLE**

**WHEREAS:**

- 1 VHS Westlake Hospital, Inc. is a for profit corporation organized under the laws of the State of Illinois to serve as a general community hospital providing patient care and education, with all of its activities subject to the ultimate authority of its corporate Board of Directors, which has delegated certain rights and duties to the Hospital's Board of Trustees ("Board" or "Board of Trustees"), the Hospital CEO ("Administrator"), and the Medical Staff; and,
- 2 The laws, regulations, customs and generally recognized professional standards that govern hospitals require that all practitioners practicing at a hospital be formally organized into a collegial body of professionals, providing for its members education and clinical support, constituting the Hospital's Medical Staff; and,
- 3 The principal purpose of the Hospital is to provide patient care at a level of quality and efficiency consistent with the generally accepted standard of care, and otherwise to fulfill professional and institutional obligations to patients and the community.
- 4 The Hospital's Board and management require a source of collective advice from the professionals practicing at the Hospital to facilitate the formulation and enforcement of policy, planning, governance and coordination of medical services.
- 5 The Medical Staff of Westlake Hospital is the organizational component to which the Hospital's Board must delegate responsibilities relating to, and hold accountable for, the quality and appropriateness of professional performance; and

Therefore, these bylaws are created to set forth the framework, principles and procedures within which the medical staff shall function and carry out its responsibilities.

**ARTICLE I - NAME**

- 1.1 The name of this organization is the "Westlake Hospital Medical Staff."

**ARTICLE II - PURPOSES AND RESPONSIBILITIES**

**2.1 Purposes**

- 2.1.1 To constitute a professional, collegial body, providing for its members mutual education, consultation and professional support, to the end that timely and appropriate patient care is consistently provided at the Hospital.
- 2.1.2 To serve as the collegial body through which individual practitioners may

apply for membership and clinical privileges at the Hospital.

- 2.1.3 To develop an organizational structure, reflected in Medical Staff Bylaws and Rules and Regulations which adequately defines responsibility and authority of the Medical Staff.
- 2.1.4 To provide means whereby issues concerning the Medical Staff and the Hospital may be discussed by the Medical Staff with the Board of Trustees and with the Administrator.
- 2.1.5 To provide a means or method by which members of the Medical Staff can formulate recommendations for the Hospital's policy-making and planning processes, and through which such policies and plans are communicated to and observed by each member of the staff.

## 2.2 Responsibilities

To achieve the purposes enumerated above, it is the obligation and responsibility of the organized Medical Staff:

- 2.2.1 To participate in the Hospital's quality assessment and improvement plan by conducting all required and necessary activities for assessing and improving the effectiveness and efficiency of medical care provided in the Hospital.
- 2.2.2 To make recommendations to the Board concerning appointments and reappointments to the staff, including membership category and department assignments, clinical privileges, specified privileges of allied health professionals, and corrective action.
- 2.2.3 To provide and monitor education programs for the Medical Staff.
- 2.2.4 To develop, administer and recommend amendments to these Bylaws, its supporting manuals and the Rules and Regulations of the Staff and its various components.
- 2.2.5 To enforce compliance with the Bylaws and Rules and Regulations of the Medical Staff and of its administrative and clinical components.
- 2.2.6 To participate in the Board's short- and long-range planning activities, to assist in identifying community health needs and to suggest to the Board appropriate institutional policies and programs to meet those needs.

**ARTICLE III - MEMBERSHIP****3.1 Qualifications**

- 3.1.1 Only physicians, dentists and podiatrist licensed to practice in the State of Illinois who have documented their background, experience, training and current competence; adherence to the ethics of their profession; good reputation, health status (medical, physical and mental health), and ability to work with others, all with sufficient adequacy to assure the Medical Staff and the Board of Trustees that any patient treated by them in the Hospital will be given timely and appropriate care, shall be qualified for membership on the Medical Staff.
- 3.1.2 Members are required to demonstrate appropriate levels of financial responsibility (such as professional liability coverage from an insurance company licensed to do business in Illinois). The amount of such coverage required to maintain medical staff membership will be determined by the Medical Executive Committee and approved by the Board of Trustees.
- 3.1.3 Only members in good standing on the Medical Staff are permitted to treat patients at Westlake Hospital.
- 3.1.4 An applicant's gender, race, creed or national origin will not be a factor in determining suitability for membership on the Medical Staff, Ancillary Staff or Allied Health Staff.

**3.2 Ethics and Conduct**

Acceptance of membership on the Medical Staff shall constitute a pledge by each member:

- 3.2.1 To abide continuously by the ethical standards of the member's professional association such as the American Medical Association, the American Dental Association and the American Osteopathic Association.
- 3.2.2 To be of acceptable professional and moral character.
- 3.2.3 To work cooperatively with others in the hospital environment, abide by hospital policies, and refrain from conduct that adversely affects the quality or

efficiency of patient care services in the hospital.

### 3.3 Application for Appointment

- 3.3.1 Preapplication - Requests for a form for membership on the Medical Staff shall be in writing on a pre-application form approved by the Medical Executive Committee and the Board of Trustees.
- 3.3.2 Criteria and procedures for screening requests for an application form shall be developed by the Credentials Committee and approved by the Medical Executive Committee and the Board of Trustees.
- 3.3.3 Those individuals who meet the threshold criteria for consideration for appointment to the Medical Staff and clinical privileges shall be given an application. Individuals who fail to meet these criteria shall not be given an application and shall be so notified of the reasons thereof. Such individuals shall also be so notified that they do not have a right to request a hearing.

### 3.4 Application and Procedure for Appointment

- 3.4.1 **Application.** The application for membership, if provided, shall be accompanied by copies of the Bylaws and Rules and Regulations of the Medical Staff.
- 3.4.2 **Application Content.** The application form or information to be submitted with the application must include at least the following:
  - 3.4.2.1 Biographical information must be chronologically complete and shall include detailed information concerning the applicant's professional qualifications, including education and training, current professional competence and other qualifications specified in these Bylaws. The applicant shall give written consent to release information on qualifications, insurance, malpractice and others as appropriate.
  - 3.4.2.2 Specific requests stating the department and clinical privileges being applied for.
  - 3.4.2.3 The names of at least three persons who can provide adequate references as to the applicant's professional ability and ethical character. For those who have completed



residency within the past three years, one of the above must be the Director of the training program.

- 3.4.2.4 Copies of current valid medical and other professional licenses and certifications and Drug Enforcement Administration (DEA) controlled substances registration except for categories of physicians as determined by the Medical Executive Committee who do not, by virtue of their specialty, need DEA or State Controlled Substances Registration.
- 3.4.2.5 Current National Provider Identifier (NPI) number or sufficient evidence of pending application for said number.
- 3.4.2.6 Previous or current health and/or disability status (including alcohol or drug dependency, physical, or mental health) which could affect the applicant's ability, skills, and judgment in the practice of medicine.
- 3.4.2.7 Proof of acceptable professional liability insurance.
- 3.4.2.8 Information on:
- disciplinary action against license to practice medicine in any state where licensed.
  - revocation or suspension of DEA registration.
  - denial, revocation, suspension, reduction or non-renewal of membership status and/or clinical privileges at any hospital.
  - revocation or suspension of any other pertinent certification or registration.
  - any claims, final judgments, or settlements of professional activities.
  - any previously successful or currently pending challenges to any licensure or registration (state or district, Drug Enforcement Administration) or the voluntary relinquishment of such licensure or registration.
  - any voluntary or involuntary termination of medical staff membership or voluntary or involuntary limitation, reduction, or loss of clinical privileges at another hospital.

- 3.4.2.9 The applicant shall certify, in writing, that he or she is of sound health, both mentally and physically and, if required, submit to a physical or mental examination.
- 3.4.2.10 The applicant shall have an ongoing duty to update information provided on the application during application's pendency.
- 3.4.2.11 The applicant for initial appointment shall not have the right to fair hearing and appeal, as provided in these Bylaws until after he/she has completed an application for membership which has been processed.

**3.5 Effect of Application**

- 3.5.1 By applying for appointment to the Medical Staff, each applicant thereby:
  - 3.5.1.1 signifies a willingness to appear for interviews in regard to the application;
  - 3.5.1.2 authorizes the Hospital and Medical Staff to consult with members of the Medical Staffs of other hospitals with which the applicant has been associated and with others who may have information bearing on the applicant's qualifications;
  - 3.5.1.3 agrees in writing to abide by the Bylaws, Rules and Regulations of the Medical Staff and the Hospital;
  - 3.5.1.4 releases from liability any individual and organization that provides information to the Hospital on the applicant's qualifications and releases from liability all representatives of the Hospital and the Medical Staff and its members for their acts performed in connection with evaluating the applicant and his credentials.
  - 3.5.1.5 pledges to provide continuous care for his or her patients.
- 3.5.2 Any significant misstatements or omission of facts regarding the application may constitute cause for denial of appointment or cause for dismissal from the

Medical Staff.

### 3.6 Burden on Applicant

The applicant shall have the burden of producing adequate information for a proper evaluation of the qualifications required for membership, and for resolving any issue about such qualifications.

### 3.7 Processing the Application

- 3.7.1 The application and its supporting documentation shall be submitted to the Medical Staff Office. Prior to acting on the initial application, the Hospital must verify, whenever feasible, at least the following information from primary sources: applicant's licensure, specific training (including medical school education), current competence, and ability to perform procedures. Upon submission of an application, the Hospital will contact the Illinois Department of Professional Regulation and National Practitioner Data Bank for information on the applicant. When the application and supporting documentation are complete, the Medical Staff Office shall transmit the application and all supporting materials to the Chair of the applicant's clinical department.
- 3.7.2 The Chair of the clinical department in which the applicant has requested privileges shall evaluate the application and request for privileges and within sixty (60) days and shall forward the application, together with his/her own recommendation, to the Credentials Committee for evaluation.
- 3.7.3 Within sixty (60) days after receipt of the recommendation of the Chair of the clinical department and supporting material, the Credentials Committee shall make its recommendation to the Medical Executive Committee. Prior to making his/her recommendation, the Credentials Committee shall examine the evidence of the character, mental and physical condition, professional competence, qualifications and ethical standing of the applicant and shall determine through information contained in references given by the applicant and personal interview, and from other sources available to the Committee, whether the applicant has established and meets all of the necessary qualifications for the category of Staff membership and the clinical privileges requested by him/her. It is desirable for the interview to be in the form of a face-to-face interview. The Chair of the clinical department shall provide the Credentials Committee with specific, written recommendations for delineating the applicant's privileges. The Credentials Committee shall transmit to the Medical Executive Committee, the

completed application and a recommendation that the applicant be either appointed to the Medical Staff, rejected for Medical Staff membership or that the application be deferred for further consideration.

- 3.7.4 Within sixty (60) days of receipt of the report and recommendation of the Credentials Committee, the Medical Executive Committee shall determine whether to recommend to the Board of Trustees that the applicant be appointed to the Medical Staff, that he/she be rejected for Medical Staff membership, or that his/her application be deferred for further consideration. All recommendations to appoint must also specifically recommend the clinical privileges for the applicant. All completed physician profiles will be posted in the Doctor's Lounge for at least five days prior to the Credentials Committee. The recommendation of the Medical Executive Committee would go directly to the Professional Affairs Committee unless the Medical Executive Committee receives a written petition signed by five members of the Active Senior Staff requesting that the applicant be referred to the Active Staff for a vote prior to the next meeting of the Medical Executive Committee. If the Staff approves the recommendation of the Medical Executive Committee, the recommendation shall be forwarded to the Board of Trustees. If the Staff rejects the recommendation of the Medical Executive Committee, the Medical Executive Committee shall review the application, and forward its recommendation for or against the application to the Board of Trustees.
- 3.7.5 When the recommendation of the Medical Executive Committee is to defer the application for further consideration, it must be followed up promptly with a subsequent recommendation for appointment with specified clinical privileges, or for rejection for Staff membership.
- 3.7.6 The recommendation of the Medical Executive Committee shall be forwarded to the Board of Trustees with all supporting documentation. The Board of Trustees may now delegate this authority to a sub-committee of at least two members if the applicants for appointment or reappointment or renewal or modification of privileges have had no previous significant credentialing or privileging issues.
- 3.7.7 Within sixty (60) days after receipt of a recommendation, the Board of Trustees shall act in the matter. The decision of the Board of Trustees shall be conclusive, except that the Board of Trustees may defer final determination by referring the matter back to the Medical Executive Committee of the Medical Staff for further reconsideration. Any such referral back to the Medical Executive Committee of the Medical Staff shall state the reasons therefore, shall set a time limit within which a subsequent recommendation to the Board of Trustees shall be made, and may include a directive that an interview be conducted to clarify issues which are in doubt. Within a reasonable period of

time after receipt of such subsequent recommendation, and new evidence in the matter, if any, the Board of Trustees shall make a decision either to appoint the applicant to the Staff or to reject him/her for Staff membership. All decisions to appoint shall include a delineation of the clinical privileges which the applicant may exercise.

- 3.7.8 Whenever the Board of Trustees' decision will be contrary to the recommendations of the Medical Executive Committee, the Board of Trustees will submit the matter to the Joint Conference Committee for review and recommendation and shall consider such recommendations before making its final decision.
- 3.7.9 When the Board of Trustees' decision is final, it shall send notice of such decision through the Chief Executive Officer to the applicant.

### 3.8 Reappointment Process

- 3.8.1 Not less than one hundred fifty (150) days prior to the expiration of the current appointment term of the practitioner, the practitioner shall be sent a reappointment form. The practitioner shall have the obligation to complete and return reappointment form and supporting documentation within thirty (30) days after receiving it. The practitioner's completed reappointment form and supporting documentation shall be forwarded to the Chair of the member's clinical department together with a current copy of the member's licensure to practice medicine, a copy of the member's DEA registration, proof of liability insurance, together with all information obtained from the Illinois Department of Professional Regulation and the National Practitioner Data Bank. Licensure is verified with the primary source at the time of appointment and initial granting of clinical privileges, at reappointment or renewal or revision of clinical privileges, and at the time of expiration. The Chair of the member's department may, at its discretion, request that the practitioner submit evidence of any current mental or physical condition, including a copy of an independent physical or mental examination. Not more than thirty (30) days after receipt of the completed reappoint form and all supporting documentation, the Department Chair shall forward in writing, recommendations concerning reappointment and clinical privileges to the Credentials Committee. Where non-reappointment of clinical privileges is recommended, the reason for such recommendation shall be stated, documented and provided to the Medical Executive Committee.
- 3.8.2 Each recommendation concerning the reappointment of a practitioner and the clinical privileges to be granted upon reappointment shall be based upon such member's professional competence, relevant training, clinical or technical

skills, clinical judgment in treatment of patients, the results of the quality assessment and improvement activities of the Medical Staff, the member's ethics and conduct, attendance at Medical Staff meetings, participation in Staff affairs, acceptance of committee and consultation assignments, compliance with Medical Staff Bylaws, Rules and Regulations, cooperation with Hospital personnel, use of the Hospital facilities for patients, relations with other physicians and general attitude toward patients, the Hospital and the public, mental and physical condition, peer and departmental recommendations, information concerning any medical malpractice suits filed against him/her since his/her initial appointment or most recent reappointment, and previously successful or currently pending challenges to, or the voluntary relinquishing of any state medical licensure or DEA registration, and voluntary or involuntary termination of medical staff membership or voluntary or involuntary limitation, reduction or loss of clinical privileges at another hospital.

- 3.8.3 Not more than thirty (30) days after receipt of the recommendations of the Chair of the clinical department, the Credentials Committee shall review the practitioner's reappointment, attendant documentation, and the recommendation of the Chair of the clinical department. The Credentials Committee shall formulate its recommendation and shall forward its recommendation to the Medical Executive Committee concerning the practitioner's reappointment and clinical privileges.
- 3.8.4 Not more than thirty (30) days after receipt of the recommendations of the Credentials Committee, the Medical Executive Committee shall make written recommendations to the Board of Trustees. Where non-reappointment or a change in clinical privileges is recommended, the reasons for such recommendation shall be stated, documented and provided to the staff member.
- 3.8.5 Not more than sixty (60) days after receipt of the recommendation of the Medical Executive Committee, the Board of Trustees shall act upon the reappointment. If the action of the Board of Trustees is adverse to the Staff member in respect to either the reappointment or clinical privileges, the Chief Executive Officer shall promptly notify the Staff member by certified mail, return receipt requested, of the adverse action. The Staff member shall be advised of his/her right to a Hearing and Appellate Review as provided in Article XI of these Bylaws.
- 3.8.6 When the Board of Director's decision is final, it shall send notice of such decision through the Chief Executive Officer to the applicant.

### 3.9 Provisional Appointment

3.9.1 All initial appointments to the Medical Staff and all accompanying privileges shall be provisional for a period of one year. An evaluation is performed by the Department Chair at the end of the one year provisional appointment. Based upon the evaluation by the Department Chair, the Medical Executive Committee may extend the period of provisional appointment by one additional year or the applicant is reappointed to the Active Staff. The maximum period for initial appointment or reappointment is two years. At the end of the provisional period, failure to advance a member from provisional status to regular Staff status shall be deemed a termination of his or her staff appointment. The Administrator will promptly and appropriately notify the provisional appointee of his or her termination. A provisional appointee whose membership is so terminated shall have the rights to a fair hearing and appeal, as provided in these Bylaws.

3.9.2 Members on provisional status shall be assigned to a department where their performance shall be observed by the Chair of the department or his or her representative, to determine the eligibility of such provisional members for regular Staff status and for exercising the clinical privileges provisionally granted to them.

3.9.3 While on provisional status, a member may not be advanced in staff category.

### 3.10 Temporary Appointment

Temporary appointment to the Medical Staff may be made by the Administrator, after consultation with the President of the Medical Staff and the appropriate Department Chairman with concurrence of at least one of the following: (1) in a medical emergency situation, (2) as a replacement for a member who is incapacitated or a *locum tenens*, (3) when an application for membership requested by the applicant who has been recommended for membership by the Medical Executive Committee but has not been acted upon by the Medical Staff and appointed by the Board of Trustees, or (4) at the appropriate request of the patient. Such appointments shall be made for a period not to exceed 120 days.

### 3.11 Leave of Absence

3.11.1 Leave of absence for illness, education or other appropriate purposes may be granted by the Medical Executive Committee for a period of one year. This

may be extended for a period of one year.

- 3.11.2 Following authorized leave-of-absence from the Medical Staff of more than six months, the Medical Executive Committee, at its discretion, may choose to refer an applicant who applies for reactivation of his or her privileges, to the Credentials Committee for re-evaluation and/or may assign the applicant to provisional staff status for the duration of one year.
- 3.11.3 After an illness which may compromise a physician's ability to provide patient care in his/her specialty, the Medical Executive Committee may require a letter from that physician's personal physician attesting his/her ability to provide or resume the previous duties of his/her specialty.

#### 3.12 Administrative Responsibilities

A member of the Medical Staff may enter into agreements with the hospital giving him or her specified administrative responsibilities. When such agreements are terminated the physician's standing as a member of the Medical Staff will not be affected.

### ARTICLE IV - CLINICAL PRIVILEGES

#### 4.1 Exercise of Privileges

- 4.1.1 **General.** A practitioner providing clinical services at this Hospital by virtue of Medical Staff membership, or in a temporary privileges situation shall, in connection with such practice and except as otherwise provided in an emergency, exercise only those clinical privileges specifically granted to him/her by the Board of Trustees and in accordance with these Bylaws, Rules and Regulations.
- 4.1.2 **Experimental, New, Untried or Unproven Procedures/Treatment/Instrumentation.** Experimental drugs, procedures, or other therapies or tests may be administered or performed only after approval of the protocols by the Institutional Review Board and in accordance with the Policies and Procedures thereof.

#### 4.2 Bases for Privileges Determination

Clinical privileges shall be granted on the basis of prior and continuing education, training, experience, health status and demonstrated ability and judgment to provide quality and appropriate patient care. Information may be obtained from other



institutions as appropriate.

Other factors that may be used in determining privileges are patient care needs and the Hospital's capability to support the type of privileges being requested, the geographic location of the practitioner, the availability of qualified medical coverage in the applicant's absence, and an adequate level of professional liability insurance.

Requests for clinical privileges that cross specialty lines will be evaluated based on the above criteria. Criteria for granting such privileges shall be formulated and recommended by the Credentials Committee with input from involved departments if needed. The Credentials Committee shall then forward its recommendation to the Medical Executive Committee which shall review the matter and forward its recommendation to the Professional Affairs Committee and the Board of Trustees for final approval.

Reappraisals for reappointment and requested change in privileges will include observed and/or documented clinical performance, documented information of assessment, utilization management, risk management (including litigation history) and other Medical Staff activities.

#### 4.3 Procedures for Delineation of Privileges

4.3.1 **Requests.** Each application for appointment or reappointment to the Medical Staff must contain a request for the specific clinical privileges desired by the applicant or staff member. Written requests must also be submitted for temporary privileges and for modification of privileges.

4.3.2 **Processing Request.** All request for clinical privileges, except those for temporary privileges, are processed according to the procedures outlined for the initial appointment and reappointment process as applicable. Requests for temporary privileges are processed as outlined in Section 3.10.

#### 4.4 Temporary Privileges

Temporary privileges shall be granted only on confirmation of primary source verification (a documented phone call is acceptable) of current, valid licensure, and current competence. Confirmation of the practitioner's financial responsibilities as required by these bylaws is also required. Practitioners granted temporary privileges shall act under the supervision of the Chair of the department to which he or she is assigned.

If approved by the CEO or designee and either the Department Chair or the President of

the Medical Staff, in accordance with Section 3.10 and 4.4, temporary privileges may be granted in the following circumstances:

- 4.4.1    **Pendency of Application.** After approval of the Medical Executive Committee, an applicant may be granted temporary privileges until final action by the Board of Trustees for a period not to exceed 120 days.
- 4.4.2    **Care of Specific Patients.** A practitioner who is not an applicant for membership may be granted temporary privileges for the care of a specific patient.
- 4.4.3    **Locum Tenens.** A locum tenens is a substitute for a member who is absent from practice for reasons of vacation, illness or education. Upon receipt of a written request for specific temporary privileges, an appropriately licensed practitioner may be granted temporary privileges. Such privileges shall not exceed his/her services as locum tenens.
- 4.4.4    **Termination.** On the discovery of any information or the occurrence of any event of a nature which raises questions about a practitioner's professional qualifications or ability to exercise any or all of the temporary privileges granted, the President of the Medical Staff or the Administrator may, after consultation with the Department Chair responsible for supervision, terminate any or all of such practitioner's temporary privileges. The termination may be effected by any person entitled to impose summary suspension under Article X. In the event of any such termination, the Department Chair shall make provisions for care of the practitioner's patients.
- 4.4.5    **Rights of Temporary Practitioner.** A temporary practitioner shall not be entitled to the procedural rights afforded by Article X, because his/her request for temporary privileges was refused or because all or any portion of his/her temporary privileges were suspended.

**4.5      Emergency and Disaster Privileges**

**4.5.1    Emergency Action by Medical Staff Members**

In case of an emergency in which serious permanent harm or aggravation of injury or disease is imminent, or in which the life of a patient is in immediate danger, and any delay in administering treatment could add to that danger, any member is authorized, when better alternative sources of care are not available within the necessary time frame, to do everything possible to save the patient's life or to save the patient from serious

harm, to the degree permitted by the member's license. A member providing such emergency services outside the scope of granted privileges is obligated to summon all consultative assistance deemed necessary and to arrange for appropriate follow-up care.

**4.5.2 Emergency Privileges for Volunteer Licensed Independent Practitioners in a Disaster**

In the event that the Hospital Emergency Management Plan is activated and the organization is unable to meet immediate patient needs, the Hospital's CEO or President of the Medical Staff, or their respective designees, may grant emergency privileges during the disaster to volunteer licensed independent practitioners who are not then members of the Medical Staff. Such volunteer practitioner's credentials shall be verified by Medical Staff Services as soon as the immediate situation is under control and completed within 72 hours from the time the volunteer presents to the Hospital or, under extraordinary circumstances, as soon as possible.

Volunteers must provide a valid photo identification issued by a state or federal agency and at least one of the following:

- a. current hospital photo ID card;
- b. current medical license verified through primary source;
- c. an ID that certifies the physician is a member of a state or federal disaster medical assistance team;
- d. an ID that certifies the physician has been granted authority by a federal, state or municipal entity to administer patient care in emergencies; and/or
- e. verification by a current hospital medical staff member who can attest to physician's identity.

Termination of these emergency privileges, regardless of reasons, shall not give rise to a right to fair hearing or review under these Bylaws.

**4.6 Medical Training and/or Residency Programs**

Medical students, Interns, Residents or Fellows from an approved program shall work

under the supervision of specified member(s) of the Medical Staff, as approved by the Medical Executive Committee and the Administrator. Such trainees shall work under an agreement/contract with the Director of their training program.

#### 4.7 Allied Health Professionals

Allied Health Professionals including Certified Physician Assistants, Certified Nurse Anesthetist, Certified Nurse Midwife, Certified Surgical Assistants, Advanced Practice Nurse and Clinical Psychologists, holding a valid license, certificate or other legal credential, which is either conferred or recognized by the State of Illinois or an agency thereof, who meet(s) the below listed requirements shall be eligible to apply to the hospital for privileges in accordance with the respective license, certificate or credential. No person shall be entitled to render allied health services in the hospital merely by virtue of the fact that he or she is duly licensed or recognized by the State of Illinois to provide the respective services, by virtue of the fact that he or she has provided services at another institution or organization; or by virtue of being a member of a professional organization.

- 4.7.1 Allied Health Professionals must be able to document their educational background, experience, training, demonstrated ability, current competence, physical and mental health with sufficient adequacy to evidence that patients to whom services are rendered will be accorded care and treatment consistent with their respective license, certificate or legal credential, and in compliance with the Bylaws, policies, Rules and Regulations of the Medical Staff and the hospital.
- 4.7.2 The appropriate clinical departments shall establish, subject to approval by the Medical Executive Committee and the Board of Trustees, the specific qualifications and requirements of applicants for each category of Allied Health Professionals. The clinical departments shall also develop a privilege request form for each category of Allied Health Professionals.
- 4.7.3 Applications and Reappointment Process:

The request of an Allied Health Professional to provide services at Westlake Hospital shall be treated as any other request for clinical privileges. The credentials of the Allied Health Professional, along with the privilege request, shall be reviewed by the Chair of the Department of the sponsoring member with a recommendation(s) forwarded to the credential committee. The Chief Nursing Officer in conjunction with the Department Chair shall approve the clinical privileges for advance practice nurses including the Certified Nurse Anesthetist, Certified Nurse Midwife, and Advance Practice Nurses. The Allied Health Professional shall submit for review the

following:

- a. a curriculum vitae
- b. a copy of current licensure or certificate
- c. a completed Westlake Hospital credentialing application
- d. a completed privilege request form
- e. a letter of support by the supervising medical staff member or members who shall also sign the privilege request form
- f. proof of professional liability insurance with limits of \$1 Million per occurrence and a \$3 Million annual aggregate and copies of any endorsements to the policy

Following its evaluation of the credentials, the Credentials Committee shall make its recommendation to the Medical Executive Committee.

- 4.7.4 All Allied Health Professionals shall be assigned to a department appropriate to his or her professional training and experience and consistent with his or her license, certificate or legal credential. Approval of clinical privileges as an Allied Health Professional is not to be interpreted as appointment to the Medical Staff. Allied Health Professionals are not medical staff members, have no admitting privileges, no right to vote or hold office, and have no meeting requirements.

#### 4.8 History & Physical

A medical history and physical examination must be completed no more than 30 days before or 24 hours after admission but prior to surgery/outpatient procedures by a doctor of medicine or osteopathy or oromaxillofacial surgeon.

The documented history and physical must be placed in the patient's record within 24 hours of admission and prior to any surgical procedure.

Any history and physical conducted more than 30 days prior to admission is not acceptable and must be repeated.

When the history and physical is completed within 30 days of admission, a repeated medical history and physical exam is required within 24 hours of admission/outpatient procedure to determine whether there are any changes in the patient's condition since the initial exam.

- a) If there are no changes to the H&P, the physician is to prepare a medical record entry update indicating that the history and physical was reviewed, the patient examined, and that the practitioner concurs with the findings of the H&P.

- b) If patient changes are identified during the updated evaluation, the practitioner shall document the changes in the updated note.
- c) The updated H&P is attached to the original history and physical within 24 hours after admission and prior to any surgical procedure.

The characteristics of a history and physical for an inpatient should include:

- a) chief complaint
- b) history of present illness
- c) relevant past medical, family, and social history
- d) review of systems, including a minimum review of the cardiovascular, respiratory, genitourinary and gastrointestinal systems.
- e) a report of the physical examination which must include all body systems, pelvic, rectal and breast exams when applicable
- f) statement of the impression/admitting diagnosis
- g) treatment plan
- h) signature of physician

The characteristics of a history and physical for an outpatient surgery visit should include:

- a) chief complaint
- b) brief history regarding past history, family history, allergies, medications and review of systems
- c) physical exam
- d) statement of impression at time of service
- e) plan

## ARTICLE V - OFFICERS OF THE MEDICAL STAFF

### 5.1 Staff Officers

The officers of the Medical Staff shall be the President, President-Elect, Secretary and Treasurer, and Member-at-Large. Only those Active Senior Staff members who satisfy the following criteria shall be eligible to serve as Medical Staff Officers, department chairs or committee chairs:

- a) have been members in good standing on the Active Senior Staff for at least three (3) years and continue so during their term of office. Failure to maintain such status shall immediately create a vacancy in the office involved;
- b) have no pending adverse recommendations concerning Medical Staff

- appointment of clinical privileges;
- c) have constructively participated in Medical Staff affairs, including peer review activities;
  - d) have actively served on at least two Medical Staff committees;
  - e) are willing to discharge faithfully the duties and responsibilities of the positions to which they are elected or appointed;
  - f) are knowledgeable concerning the duties of the office;
  - g) possess written and oral communication skills; and
  - h) possess and have demonstrated an ability for harmonious, professional interpersonal relationships.

All Medical Staff Officers and department chairs must possess at least the above qualifications and maintain such qualifications as determined by the Medical Executive Committee during their term of office. Failure to do so shall automatically create a vacancy in the office involved.

These officers shall be elected, as provided below, at the September meeting of the Staff in the odd numbered years and shall assume office beginning in January of the following year. In odd numbered years, only the President-Elect, Secretary, Treasurer and Member-at-Large will be elected. The then President-Elect will automatically assume the Presidency. The Medical Executive Committee Member-at-Large will be regarded as a staff officer for the purpose of his/her election.

## 5.2 Election of Staff Officers

The proposed slate of officers from the Nominating Committee shall be presented individually and in the following order: 1) President-Elect, 2) Secretary, 3) Treasurer, 4) Member-at-Large seat on the Medical Executive Committee. After the Chair presents each nomination by the Nominating Committee and any additional nominations from ten (10) members of the Senior Level of the Active Staff as provided for in Section 8.1.5, the candidates who receive a majority vote of those Medical Staff members eligible to vote and present at the meeting at the time the vote is taken shall be elected. The vote shall be by written secret ballot.

In any election, if there are three or more candidates for an office and no candidate receives a majority vote, there shall then be successive balloting such that the name of the candidate receiving the fewest votes is omitted from each successive slate until a

majority is obtained by one candidate.

**5.3 Term of Office**

Officers shall be elected bi-annually for one two (2) year term and shall assume office in January. Each officer may not serve two (2) consecutive terms in the same office.

**5.4 Vacancies**

Any vacancy which may occur may be filled by election at a subsequent meeting of the staff and the officer(s) or member(s) so elected shall hold office for the remaining duration of the term.

**5.5 Duties of Officers**

5.5.1 The duties of the Medical Staff officers shall be as outlined below:

5.5.1.1 **President** - The president shall be responsible for the function of the clinical organizations of the Hospital and shall keep or cause to keep a careful supervision over the clinical work in all departments. The President shall call and preside at all meetings of the Medical Executive Committee. The President shall be a non-voting ex-officio member of all committees, but may not be a member of the Nominating Committee.

5.5.1.2 **President-Elect** - The President-Elect shall be a non-voting ex-officio member of all committees. In the absence of the President, the President-Elect shall assume all of the duties and have all of the authority attendant upon the President. In addition, he/she shall be expected to perform such duties as may be delegated to him/her by the President.

5.5.1.3 **Secretary** - It shall be the function of the Secretary to keep accurate and complete minutes of all meetings, call meetings on the order of the President, attend to all correspondence, and perform such other duties as may be assigned to him//her by the President.

5.5.1.4 **Treasurer** - It shall be the function of the Treasurer to account for all funds entrusted to him/her. The Treasurer's books shall be audited annually. The Treasurer shall report monthly to the Medical Executive Committee and make an annual report to the Medical Staff and the Board of Trustees, and shall perform such



other duties as may be assigned to him/her by the President.

5.5.1.5 **Member-at-Large** - It shall be the function of the Member-at-Large to Chair the Performance Improvement Council and to be accessible to members of the Medical Staff and to represent them at the Medical Executive Committee.

5.5.2 All elected officers may be empowered to sign checks and be bonded.

## 5.6 Removal of Officers

Officers of the Medical Staff may be removed from office by a majority vote of the Senior members of the Medical Staff on recommendation of the Medical Executive Committee. Such removal shall be for due cause relating to performance of duties, change in Medical Staff status and/or removal/revocation of privileges, as appropriate.

## ARTICLE VI - MEDICAL STAFF CATEGORIES

The Medical Staff shall have the following categories:

Active (Junior & Senior Level)  
Courtesy  
Emeritus  
Ancillary  
Telemedicine  
Affiliate

### 6.1 Active Staff

The Active Staff shall comprise those Medical Staff members who utilize Westlake Hospital on a regular basis and also participate actively in committee, departmental and Medical Staff functions.

#### 6.1.1 Junior Level of the Active Staff

6.1.1.1 The Junior Level of the Active Staff shall comprise all new members of the Active Staff. After one year on the Junior Level, the member shall be reviewed for compliance with the responsibilities of Active Staff membership and on that basis shall either; (a) be advanced to the Senior Level, (b) be reassigned for no more than one additional year to the Junior Level, (c) be transferred to another staff category if appropriate,

or (d) not be reappointed to the Medical Staff.

6.1.1.2 Members of the Junior Level have the right to vote at all committees to which they have been assigned, but not at departmental or general Medical Staff meetings.

6.1.1.3 Members of the Junior Level shall be eligible to be appointed to any committee except the Credentials Committee.

6.1.1.4 Members of the Junior Level are not eligible to hold office.

#### **6.1.2 Senior Level of the Active Staff**

6.1.2.1 The Senior Level of the Active Staff shall comprise those who have served at least one year on the Junior Level and who fulfill the responsibilities of the Active Staff.

6.1.2.2 Members of the Senior Level have the right to vote at all meetings of the Medical Staff, their clinical department, and the committees to which they have been assigned. They are eligible for appointment to any committee and are eligible to hold office.

#### **6.1.3 Rights and Responsibilities of the Active Staff**

6.1.3.1 Both Junior and Senior members of the Active Staff shall have the following rights:

- to exercise those clinical privileges granted to them according to these Bylaws;
- to attend and speak at meetings of committees, clinical departments and the Medical Staff;
- to invoke the Hearing and Appellate Review provisions of Article XI of these Bylaws.

6.1.3.2 Both Junior and Senior members of the Active Staff shall have the following responsibilities:

- to pay annual dues;
- to utilize Hospital services for fifteen (15) or more patient contacts annually;

- to provide Emergency Room Call Coverage on an equitable basis with other members of the same department, staff category, and/or specialty, according to procedures established by the member's clinical department in cooperation with the Department of Emergency Medicine. There shall be a medical staff policy on on-call physician requirements and on-call physician response time, and all physicians shall comply with this policy;
- to participate in quality management on an equitable basis with other active staff members of the same department or specialty.

6.1.3.3 Members of the Active Staff who fail to meet the responsibilities of Active Staff membership may be reassigned to the Courtesy Staff without recourse to the Hearing and Appellate Review provisions of Article XI.

## 6.2 Courtesy Staff

The Courtesy Staff shall comprise those members of the Medical Staff who utilize the Hospital on an occasional or limited basis. It may include members of a consulting sub-specialty group who have at least one member on the Active Staff. They are subject to the requirements for appointment and reappointment specified in these Bylaws including review of clinical performance at other hospitals. Members of the Courtesy Staff will be required to be a member of the Active Staff, or equivalent, at another hospital.

### 6.2.1 Rights and Responsibilities of the Courtesy Staff

6.2.1.1 Members of the Courtesy Staff shall have the following rights:

- to exercise those clinical privileges granted to them according to these Bylaws;
- to attend and speak at meetings of committees, clinical departments and the Medical Staff, but not to vote;
- to invoke the Hearing and Appellate Review provisions of Article XI of these Bylaws, except as provided in Section 6.1.3.3 of Article VI.

6.2.1.2 Members of the Courtesy Staff shall have the following

responsibilities:

- to pay annual dues;
- to provide Emergency Room Call Coverage on an equitable basis with other members of the same department, staff category, and/or specialty, according to procedures established by the member's clinical department in cooperation with the Department of Emergency Medicine. There shall be a medical staff policy on on-call physician requirements and on-call physician response time, and all physicians shall comply with this policy;
- shall be eligible to be appointed to, and serve on, any committee except the Credentials Committee.

6.2.1.3 Members of the Courtesy Staff shall not be eligible to vote or hold office.

6.2.1.4 Members of the Courtesy Staff who admit more than fifteen (15) patients annually may be reassigned to the Active Staff, and if so, shall be required to fulfill the responsibilities of Active Staff membership.

### 6.3 Emeritus Staff

6.3.1 Members of the Emeritus Staff shall comprise the members of the Medical Staff who have retired from practice, who have served on the Active Staff and whom the Medical Staff wishes to honor.

6.3.2 Members of the Emeritus Staff have the right to attend and speak at meetings of committees, clinical departments and the Medical Staff. They are not eligible for clinical privileges nor to vote nor to hold office. They are exempt from dues and from Emergency Room Call.

### 6.4 Ancillary Staff

6.4.1 The Ancillary Staff shall consist of licensed physicians and dentists who are employees of or independent contractors with the Hospital, who render care on a regular and continuing basis. Appointment and clinical privileges shall be granted according to Articles III and IV of these Bylaws. Each member of the Ancillary Staff shall be appointed to a clinical department which shall be

responsible for the supervision of clinical activities, quality of care, and delineation of clinical privileges and responsibilities. Each department having Ancillary Staff members shall establish rules and regulations for the supervision and selection of such members.

- 6.4.2 The Ancillary Staff shall have no admitting privileges, no right to vote nor to hold office and shall have no obligation to pay dues, and do not participate in Emergency Room Call Coverage. The terms of their relationship with the Hospital shall be governed by their arrangements with the Hospital. Individuals in the Ancillary Staff category who are subject to disciplinary action shall be entitled to hearing or grievance arrangement. If a member of the Ancillary Staff wishes to apply for membership on the Courtesy or Active Staff, such application shall be processed according to the procedure for initial application to the Medical Staff, Article III and IV of these Bylaws.

#### 6.5 Provisional Status

- 6.5.1 All new members of the Active and Courtesy Staffs shall be placed on Provisional Status for one year. They shall have the rights and responsibilities of the Medical Staff category to which they have been assigned. Provisional Status is not a Staff Category but is a period of review of the new Medical Staff member's clinical work.
- 6.5.2 Members with Provisional Status shall be appointed to a clinical department and shall be eligible to attend patients as delineated by the privileges granted to them according to these Bylaws. The Department Chairperson or his designee shall monitor the practitioner's clinical performance and at the end of one year, shall make a recommendation to the Credentials Committee on the future status of the practitioner supported by specific reference to the practitioner's clinical performance.
- 6.5.3 At the end of one year period, the member's clinical department shall review the member's clinical performance and make a recommendation to the Credentials Committee that the member; (a) be advanced to regular staff status; (b) be reassigned for no more than one additional year to provisional status; or (c) not be reappointed to the Medical Staff. In the last case, the member shall have the right to the Hearing and Appellate Review provisions of Article XI of these Bylaws.

#### 6.6 Allied Health Professionals

- 6.6.1 An Allied Health Professional is a Physician Assistant, a Certified Nurse Anesthetist, a Certified Nurse Midwife, an Advanced Practice Nurse or a Clinical Psychologist. An Allied Health Professional shall be duly licensed

by the State of Illinois and shall be contracted with or supervised by a medical staff member. An Allied Health Professional exercises independent judgment within their area of professional competence and is qualified to render health care under the supervision of a medical staff member.

6.6.2 An Allied Health Professional shall:

- a. provide specified patient care, as permitted under his or her license or certificate, and as delineated by these bylaws, under the supervision, direction and overall surveillance of their supervising member.
- b. be subject to the Bylaws and Rules and Regulations of the Medical Staff,
- c. retain responsibility, in conjunction with their supervising medical staff member, for the care and treatment of patients attended by him or her.

6.6.3 An Allied Health Professional may render care only while the supervising physician is a member of the medical staff. If the Allied Health Professional's employment by or contract with the medical staff member or the Hospital is terminated, the Allied Health Professional will automatically lose all privileges without right of appeal.

6.6.4 Inappropriate use of an Allied Health Professional or inappropriate conduct by an Allied Health Professional may result in disciplinary procedures against both the Allied Health Professional and their supervising physician. In the event the Allied Health Professionals is terminated or privileges revoked or curtailed, they shall not be entitled to a hearing and appellate review.

## 6.7 Change of Staff Category

Change of Staff Category will be at the discretion of the Medical Executive Committee which shall take into account the activity, interest and participation of the member in the work of the Medical Staff.

## 6.8 Telemedicine Staff

6.8.1 The Telemedicine Staff shall consist of licensed physicians who have met the requirements for staff membership set forth in Section 3.1. Appointment and clinical privileges shall be granted according to Articles III and IV of these Bylaws. Each member of the Telemedicine Staff shall be appointed to a clinical department which shall be responsible for the supervision of clinical activities, quality of care, and delineation of clinical privileges and responsibilities. Each department having Telemedicine Staff members shall

follow the rules and regulations of that telemedicine program for the supervision and selection of such members.

The Telemedicine Staff shall have no admitting privileges, no right to vote nor to hold office, no obligation to pay dues, and do not participate in Emergency Room Call Coverage. Telemedicine Staff shall provide requested information that is needed to credential and privilege the telemedicine physician. Upon termination of their appointment, they shall not be eligible to have such hearing review alternatives as are provided for regular appointees of the Medical Staff.

#### **6.9 Active Affiliate Staff**

- 6.9.1 The Active Affiliate Staff shall consist of: (a) those physicians, dentists, or podiatrists who desire to be associated with, but who do not intend to seek clinical privileges or (b) those members of the Westlake Medical Staff who wish to relinquish clinical privileges, but maintain staff affiliation.
- 6.9.2 The primary purpose of the Affiliate Staff is to promote professional and educational opportunities, including continuing medical education endeavors, and to allow such individuals to refer patients to other members of the staff for admission, evaluation, and/or care and treatment.
- 6.9.3 Individuals requesting new appointment to the Affiliate Staff must submit an application as prescribed by the Credentialing policy. They shall not, however, be required to satisfy the qualifications for clinical privileges. Individuals already on staff who wish to change staff status to the Affiliate Staff must request a change of staff status along with an agreement to withdraw privileges in order to move to the Affiliate Staff.
- 6.9.4 Responsibilities and Prerogatives of Affiliate Staff

Members of the Affiliate Staff (except as indicated below):

- 6.9.4.1 may attend meetings of the medical staff, departments, and sections (all without vote);
- 6.9.4.2 may attend educational programs of the medical staff,
- 6.9.4.3 may refer patients to members of the Active Staff for admission and/or treatment;
- 6.9.4.4 may visit their patients when hospitalized and review their medical records and discuss their treatment with the Active Staff

- member(s) providing that care, but may not write orders nor make medical record entries nor provide or manage patient care;
- 6.9.4.5 are permitted to use the hospital's diagnostic facilities, including access to the hospital computer system for patient care;
- 6.9.4.6 shall not be granted clinical privileges nor shall they admit or treat patients in the hospital;
- 6.9.5 Members of the Affiliate Staff may, from time to time, be assigned to participate in committees as recommended by the resident of the Medical Staff. Under such circumstances, they may function as a voting member of that committee.
- 6.9.6 If an affiliate staff member desires full staff status and clinical privileges, the physician must complete a request for change of staff status and the addition of clinical privileges. The physician must meet the minimum requirements for such clinical privileges as outlined in the core privilege list of each department/section.
- 6.9.7 Members of the Affiliate Staff shall be subject to annual dues, unless otherwise exempted. No reappointment will be completed without dues being current.

## ARTICLE VII - CLINICAL DEPARTMENTS

### 7.1 Designated Clinical Departments

The clinical departments of the Medical Staff are Anesthesiology, Emergency Medicine, Family Practice, Medical Imaging, Medicine, Obstetrics/Gynecology, Pathology, Pediatrics, Psychiatry and Surgery.

### 7.2 Affiliation with Departments

Every member of the Medical Staff must have a membership in a department which reflects the clinical area in which his/her practice is concentrated. A member may be granted privileges in one or more departments, and the exercise of such clinical privileges within each department is subject to the rules and regulations and authority of the chair of that department.

### 7.3 Functions of Departments

Under the direction of the chair, each department is responsible for the clinical, administrative and performance assessment and improvement activities as described below.



**7.3.1      Administrative Functions**

Each clinical department shall:

- 7.3.1.1      meet at least quarterly to review and carry out the functions of the department.
- 7.3.1.2      contribute its professional views and insights to the formulation of the department and Medical Staff policies, rules and regulations, and plans.
- 7.3.1.3      identify issues and problems, and make recommendations through the Chair to the Medical Executive Committee, the Administrator and others as appropriate.
- 7.3.1.4      establish criteria for the recommendation of clinical privileges for its members.
- 7.3.1.5      establish such committees or other mechanisms as are necessary to carry out the functions of the department.

**7.3.2      Performance Improvement Function**

Each department will carry out its performance improvement function either alone or in concert with other departments of the Medical Staff and the Hospital. These functions shall include but may not be limited to the following:

- 7.3.2.1      review, assess and take actions on a continuing basis to improve departmental performance regarding practice patterns, outcomes, sentinel events, performance review data, and other monitoring activities pertinent to the performance of the department and its members.
- 7.3.2.2      report findings, actions taken and effectiveness of actions on the activities in Section 7.3.2.1 above, through the chair, to the Performance Improvement Council and other relevant staff committees and individuals as appropriate.

**7.3.3      Collegial and Education Functions**

Each department will promote education, research and collegial activities.

**7.3.4 Leadership of Departments**

The leadership shall be the Chair and the Vice Chair of the department. Both officers shall have the same qualifications as described below and the Vice Chair shall assume the responsibility of managing the affairs of the department in the absence of the Chair.

**7.3.5 Selection**

A Nominating Committee of the Department shall consist of the current Chair, immediate Past Chair and one member elected by the Department and shall develop a slate of nominations for Chair and Vice Chair. The Department Nominating Committee shall be selected at the next-to-the last meeting of the Department in the odd numbered years. The election will be held at the last Department meeting in the odd numbered years. At the end of the presentation of the slate of nominees, nominations will be accepted from the floor. The Department Chair and Vice Chair shall be elected by a majority vote of the members present who are eligible to vote from the Department of which the physician is a member, subject to the Qualifications of Department Chairs outlined in Section 7.3.6 and with the approval of the Medical Executive Committee. The newly elected officers take office when approved by the Medical Executive Committee.

**7.3.6 Qualifications of Departmental Chairs are:**

7.3.6.1 be a member in good standing of the Senior Level of the Active Staff and of the department and shall remain in good standing throughout his/her term.

7.3.6.2 be board certified in an appropriate specialty for which the department stands. An alternative to board certification will include sufficient experience [five (5) years] in the specialty after completion of an approved training program.

7.3.6.3 agree to discharge willingly and faithfully the functions of the office and work cooperatively with other Medical Staff officers and Hospital authorities.

7.3.6.4 have demonstrated administrative abilities, prior constructive participation in Medical Staff activities and a high degree of interest and support for the Medical Staff and Hospital.

**7.3.7 Responsibility and Authority of Department Chairs**

The clinical department Chair has the responsibility and authority to manage the affairs of the department and to carry out the functions delegated to him/her and to the clinical department by the Board of Trustees or the Medical Executive Committee. Specifically, the Chair of the clinical department shall

- 7.3.7.1 participate on a continuous basis in managing the clinical department through cooperation with the nursing and other patient care services, hospital management and the medical staff president on all matters affecting patient care.
- 7.3.7.2 participate in planning with respect to the clinical department personnel, equipment, facilities, services and budget.
- 7.3.7.3 communicate and implement, within the clinical department actions taken by the Medical Executive Committee, the Board of Trustees and other relevant authorities.
- 7.3.7.4 serve on, participate in decision of, and report to the Medical Executive Committee on department operation, and make specific recommendations and suggestions regarding the department.
- 7.3.7.5 review patient care and the professional performance of members and allied health professionals, as appropriate, and present written reports to the Performance Assessment and Improvement Committee and the Medical Executive Committee.
- 7.3.7.6 review and evaluate data/information forwarded from the various Medical Staff review committees and make recommendations or take action as appropriate.
- 7.3.7.7 make written recommendations concerning appointment, reappointment, and delineation of clinical privileges for each member of the department to the Credentials Committee.
- 7.3.7.8 enforce the Hospital and Medical Staff Bylaws, Rules and Regulations, policies and procedures within the clinical department, including initiating corrective action and investigation of clinical performance and ordering consultations to be provided or sought when necessary.
- 7.3.7.9 appoint ad-hoc committees, as necessary, to assist in the performance of his/her duties. The charge of the ad-hoc

committee should be defined.

- 7.3.7.10 preside over and prepare the agenda for all meetings of the department.
- 7.3.7.11 perform such other duties and exercise authority commensurate with the office as set forth in these Bylaws, Rules and Regulations, and as may be requested by the President of the Medical Staff, the Medical Executive Committee or the Board of Trustees.
- 7.3.7.12 assess and recommend to the relevant hospital authority off-site sources for needed patient care services not provided by the department or the organization.
- 7.3.7.13 integration of the department or service into the primary functions of the organization.
- 7.3.7.14 coordination and integration of interdepartmental and intradepartmental services.
- 7.3.7.15 development and implementation of policies and procedures that guide and support the provision of services.
- 7.3.7.16 recommend a sufficient number of qualified and competent persons to provide care or services.
- 7.3.7.17 maintain quality control programs as appropriate.
- 7.3.7.18 orientation and continuing education of all persons in the department.
- 7.3.7.19 recommendations for space and other resources needed by the department or service.

**7.4 Vacancies**

A vacancy in department leadership shall be filled promptly by appointment of a qualified Chair by the Medical Executive Committee subject to Board approval and shall be for the remainder of the current term.

**7.5 Removal of Departmental Chairs**

- 7.5.1 Department Chairs may be removed from office when the duties of the office are not being carried out as described in Section 7.3.7.
- 7.5.2 Removal can only be effected by the Board of Trustees majority vote. This may be done by acting upon its own initiative following recommendation of the Medical Executive Committee or after majority vote of the active staff members in good standing of the applicable department. Recommendation to the Board shall be made through the President of the Medical Staff.
- 7.5.3 When the Board of Trustees is contemplating action to remove a chair, it may consult with the Medical Executive Committee of the Medical Staff, the President of the Medical Staff and the Administrator. The Board's action shall be the final decision. Removal from office shall not constitute the right to the hearing and appeals process for purposes of this section.

## ARTICLE VIII - COMMITTEES AND FUNCTIONS

### 8.1 Committees

Committees shall be standing or special. All committees and their chairs, other than the Medical Executive Committee and Nominating Committee, shall be appointed by the President, unless provided otherwise in these Bylaws. Standing Committees, except for Joint Conference and Nominating Committee, shall meet at least quarterly, unless specifically stated otherwise. Every Committee has the basic responsibility to assess its performance and that of the Medical Staff relative to its function, and with the overall goal of improving patient care.

Non-physician members of the Medical Staff committees shall be adjunct members and shall have no vote. Adjunct members shall be appointed by the President in order to fulfill HFAP and State requirements. Adjunct members may be designated to keep the minutes of the committee meetings.

#### 8.1.1 Medical Executive Committee

The Medical Executive Committee shall consist of the elected President, the President-Elect, the Immediate Past President, the Secretary, the Treasurer of the Medical Staff, the Member-at-Large, and the ten (10) Departmental Chairs. The Director of CME, the Chief Medical Officer and the Chairs of the Utilization Review and Critical Care Committees shall be ex-officio non-voting members of the Medical Executive Committee.

The duties of the Medical Executive Committee shall be to coordinate the activities and general policies of the various departments and to carry on the executive functions of the Medical Staff. The Medical Executive Committee shall meet at least once a month and maintain a permanent record of its proceedings and actions. The Medical Executive Committee is empowered to act for the Medical Staff between meetings unless otherwise specified in the Medical Staff Bylaws. The Medical Executive Committee shall act as a liaison group between the Medical Staff and the Administrator of the Hospital. The Administrator of the Hospital shall be an ex-officio non-voting member of the Medical Executive Committee. The Medical Executive Committee shall report to the Staff at the regular meetings and to the Board of Trustees via the President of the Medical Staff. The Medical Executive Committee makes recommendations directly to the Board of Trustees for approval. It makes recommendations pertaining to Medical Staff structure and pertaining to credentialing mechanisms. The Medical Executive Committee makes recommendations on Medical Staff participation in Process Improvement activities, recommendations used to delineate clinical privileges, recommendations regarding individuals for medical staff membership, recommendations for delineated privileges for each individual, recommendations regarding the mechanism by which medical staff membership may be terminated, recommendations regarding the mechanism for fair hearing procedures, and also receives and acts on reports and recommendations from medical staff committees, clinical departments, and assigned activity groups.

#### 8.1.2 Credentials Committee

The Credentials Committee shall consist of members of the Senior Level of the Active Staff and chaired by the President-Elect. Its duties shall be to investigate the credentials of all applicants for membership and to make recommendations to the Medical Executive Committee in conformity with these Bylaws. When making its decisions, the Credentials Committee shall take into account the staffing needs of the Hospital as determined by the respective Departments and approved by the Medical Executive Committee and the Board of Trustees.

Not later than every two years, the Credentials Committee shall review the credentials, privileges and compliance with current Bylaw requirements of all Medical Staff members, except that members on Provisional status shall be reviewed annually. Recommendations for or against reappointment shall be based, among other factors, on compliance with the meeting attendance requirement as specified in Article IX of these Bylaws, and on the requirement regarding timely completion of medical records as detailed in

the Regulations of the Medical Staff. Recommendations shall be transmitted to the Medical Executive Committee at its monthly meeting and on to the Board of Trustees for final approval.

**8.1.3      Joint Conference Committee**

The Joint Conference Committee shall be composed of three (3) members of the Senior Level of the Active Staff appointed by the President of the Medical Staff and three (3) members of the Board of Trustees, appointed by the Chair of the Board. The Chair of the Board will designate a Board member as Chair of the Joint Conference Committee. This Committee shall be a medico-administrative liaison committee between the Medical Staff, the Board of Trustees, and the Administrator of the Hospital and shall meet only at the request of the Medical Executive Committee or Board of Trustees.

**8.1.4      Surgical Control Committee**

The Surgical Control Committee shall be composed of eleven (11) members. The Chair of the Department of Surgery shall be the Chair of the Surgical Control Committee. The remaining ten (10) members shall be the Chairs of the Department of Anesthesia, Obstetrics and Gynecology, and one representative each from the sub-specialties of General Surgery, Cardiovascular and Thoracic Surgery, Dentistry, ENT, Neurosurgery, Orthopedic Surgery, Plastic Surgery and Urology. This Committee shall be responsible for overseeing the efficient utilization as to surgical facilities and shall recommend surgical privileges of members of the Medical Staff to the Chair of the Surgery Department.

**8.1.5      Nominating Committee**

There shall be a Nominating Committee composed of five (5) members of the Senior Level of the Active Staff. One member is to be elected by the Senior Level of the Active Staff at the regular March Staff meeting. One member is to be elected by the Medical Executive Committee. The third member shall be appointed by the President of the Medical Staff and shall act as Chair. The current Medical Staff President and immediate Past President shall be members of the Nominating Committee as well.

Duties of this Committee shall be to prepare a slate of nominees for the offices of President, President-Elect, Secretary, Treasurer and Member-at-Large seat on the Medical Executive Committee. All nominees must be

from the Senior Level of the Active Staff. At least thirty (30) days prior to the Annual Medical Staff Meeting, the Nominating Committee shall post the slate on the Medical Staff bulletin board in the Medical Staff Lounge and distribute its report to the Medical Staff.

Not less than ten (10) days before the meeting at which officers are elected, any ten (10) members of the Senior Level of the Active Staff may file with the Secretary of the Medical Staff a written nomination of one or more candidates for such offices, together with the written consent of such candidates to serve if elected. The Secretary shall post such nominations on the Medical Staff bulletin board in the Medical Staff Lounge. Nominations shall not be permitted from the floor at the Annual Meeting.

#### 8.1.6 **Pharmacy and Therapeutics Committee**

8.1.6.1 There shall be a Pharmacy and Therapeutics Committee composed of members of the Medical Staff representing Medicine and Surgery, at least one Pharmacist, and a dietician. This Committee shall be a liaison Committee between the Medical Staff and the Pharmacy Department. The Committee shall formulate rules and regulations relating to the selection, evaluation, distribution, and administration of drugs and medicines in the hospital; establish control and reporting procedures for the use of investigational (experimental, trial use) drugs and medicines; promote educational programs on drugs and drug therapy for the medical and nursing staff and other appropriate personnel; develop and update the Service Policy and Procedure Manual, the Hospital Formulary or Drug List; review and act on recommendations, drug usage reports, medication errors and/or other incident reports, storage, distribution and administration of drugs; develop policies and procedures which shall be approved by the Medical Staff and Board to provide for the administration of identified drugs and medicines by qualified professionals in the course of practicing their professions; and establish guidelines for the education, in-service training and supervision of all personnel administering drugs and medications.

8.1.6.2 The Market Pharmacy and Therapeutics Committee ("Market P&T") is a consortium of the Pharmacy and Therapeutics Committees of hospitals in the Chicago Metropolitan Area, including Westlake Hospital. The activities of the Market P&T Committee and its relationship with the Westlake Hospital P&T Committee shall be governed by the Market P&T Committee Charter ("The Charter"). The initial Charter and any amendments to the Charter shall be reviewed and approved by the Westlake Hospital Medical Executive Committee (MEC). The scope of authority and responsibilities of the



Westlake Hospital P&T Committee and the Market P&T Committee shall not exceed the authority and responsibilities defined in section 8.1.6.1 of these Bylaws. All recommendations of the Westlake Hospital P&T Committee and the Market P&T Committee shall be reviewed and approved by the MEC prior to implementation.

**8.1.7 Library and Education Committee**

There shall be a Library & Education Committee composed of at least four (4) members of the Medical Staff to act as a guide for the selection of modern textbooks and current periodicals relative to the clinical services maintained in the Hospital. The Committee shall be responsible for the educational program of the Medical Staff.

The Library & Education Committee shall be chaired by the Director of Continued Medical Education who is a member of the Medical Staff appointed jointly by the President of the Medical Staff and the President of the Hospital.

**8.1.8 Infection Control Committee**

There shall be an Infection Control Committee with the function to discover sources of in-hospital infections, to establish routine methods of testing areas, medications, and personnel for infectious agents, and to plan improvements in existing procedures of housekeeping, equipment maintenance, and aseptic techniques, including isolation.

**8.1.9 Bylaws/Rules and Regulations Committee**

There shall be a Bylaws/Rules and Regulations Committee. The Committee shall meet as the need arises, but at least once a year. The duties of the Committee shall be to conduct at least annual reviews of the Bylaws, Rules and Regulations, Policies and Procedures promulgated in connection thereof and recommend changes to the Medical Executive Committee and the Medical Staff, receive and consider all matters referred by the Board of Trustees, the Medical Executive Committee and other pertinent entities.

**8.1.10 Utilization Review Committee**

The Utilization Review Committee shall consist of a minimum of six (6) members of the Active Staff plus such additional members as necessary to

perform the required duties. Hospital staff, as appropriate, shall be represented on the Committee. The Chair of this Committee is a member of the Medical Staff appointed jointly by the President of the Medical Staff and the President of the Hospital. The duties of the Committee shall be to review, evaluate and improve the mechanisms associated with the delivery of health care so that patients receive service in appropriate amounts, levels and efficiency.

#### 8.1.11 **Performance Improvement Council**

This Council shall be responsible for the development and implementation of the Performance Improvement Plan for the hospital and for assuring that all medical records meet the standards for clinical pertinence and timely completion. It shall monitor, evaluate and report its findings and recommendations to the Medical Executive Committee of the Medical Staff and the Professional Affairs Committee of the Board of Trustees.

The Performance Improvement Plan defines the membership of the Council. The Chair of this Council shall be a member of the Medical Staff appointed jointly by the President of the Medical Staff and the President of the Hospital. This Council shall meet at least quarterly.

#### 8.1.12 **Ad Hoc Committees**

Special Committees shall be appointed by the President of the Medical Staff as required to carry out properly the duties of the Medical Staff.

Such Committees shall confine their work to the purposes for which they were appointed and shall report as directed. Such Committees shall be deemed dissolved when their work is finished.

#### 8.1.13 **Cancer Committee**

There shall be a Cancer Committee composed of physician members of the Departments of Surgery, Internal Medicine, Obstetrics and Gynecology, Medical Imaging, Pathology, Family Practice, and non-physician members representing Nursing, Social Services, Rehabilitation Service, and Cancer Registry. The purpose of this Committee shall be to organize and maintain a hospital-based program to improve the care of cancer patients and to provide a potential source for acquiring new knowledge of cancer. The Cancer Committee, through its Registrar, shall have access to all medical records. The Committee shall meet at least quarterly. The Chair of this Committee is a member of the Medical Staff appointed jointly by the President of the

Medical Staff and the President of the Hospital.

**8.1.14 Peer Review Committee**

The Peer Review Committee is charged with reviewing the quality of care provided by the members of the Medical Staff. The Immediate Past President of the Medical Staff shall serve as chairperson. The remainder of the committee shall be appointed by the President of the Medical Staff from members of the Active Staff. In the event that there is a conflict of interest between a member of the Peer Review Committee and the physician identified in the case, the President of the Medical Staff will temporarily assign an impartial member of the Medical Staff to assume that member's responsibilities on the committee.

The Peer Review Committee shall receive referrals from the clinical departments, other Medical Staff Committees, and Hospital Departments. The Committee shall review cases and make its recommendations to the Medical Executive Committee.

The Medical Executive Committee shall draft a Medical Staff Peer Review Policy and Procedure which shall govern the Committee's activities.

**8.1.15 Critical Care Committee**

There shall be a Critical Care Committee chaired by the Medical Director of Critical Care and shall include representatives from Nursing, Respiratory Therapy, Pharmacy, Spiritual Services, Nutrition Services, Utilization Management, Performance Distinction, The Chief Nursing Officer, Chief Medical Resident, the Chief Medical Officer, two Internal Medicine Residents, and a physician from each of the following Departments: Emergency Medicine, Anesthesia and Surgery. The Committee is charged with developing and proposing the policies, protocols and procedures governing critical care at the hospital. The Committee shall monitor the quality of critical care within the hospital, establish improvement goals and monitor compliance with evidence based protocols.

**8.2 Reporting of Committees**

All standing committees of the Medical Staff must make periodic reports to the various medical departments, the Medical Executive Committee and/or the Performance Improvement Council. The information provided to these various entities should be in accordance with the charge/responsibilities and the requirements set forth in these

Bylaws and other pertinent documents.

Committees required to report but with no representation on the Medical Executive Committee will report to the Medical Executive Committee at least quarterly. Reporting will be through the Chair of the department in which the Committee Chair is a member.

## ARTICLE IX - MEETINGS

### 9.1 Parliamentary Authority

The rules contained in the current edition of "Sturgis Standard Code of Parliamentary Procedure" shall govern the Medical Staff in all cases in which they are applicable and in which they are not inconsistent with the Bylaws and with the special rules of order the Medical Staff may adopt.

### 9.2 Regular Meetings

The regular meetings of the Medical Staff shall be held at the Hospital in March and September. During an election year, at the March meeting, the Staff shall elect its representative to the Nominating Committee.

### 9.3 Clinical Meetings

Continuing Medical Education (CME) conferences shall be held regularly. These programs shall be pertinent to the educational needs of the Medical Staff and provided under the direction of the Chair of the Medical Library and Education Committee.

### 9.4 Departmental Meetings

Departments shall meet at least quarterly to review the work of the Department and keep written minutes of all proceedings.

### 9.5 Special Meetings

Special meetings of the Medical Staff may be called at any time by the President of the Medical Staff who shall call such meetings at the request of the Board of Trustees of the Hospital, the Medical Executive Committee or at the written request of twenty-five percent (25%) of the members of the Active Staff. Such special meetings may be called upon written notice by U.S. certified mail at least seven (7) days before the time set for such meetings. At any special meeting, no business shall be transacted except that stated

in the notice calling the meeting.

**9.6 Quorum**

At any meeting at which business is transacted, fifty percent (50%) of the total membership of the voting Medical Staff shall constitute a quorum. Except as otherwise provided in these Bylaws, the affirmative vote of a majority of those voting Medical Staff members present and voting at a meeting at which a quorum is present is required for action by the Medical Staff.

**9.7 Attendance**

Active and Courtesy Medical Staff members are expected to attend meetings. Attendance at Medical Staff meetings will be a factor when considering the reappointment of Active and Courtesy Medical Staff members.

Requirements for continuing medical education shall be identical to those of the State of Illinois. A current license to practice medicine in the State of Illinois will constitute evidence of satisfactory continuing medical education credit for staff practitioners.

The person responsible for Continuing Medical Education shall keep a record of continuing medical education credit hours earned at Westlake Hospital. This person shall cause a certificate to be issued to practitioners certifying continuing medical education credit hours earned at Westlake Hospital at the end of each year.

**9.8 Agenda - Bi-Annual Meeting**

The agenda of a Bi-Annual Meeting shall be:

- Call to Order
- Reading of Minutes of last regular and all special meetings
- Report from the President of the Medical Staff
- Unfinished Business
- Communications
- Reports of departments, standing and special committees

- New Business
- Report from Administrator
- Adjournment

**9.9 Agenda - Special Meeting**

The agenda of a special meeting shall be:

- Reading of the notice calling for the meeting, which shall state its purpose.
- Transaction of the business for which the meeting was called.
- Adjournment

**ARTICLE X - CORRECTIVE ACTION**

**10.1 Request for Corrective Action**

Whenever the activities or professional conduct of any member of the Medical Staff and all other individuals having clinical privileges are deemed to jeopardize the health and well being of a patient or patients or fail to comply with the Bylaws, Rules and Regulations of the Medical Staff, corrective action may be requested by any member of the Medical Staff, by the Administrator or by the Hospital's Board of Trustees. All requests shall be in writing to the Medical Executive Committee and shall include the specific activities or conduct, supported by any evidence available.

**10.2 The Medical Executive Committee Action**

At its discretion, the Medical Executive Committee may take action such as but not limited to the following:

- 10.2.1 Accept, reject or modify the request for corrective action, or order further investigation as it deems necessary.
- 10.2.2 Institute informal corrective action such as monitoring of professional practice and participation in continuing medical education (CME) programs.
- 10.2.3 Recommend summary or automatic suspension as described below.
- 10.2.4 Recommend curtailment or suspension of privileges. Before privileges are curtailed or suspended, the affected practitioner must be given an opportunity to present his or her case before the Committee, except for summary and

automatic suspension.

- 10.2.5 Promptly notify the affected practitioner and the complainant of the initial contemplated action.

### 10.3 Summary Suspension

- 10.3.1 **Criteria for Institution of Summary Suspension.** When a practitioner's activities are found to endanger the patient's health or life, an immediate suspension of his or her privileges must be enforced. The decision to suspend privileges will be made at least by two of the following: (1) the appropriate Department Chair, (2) the President of the Medical Staff, (3) and the Administrator, or their respective designees. The affected practitioner will be personally and promptly notified.

The Medical Executive Committee shall be convened to review and consider the action taken as soon as possible within seventy-two (72) hours. The affected member will be granted an opportunity to appear before the Medical Executive Committee for this review. The Medical Executive Committee may continue or terminate the summary suspension. In the event the Medical Executive Committee decides on termination of the summary suspension, such decision shall be promptly transmitted to the affected practitioner.

- 10.3.2 **Continuation of Summary Suspension.** If the Medical Executive Committee decides to continue the suspension, the affected practitioner will be offered a fair hearing. This hearing will be convened in thirty (30) days or sooner if mutually agreed upon (see Article XI).
- 10.3.3 **Alternate Medical Coverage.** Immediately upon imposition of a summary suspension, the Chair of the applicable department or, in his or her absence the President of the Medical Staff, shall have the authority and obligation to provide for alternative medical coverage for patients of the suspended practitioner still in the Hospital at the time of suspension. The wishes of the patients shall be considered in the selection of such alternative practitioner(s).

### 10.4 Automatic Suspension

- 10.4.1 **Delinquent Medical Records.** Any practitioner whose medical records are delinquent shall be subject to suspension of admitting and clinical privileges. The Medical Executive Committee shall define by policy: (a) when a practitioner's medical records are considered delinquent; (b) when those delinquencies shall constitute grounds for suspension of admitting and clinical privileges; and (c) any exceptions to the suspension policy.

- 10.4.2 **Licensure Suspension or Revocation and Felony Conviction.** Action by the Department of Professional Regulation or other government body revoking or suspending a staff member's license shall automatically suspend the practitioner's clinical privileges and staff membership. A felony conviction may constitute grounds for automatic suspension.
- 10.4.3 **Other Reasons.** Failure to maintain other requirements for staff membership as stated elsewhere in these Bylaws, Rules and Regulations may be grounds for automatic suspension.
- 10.4.4 **Effect of Automatic Suspension.** The revocation or suspension of clinical privileges for delinquent medical records or for the revocation or suspension of a license shall not entitle the affected practitioner member to procedural rights of a hearing and appellate review. Automatic suspension as a result of delinquent medical records shall be terminated and privileges restored upon completion of the delinquent medical records. If a practitioner's license is restored, he or she may apply for reappointment.

**ARTICLE XI - HEARING AND APPELLATE REVIEW**

**11.1 Events Giving Rise to Hearing and Appeal Rights**

- 11.1.1 The following actions or recommended actions by the Medical Executive Committee or by the Board of Trustees, when deemed unfavorable, shall entitle the practitioner to a hearing, upon timely and proper request. Each such action or recommended action shall be deemed a "professional review action" as the term is defined in the Health Care Quality Improvement Act of 1986.
  - 11.1.1.1 Denial of initial staff appointment (after completed application has been processed)
  - 11.1.1.2 Denial of reappointment
  - 11.1.1.3 Revocation of appointment
  - 11.1.1.4 Denial of requested appointment to or advancement in staff category
  - 11.1.1.5 Reduction in staff category
  - 11.1.1.6 Special limitation of the right to admit patients
  - 11.1.1.7 Denial of requested clinical unit affiliation
  - 11.1.1.8 Denial or restriction of requested clinical privileges
  - 11.1.1.9 Reduction in clinical privileges
  - 11.1.1.10 Suspension of clinical privileges



- 11.1.1.11 Revocation of clinical privileges
  - 11.1.1.12 Summary suspension of appointment or clinical privileges, provided that the recommendation of the Medical Executive Committee or action by the Board of Trustees is to continue the suspension or to take other action which would entitle the practitioner to request a hearing.
- 11.1.2 When Deemed Unfavorable. Any action or recommended action listed in Section 11.1.1 above is deemed unfavorable to the practitioner only when it has been recommended by the Medical Executive Committee and/or taken by the Board of Trustees under circumstances where no prior right to request a hearing existed.
- 11.1.3 Number of Hearings and Reviews. Notwithstanding any other provision in these Bylaws, no practitioner shall be entitled as a right to more than one hearing and appellate review with respect to the subject matter that is the basis of the unfavorable action or recommended action giving rise to the right.

## 11.2 Notice of Unfavorable Action

The President of the Medical Staff shall promptly notify the affected practitioner of the unfavorable action or recommended action. The notice shall:

- 11.2.1 advise the practitioner of the nature of the proposed action and of his or her right to a hearing upon timely and proper request;
- 11.2.2 contain a concise statement of the practitioner's alleged acts or omissions, a list by number of the specific or representative patient records in question, and/or the other reasons or subject matter forming the basis for the unfavorable action or recommended action which is the subject of the hearing;
- 11.2.3 specify that the practitioner has thirty (30) days after receiving the notice within which to submit a request for a hearing;
- 11.2.4 state that failure to request a hearing within that time period and in the proper manner constitutes a waiver of rights to a hearing and to an appellate review on the matter that is the subject of the notice;
- 11.2.5 state that as soon as possible after receipt of the hearing request, the practitioner will be notified of the date, time and place of the hearing.

**11.3 Request for Hearing**

The practitioner shall have thirty (30) days after receiving the above notice to file a written request for a hearing.

**11.4 Waiver of Hearing**

11.4.1 A practitioner who fails to request a hearing within the time and manner specified in Section 11.3 above waives his or her right to any hearing or any appellate review to which he or she might otherwise have been entitled. Such waiver shall apply only to matters that were the basis for the unfavorable action or recommended action.

11.4.2 A waiver constitutes acceptance of the action and shall immediately become the final decision in the matter.

**11.5 Special Notice of Time and Place of Hearing**

11.5.1 Upon receiving a timely and proper request for a hearing, the Administrator shall notify the President of the Medical Staff or Chair of the Board of Trustees, depending on which body's action or recommended action gave rise to the hearing rights, and shall schedule a hearing.

11.5.2 The Administrator shall promptly notify the affected practitioner of the hearing, including the time, date and place of the hearing.

11.5.3 The hearing date shall be not less than thirty (30) days from the date of the notice for hearing. In situations in which a practitioner is under suspension, the hearing may be held sooner than thirty (30) days as mutually agreed upon.

11.5.4 The special notice of hearing shall also include the names of individuals, as reasonably known, who will give testimony or evidence at the hearing.

**11.6 Appointment of a Hearing Committee**

11.6.1 When a hearing has been requested in accordance with these Bylaws, a hearing committee composed of not less than three (3) members appointed by the President of the Medical Staff or the Chair of the Board of Trustees, depending

on which body's action or recommended action gave rise to the hearing rights.

A chair of the Hearing Committee shall also be appointed by the President of the Medical Staff or the Chair of the Board.

- 11.6.2 Eligibility for appointment to the Hearing Committee shall not include members of the Medical Staff who were involved in the initiation of the request for action or who are in direct economic competition with the affected practitioner, or who have a conflict of interest with the affected practitioner. Impartial peer would exclude individuals with blood relationships, employer/employee relationships, or other potential conflicts that might prevent the individual from giving an impartial assessment, or give the appearance of the potential of bias for or against the subject of the peer review.
- 11.6.3 In instances when it is not feasible to find a hearing panel within the hospital, the Medical Executive Committee or the Board of Trustees may choose an alternative means to execute a fair hearing.

#### 11.7 Hearing Procedure

- 11.7.1 **Personal Presence.** The personal presence of the practitioner is required throughout the hearing unless such personal presence is excused for any specific time by the Hearing Committee. The presence of the practitioner's legal counsel or other representative does not constitute the personal presence of the practitioner. A practitioner who, without good cause, fails to be present at the hearing or fails to proceed in accordance with this hearing's plan shall be deemed to have waived his or her rights in the same manner and with the same consequences as provided in Section 11.4 above.
- 11.7.2 **Presiding Officer.** The Chair of the Hearing Committee shall be the presiding officer. The presiding officer shall maintain decorum and assure that all participants have a reasonable opportunity to present relevant evidence. He or she shall determine the order of procedure during the hearing and make all rulings on matters of procedure and the admissibility of evidence. The presiding officer shall not act as a prosecuting officer or as an advocate to any party to the hearing. The Chair of the Hearing Committee shall be entitled to vote.
- 11.7.3 **Representation.** The practitioner may be accompanied and assisted at the hearing by a member of the Medical Staff in good standing, by a member of his or her local professional society, by an attorney, or by another person of his or her choice. The practitioner shall inform the Administrator in writing of the name and occupation of that person at least five (5) days prior to the hearing date. The body (i.e. the Medical Executive Committee or the Board of Trustees) whose action or recommended action prompted the request for

hearing shall appoint an individual to represent it at the hearing.

11.7.4 **Rights of Parties.** All of the rights set forth in this section shall be exercised in a manner so as to permit the hearing to proceed efficiently and expeditiously. At the start of the hearing, each party shall have the right to ask any member of the Hearing Committee questions directly related to determining whether such member is impermissibly biased and to challenge any such member. Except as provided herein, rulings on challenges shall be made by the presiding officer and shall be final. If the Hearing Committee chair serves as the presiding officer and the challenge made is with respect to him or her, the remainder of the committee shall rule on the challenge. During the hearing, each party shall have the following rights:

11.7.4.1 to call and examine witnesses;

11.7.4.2 to introduce exhibits;

11.7.4.3 to cross-examine any witness on any matter relevant to the issues;

11.7.4.4 to challenge any witness; and

11.7.4.5 to rebut any evidence.

11.7.5 **Procedure and Evidence.** The hearing will not be conducted strictly according to rules of law, relating to the examination of witnesses or presentation of evidence. In the discretion of the presiding officer, any relevant matter upon which responsible persons customarily rely in the conduct of serious affairs may be considered. Each party shall be entitled, prior to or during the hearing, to submit memoranda concerning any issue of law or fact, and those memoranda shall become part of the hearing record. Written memoranda, if any, must be presented to the presiding officer and a copy must be provided to the other party. The hearing panel may ask questions of the witnesses, call additional witnesses, or request documentary evidence if it deems it appropriate. Exhibits admitted into evidence before the hearing panel shall be identified as the presiding officer may direct.

11.7.6 **Burden of Proof**

11.7.6.1 **For Action Denying Requested New Status or Privileges.** When a hearing relates to an unfavorable action or recommended action involving denial of status or privileges not currently held by the practitioner, the practitioner shall have the burden of coming forward with evidence and of proving that the unfavorable action or recommended action lacks any substantial factual basis or is otherwise arbitrary, unreasonable or capricious.

- 11.7.6.2 **For Action Changing Current Status or Privileges.** When a hearing relates to an unfavorable action or recommended action involving a change in status or privileges currently held by the practitioner, the body whose unfavorable action or recommended action occasioned the hearing shall have the burden of coming forward with evidence in support thereof. Thereafter, the practitioner shall have the burden of coming forward with evidence and proving that the unfavorable action or recommended action lacks any substantial factual basis or is otherwise arbitrary, unreasonable or capricious.
- 11.7.7 **Hearing Record.** A record of the hearing shall be kept. If the practitioner requests a transcript of the hearing record, he or she shall bear the cost of the same.
- 11.7.8 **Postponement.** Requests for postponement or continuance of a hearing may be granted by the presiding officer or Hearing Committee upon a timely showing of good cause.
- 11.7.9 **Presence of Hearing Committee Members and Vote.** A majority of the Hearing Committee must be present throughout the hearing and deliberations. If a committee member is absent from any part of the hearing or deliberations, the presiding officer, in his or her discretion, may rule that such member may not participate further in the hearing or deliberations or in the decision of the hearing panel.
- 11.7.10 **Recesses and Adjournment.** The hearing panel may recess and reconvene the hearing, for the convenience of the participants or for the purpose of obtaining new or additional evidence or consultation, without special notice and with such written or oral notice as it deems appropriate. Upon conclusion of the presentation of oral and written evidence, the hearing shall be adjourned. The Hearing Committee shall, at a time convenient to itself, conduct its deliberations outside the presence of the parties.
- 11.8 **Hearing Committee Report**

Within seven (7) days after the adjournment of the hearing, the Hearing Committee shall make a written report of its findings and recommendations and shall forward same together with the hearing records and all other documentation to the Medical Executive Committee or the Board of Trustees, whichever is appropriate. At the same time, the affected practitioner shall also be sent a copy of the report.

**11.9 Action on Hearing Committee Report**

Within thirty (30) days after the adjournment of the hearing, the Medical Executive Committee or the Board of Trustees shall consider the Hearing Committee report and affirm, modify or reverse its previous unfavorable action or recommended action and notify the affected practitioner of the decision.

**11.10 Effects of Decision**

- 11.10.1 If the Board's decision under these hearings is favorable to the practitioner, it shall become effective as a final decision in the matter, and the practitioner and President of the Medical Staff shall be so notified.
- 11.10.2 If the Medical Executive Committee's decision is favorable or unfavorable to the practitioner, the President of the Medical Staff shall forward the decision to the Board of Trustees as soon as possible. The Board may adopt or reject the result in whole or in part or refer the matter back to the Medical Executive Committee for further consideration, requesting a report within fourteen (14) days. The subsequent report back to the Board shall constitute the decision/recommendation by the Medical Executive Committee for action by the Board.
- 11.10.3 If the Board's decision is unfavorable to the practitioner, the Administrator shall promptly notify the practitioner of this decision. The Board's final decision shall be promptly transmitted to the affected practitioner and the President of the Medical Staff with an explanation of the basis for the decision.

**11.11 Effect of Unfavorable Decision**

If the result of the Medical Executive Committee or Board of Trustees continues to be unfavorable to the practitioner, the Administrator shall promptly notify the practitioner of his or her right to request an appellate review as provided in Section 11.12 of this Article.

**11.12 Request for Appellate Review**

The practitioner shall have thirty (30) days after notice of an unfavorable decision to submit a written request to the Administrator for an appellate review. This request shall include written details of facts, conclusions and procedural matters with which the practitioner disagrees and reasons thereof.

**11.13 Waiver by Failure to Request Appellate Review**

Failure to request an appellate review within the time frame and in the manner specified in Section 11.12 above shall constitute waiver of the rights to an appellate review and shall have the same effect as the result described in Section 11.14 above.

#### 11.14 Notice of Time and Place for Appellate Review

The Administrator shall deliver a timely and proper request for appellate review to the Chair of the Board. As soon as practicable, the Chair shall schedule an appellate review to commence not less than thirty (30) days nor more than forty-five (45) days after the Administrator received the request; provided, however, that an appellate review for a practitioner who is under a suspension then in effect may be held sooner. At least thirty (30) days prior to the appellate review, the Administrator shall send the practitioner special notice of the time, place and date of the review.

#### 11.15 Appellate Review Body

The Chair of the Board shall appoint an appellate review body, which shall be composed of not less than three (3) persons. The review body members may be members of the Board, other reputable persons neither employed by the hospital nor on its Medical Staff, or a combination of the two. The Chair of the Board shall designate a chair of the review body.

#### 11.16 Appellate Review Procedure

11.16.1 **Nature of Proceedings.** The proceedings by the review body are a review based upon the hearing record, the Hearing Committee's report, all subsequent decisions and actions, the written statements, if any, provided below and any other material that may be presented and accepted. The presiding officer shall direct that the hearing record and all documentation considered be available at the appellate review for use by any party. The review body shall determine whether the foregoing evidence demonstrates that the practitioner has met the burden of proof as required under Section 11.7.6 of this Article.

11.16.2 **Presiding Officer.** The chair of the appellate review body is the presiding officer. He or she shall determine the order of procedure during the review, make all required rulings, and maintain decorum.

11.16.3 **Written Statements.** The practitioner may submit a written statement detailing the findings of fact, conclusions and procedural matters with which he or she disagrees and his or her reasons. The statement shall be submitted to the Administrator at least seven (7) days prior to the scheduled date of the review, unless another time is designated by the

review body or its presiding officer. Statements by the Hospital should be shared with the affected practitioner.

- 11.16.4      **Personal Appearance and Oral Statement.** The appellate review body, in its sole discretion, may allow the parties or their representatives to appear personally and make oral statements in support of their positions. Any party or representative appearing shall be required to answer questions put by any member of the review body. The representation of any party by an attorney at any appellate review appearance shall be handled in the same manner as provided in Section 11.7.3. For purposes of the appellate review, the term "hearing" as used in Section 11.7.3 shall be read as "appellate review."
  
- 11.16.5      **Consideration of New or Additional Matters.** New or additional matters or evidence not raised or presented during the original hearing or in the hearing report and not otherwise reflected in the record may be introduced at the appellate review only in the discretion of the review body and only if the party requesting consideration of the new or additional matter or evidence demonstrates that it could not have been discovered with due diligence in time for the initial hearing.
  
- 11.16.6      **Powers.** The appellate review body has all the powers granted to the Hearing Committee, and any additional powers that are reasonably appropriate to or necessary for the discharge of its responsibilities.
  
- 11.16.7      **Presence of Members and Vote.** A majority of the members of the review body must be present throughout the appellate review and deliberations. If a member is absent from any part of the proceedings, the presiding officer of the appellate review may, in his or her discretion, rule that said member shall not be permitted to participate further in the review or deliberations or in the decision of the review body.
  
- 11.16.8      **Recesses and Adjournments.** The review body may recess and reconvene the proceedings for the convenience of the participants or for the purpose of obtaining new or additional evidence or consultation, without special notice and with such written or oral notice as it deems appropriate. At the conclusion of the oral statements, if allowed, the appellate review shall be adjourned. The review body shall then, at a time convenient to itself, conduct its deliberations outside the presence of the parties.
  
- 11.16.9      **Review Body Report and Recommendation.** Within seven (7) days after



adjournment, the review body shall prepare its report and conclusion and transmit the same to the Chair of the Board of Trustees.

- 11.16.10 **Final Decision by the Board.** Within thirty (30) days after receiving the review body's report, the Board shall take final action on the matter. If the Board's decision is in accord with the Medical Executive Committee's recommendation, if any, the Board's action is effective as the final decision in the matter. If the Board's contemplated action has the effect of changing the Medical Executive Committee's last recommendation, if any, the matter may be referred to the Joint Conference Committee for further review. The Board's action after receiving the committee's report is effective as the final decision in the matter. The Administrator shall promptly send notice of each action taken to the President of the Medical Staff for transmittal to the appropriate staff authorities and to the practitioner. The notice to the practitioner shall include a statement of the basis for the decision.

## ARTICLE XII - GENERAL PROVISIONS

### 12.1 Staff Dues

12.1.1 The Medical Executive Committee will annually determine the amount of Medical Staff dues and any medical staff late fees as per the Medical Staff Fees policy. Appointment and reappointment of Staff members are contingent upon compliance with the policy. Medical Staff dues shall be paid within ninety (90) days after receipt of statement. Non-payment of dues within the ninety (90) day period may result in automatic suspension of privileges. New appointees to the Medical Staff shall pay a pro-rated amount of dues for the year in which they are admitted. The obligation to pay dues continues during a Staff member's leave of absence.

12.1.2 Honorary Staff members need not pay dues.

### 12.2 Expenditure of Staff Funds

The President may authorize the expenditure of staff funds in the amount of not more than \$1,000.00 per year. The Medical Executive Committee may authorize expenditures of staff funds in the amount of not more than \$4,000.00 per year. The expenditure of staff funds in any greater amount must be authorized by the Medical

Staff.

### 12.3 Construction of Terms and Headings

The words used in these Bylaws shall be read as the masculine or feminine gender and as the singular or plural, as the context requires. The captions or headings in these Bylaws are for convenience only and are not intended to limit the effect of any provision of these Bylaws.

### 12.4 Directors and Officers Liability

The Hospital shall maintain in force a standard Illinois form of Directors' and Officers' liability policy with limits of not less than \$2,000,000 which shall be endorsed to cover Members of the Hospital's Medical Staff in their capacities as Officers of the Medical Staff, Members of Medical Staff Committees and as Chairs and Vice Chairs of Clinical Departments. A copy of such insurance policy shall be available in the office of the Medical Staff.

## ARTICLE XIII: CONFIDENTIALITY, IMMUNITY AND RELEASES

### 13.1 Authorizations and Conditions

By applying for, or exercising, clinical privileges or providing specified patient care services within this Hospital, a member or applicant:

13.1.1 authorizes Hospital's representatives to solicit, provide and act upon information bearing on his/her professional ability and qualifications.

13.1.2 agrees to be bound by the provisions of this Article and to waive all legal claims against any Hospital representative who acts in accordance with the provisions of this Article.

13.1.3 Acknowledges that the provisions of this Article are express conditions towards his/her application for, or acceptance of, staff membership and the continuation of such membership, or to his/her exercise of clinical privileges or provisions of specified patient services at this Hospital.

### 13.2 HIPAA/Organized Health Care Arrangement

In accordance with regulations promulgated under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, Medical Staff and Hospital agree to participate in an Organized Health Care Arrangement (OHCA) under which a joint notice of privacy

practices will be issued, and the participating entities in the OHCA will share protected health information with each other, as necessary to carry out treatment, payment and health care operations related to activities of the OHCA. The entities participating in the OHCA agree to abide by the terms of the joint notice with respect to protected health information created or received by a covered entity as part of its participation in the OHCA. The joint notice will be written, disseminated and maintained in compliance with all applicable regulatory requirements, as outlined in the HIPAA implementing regulations.

Under the OHCA, Medical Staff and Hospital, as participants in the OHCA, will separately retain all other obligations and responsibilities under the HIPAA regulations, including, but not limited to, the uses and disclosures of protected health information, fulfilling the patient rights provisions and appointment of a privacy officer. Additionally, Medical Staff and Hospital will retain individual liability for its own instances of non-compliance with the HIPAA regulations.

### 13.3 Confidentiality of Information

Information with respect to any practitioner submitted, collected or prepared by any Hospital representative, or any other health care facility or organization or medical staff for the purpose of achieving and maintaining quality patient care, reducing morbidity and mortality, or contributing to clinical research shall, to the fullest extent permitted by law, be confidential and shall not be disseminated to anyone other than a Hospital representative, nor be used in any way except as provided herein or except as otherwise required by law. Such confidentiality shall also extend to information of like kind that may be provided by third parties. This information shall not become part of any particular patient's file or of the general Hospital records.

### 13.4 Immunity from Liability

13.4.1 No Hospital representative shall be liable to an applicant for damages or other relief for any action taken or statement or recommendation made within the scope of his or her duties if such person acts in good faith and without malice.

13.4.2 No Hospital representative shall be liable to a practitioner for damages or other relief by reason of providing information, including otherwise privileged or confidential information, to any other health care facility or organization of health professionals concerning a practitioner who did or does not exercise clinical privileges at this Hospital, provided that such

Hospital representative acts in good faith and without malice. No information concerning a practitioner shall be furnished to other health care facilities or organizations without the consent of the practitioner unless the furnishing of such information is required by law.

### 13.5 Activities and Information Covered

13.5.1 The confidentiality and immunity provided by this Article shall apply to all acts, communications, reports, recommendations or disclosures performed or made in connection with activities of the Hospital and its Medical Staff but not limited to:

- 13.5.1.1 applications for appointment, clinical privileges or specified services
- 13.5.1.2 periodic reappraisals for clinical privileges or specified services
- 13.5.1.3 corrective action
- 13.5.1.4 hearings and appellate procedures
- 13.5.1.5 patient care audits
- 13.5.1.6 utilization reviews
- 13.5.1.7 other Hospital, department, committee, or staff activities related to monitoring and maintaining quality patient care and appropriate professional conduct.

13.5.2 The acts, communications, reports, recommendations, disclosures and other information referred to in this Article may relate to a practitioner's professional qualifications, clinical ability, judgment, character, physical and mental health, emotional stability, professional ethics, or any other matter that might directly or indirectly affect patient care.

### 13.6 Releases

Each practitioner shall, upon request of the Hospital or its Medical Staff, execute general and specific releases in accordance with the tenor and import of this Article, subject to such requirements, including those of good faith, absence of malice and the exercise of a reasonable effort to ascertain truthfulness, as may be applicable under the laws of this State. Execution of such releases shall not be deemed a prerequisite to the effectiveness of this Article.

### 13.7 Cumulative Effect

Provisions in these Bylaws and in application forms relating to authorizations, confidentiality of information and immunities from liability shall be in addition to other

protection provided by laws and not in limitation thereof, and, in the event of conflict, the applicable law shall be controlling.

#### ARTICLE XIV - AMENDMENTS

- 14.1 These Bylaws may be amended at any regular or special meeting of the Medical Staff after prior written notice of twenty (20) days, and require a two-thirds majority of the Active Senior Staff members present. Amendments to the Bylaws so made shall be effective when approved by the Board of Trustees of Westlake Hospital.
- 14.2 The Rules and Regulations may be amended at any regular meeting of the Medical Executive Committee. Such amendments shall be reported to the Medical Staff at the next Bi-Annual Meeting and shall become permanent when approved by the Medical Staff and by the Board of Trustees.
- 14.3 The Medical Executive Committee of the Medical Staff can adopt such amendments to the Bylaws and to the Rules and Regulations as are, in its judgment, technical, non-substantive modifications or clarifications. Such amendments shall be reported to the Medical Staff at the next Medical Staff Meeting and shall become permanent when approved by the Medical Staff and by the Board of Trustees. Such approved amendments shall be included in the next published version of the Bylaws. Significant changes in the Bylaws and/or Rules and Regulations will be provided to all Medical Staff with clinical privileges. These Bylaws may not be unilaterally amended by the corporate Board of Directors, the Board of Trustees, or the Medical Staff. In the event the Board of Trustees recommends amendments to the Bylaws as necessary for compliance with applicable laws, the requirements of The Joint Commission, and other accrediting bodies, the Medical Staff will assist and cooperate in developing mutually acceptable amendments to the Bylaws to address such issues.
- 14.4 If significant changes are made in the Medical Staff bylaws, Rules & Regulations or policies, medical staff members and other individuals who have delineated clinical privileges are provided with revised texts of the written materials.

#### ARTICLE XV - ADOPTION

- 15.1 The Medical Staff Bylaws and Rules and Regulations are revised from time to time to reflect current practice. These Bylaws shall be adopted at any regular or special meeting of the Active Staff, shall replace any previous Bylaws, and shall become effective when approved by the Board of Trustees of Westlake Hospital. Neither the Medical Staff nor the Board of Trustees may unilaterally amend these Bylaws.

- a) These Bylaws are adopted and made effective upon approval of the Board, superseding and replacing any and all previous Medical Staff Bylaws, Rules and Regulations, policies or manuals pertaining to the subject matter hereof. All activities and actions of the Medical Staff and of each individual exercising clinical privileges at the Hospital shall be taken under and pursuant to the requirements of these Bylaws.
- b) The present Rules and Regulations of the Medical Staff are hereby readopted and placed into effect insofar as they are consistent with these Bylaws, until such time as they are amended in accordance with the terms of these Bylaws.

15.2 If significant changes are made in the Medical Staff Bylaws, Rules & Regulations or policies, medical staff members and other individuals who have delineated clinical privileges are provided with revised texts of the written materials.

\_\_\_\_\_  
 Peter Eupierre, M.D.  
 Chairman, Bylaws Committee

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 Date

\_\_\_\_\_  
 Glenn A. Kushner, M.D.  
 President, Medical Staff

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 William A. Brown  
 Chief Executive Officer and  
 Chairperson, Board of Trustees

\_\_\_\_\_  
 Date

Adopted 09/80  
 Reviewed 07/81  
 Reviewed 09/82  
 Reviewed 06/83  
 Reviewed 10/84  
 Reviewed 10/85  
 Reviewed 04/88

Reviewed 04/89  
Reviewed 07/89  
Reviewed 07/90  
Reviewed 05/92  
Revised 07/93  
Revised 10/93  
Revised 01/94  
Revised 12/94  
Revised 09/95  
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Revised 02/01  
Revised 04/01  
Revised 02/02  
Revised 05/03  
Revised 07/05  
Revised 07/06  
Revised 10/06  
Revised: 04/07  
Revised: 04/09  
Revised: 04/11  
Revised: 09/11  
Revised: 09/14  
Revised: 09/15  
Revised: 10/16

**WESTLAKE HOSPITAL  
MEDICAL STAFF  
RULES AND REGULATIONS**

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**ADMISSION OF PATIENTS**

Patients may be admitted only by physicians who are members of the Medical Staff in good standing or who have obtained temporary privileges as outlined in Article III of the Medical Staff Bylaws.

1. The attending physician or his designee must see the patient within 24 hours of admission in all instances. If patient is admitted to a specialty unit (ICU/CCU), compliance with that unit's guidelines for patient will be followed (Added 4/89).
- 1a. Unattached patients previously admitted to the on-call physician through the Emergency Department that present for readmission shall be admitted to the current on-call physician if a Primary Care Physician is not identified.

**EMERGENCY EVALAUATIONS**

2. The Medical Screening Exam (MSE) must be conducted by physicians or Qualified Medical Personnel (QMP) to determine whether an emergency medical condition exists. A QMP is an individual who is licensed or certified and who has demonstrated current competence in the performance of the medical screening exam.
  - a. Emergency Medicine physician assistants and nurse practitioners may perform any MSE.
  - b. Trained and designated competent obstetrical nurses may perform the MSE for a possible laboring patient greater than 20 weeks gestation.

**AUTOPSIES, TISSUE EXAMINATIONS**

3. Every member of the Medical Staff is expected to be actively interested in securing autopsies. No autopsy shall be performed without proper consent. All autopsies shall be performed by the hospital pathologist or by a physician delegated this responsibility by the pathologist.

**CRITERIA THAT IDENTIFY DEATHS IN WHICH AN AUTOPSY SHOULD BE PERFORMED**

4. **Standard #1** - Autopsy findings will be incorporated into the Medical Staff Quality Assurance Program on a regular basis.

**Standard #2** - The following criteria will be followed in selecting cases where autopsies are recommended.

It is the responsibility of the Medical Staff, and it is accepted that these are only guidelines, and may be superseded by other factors, since permission has to be obtained from the next of kin, who can legally refuse consent for autopsy. The Medical Staff or Nursing Staff has to document on the patient's chart that a request for autopsy was made on these following occasions:

- a. Unanticipated death.
- b. Death occurring while the patient is being treated under a new therapeutic trial regime.
- c. Death occurring within 48 hours after surgery or an invasive diagnostic procedure.
- d. Death incidental to pregnancy or within seven days following delivery.
- e. All deaths in the psychiatric service.
- f. Death where the cause is sufficiently obscure to delay completion of Death Certificate.
- g. Death in infants/children with congenital malformations.



**Standard #3** - Autopsy reports will be completed within 30 working days.

This is the responsibility of the Department of Pathology. A written preliminary report will be submitted to the chart and the attending physician(s) within 24 hours after completion of the autopsy. The final report should be completed within 30 working days. In case of a delay, the pathologist will document the reasons for the delay.

5. All tissues or foreign bodies removed at operations shall be sent to the hospital pathologist who shall make such examinations as he may consider necessary to arrive at a pathological diagnosis. Exceptions may be specified by the Executive Committee. The pathologist shall sign his reports.

**COMMITTEE DUTIES AND RESPONSIBILITIES**

6. To enhance the functional vitality of the service by staff members to the Medical Staff, to the Clinical Departments, and to Committees of assignment, the maximum assigned service of any staff member to the aforesaid shall not exceed thirty-six (36) hours per years in aggregate, plus three (3) out of four (4) Bi-Annual Staff Meetings. Acceptance of additional committee assignments requires attendance as described in the Medical Staff Bylaws.

Ad hoc assignments for staff or departmental committee work shall be consummated in a six month period except in extraordinary circumstances.

Staff members are responsible for maintaining a log on their meeting attendance and shall do so by signing meeting rosters. Attendance not supported by signed roster evidence shall be subject to discount.

7. If maximum meeting attendance requirement is fulfilled by department committee assignment, departmental meeting attendance may be waived by departmental chairperson. Members of the Active Staff are expected to participate in and faithfully carry out duties in the framework of staff committees to which they have been assigned. Failure to follow the above regulations regarding committee assignment shall be subject to disciplinary action. The Executive Committee may suspend all staff privileges for a period of one month, except for acute emergency admissions. Any staff member may appeal to the Executive Committee for release of assigned committee responsibility, but such release should be granted only for good reason.

**CONSULTATIONS**

8. A. Except in an emergency, consultation should be obtained with another qualified physician on cases in which according to the judgment of the physician:

- 1) The patient is not a good risk for operation or treatment.
- 2) The diagnosis is obscure.
- 3) There is doubt as to the best therapeutic measures to be utilized.
- 4) Critically ill patients.
- 5) Patients who have attempted suicide or have taken a chemical overdose must be offered psychiatric consultation and treatment. This must be documented in the patient's medical record.

B. Any qualified Physician with Clinical Privileges in the Hospital may be called for consultation within his/her area of expertise. The attending Physician is primarily responsible for requesting consultation when indicated, documenting such in the medical record and obtaining a qualified consultant. The attending Physician shall provide written authorization to either 1) co-manage the patient, 2) only consult on the patient's case, or 3) assume full responsibility for management of the patient's care. After notification of the request for consultation, a consultant shall see the patient within 24 hours. In circumstances in which consultation is required by the respective Departmental rules of the Medical Staff and has not been requested, the Administration shall, at all times, have the right to call in a consultant or consultants, after conference with the Chairperson(s) of the

appropriate Department(s), or in his/her absence, available members of the Active Medical Staff of the appropriate Department(s).

C. Responsibility for requesting consultations lies with the patient's physician. Consultations, including the reason for consult, must be requested either verbally or in writing by the requesting physician. The Medical Staff Departmental Chairpersons are responsible for making sure that consultations are requested when indicated.

### **DENTAL, ORAL SURGERY AND PODIATRY PATIENTS**

8. Dental patients under the care of a staff dentist will be admitted only under the jurisdiction of one of the staff physicians. They must have a history and physical examination performed and recorded by the physician before the administration of a general anesthetic for dental surgery. Medical staff member must be in the hospital at the time of surgery. The medical records of dental patients should document the dental problems. The operative report should state clearly which procedure was performed.

### **DENTAL, ORAL SURGERY AND PODIATRY PATIENTS (continued)**

Oral surgeons who admit patients without medical problems may perform a complete history and physical exam and assess the medical risks of the procedure on the patient if they are qualified to do so. The criteria to be used in identifying such qualified oral surgeons shall include but shall not necessarily be limited to the following: successful completion of a post graduate program in oral surgery accredited by the American Board of Oral and Maxillofacial Surgery and evidence that the oral surgeon who admitted the patient is currently competent to conduct a complete history and physical exam of this type. Patients with medical problems shall receive the same basic history and physical as all other patients.

Patients admitted to the hospital for podiatric care shall receive the same basic medical appraisal as patients admitted for other services. A physician member of the Active Medical Staff shall perform a medical evaluation of the patient prior to any podiatric procedures and be responsible for the medical care of the patient through the patient's stay.

### **DRUGS**

9. Drugs used shall meet the standard of the United States Pharmacopoeia, National Formulary, or New and Non-Official Remedies, with exception of drugs for bona fide investigations. The Pharmacy and Therapeutics Committee may authorize exceptions to this rule. All investigational drugs and/or devices shall be approved by the Pharmacy and Therapeutics Committee.

Orders for narcotics shall be automatically discontinued after 7 days but not without notifying the physician. Orders for antibiotics shall be automatically discontinued after 7 days unless specifically ordered for a longer period of time by the attending physician. Orders for anticoagulants have to be renewed daily by the physician. If the order expires in the night, it should be called to the attention of the physician the following morning.

### **EMERGENCIES / E.R. ON-CALL COVERAGE**

10. Willingness to participate in the Emergency Room Roster is expected of every member of the Medical Staff and is re-affirmed biannually by signing the reappointment application. However, after 15 continuous years of membership of the Medical Staff, the member may ask to be exempted from participation, and the appropriate department chairperson may grant such exemption, provided that adequate coverage of the ER is otherwise maintained. This exemption may be unilaterally revoked by the department chairperson at any time, should conditions warrant. (Added 7/88)
11. When a member of the Medical Staff is to be absent or not available, he shall name a member of the

Medical Staff who is resident in the area and who shall be called to attend his patients. Notification shall go to the Medical Staff Coordinator for appropriate distribution verifying that coverage has been arranged and the name of the physician who will cover. In an emergency or in case of failure to name such attendant, the Department Chairman or the Chief of Staff or the Administrator shall have authority to call any member of the staff should he consider it necessary.

12. Patients coming to the Emergency Room shall be treated by the physician of choice if he is available and is a member of the Westlake Hospital Medical Staff. When the patient's physician of choice is not available, the patient shall be assigned to the physician on the emergency call.

Unless the attending physician is personally present for patient care in the Emergency Room, the Emergency Room physician shall have primary responsibility for treatment.

### **EMERGENCIES / E.R. ON-CALL COVERAGE (continued)**

Physicians taking Emergency Room call shall be subject to all rules and regulations of the Emergency Room Committee as approved by the Medical Staff.

#### **13. Intensive Care Unit (ICU) and Progressive Care Unit (PCU) Coverage**

Patients, who meet ICU criteria or PCU criteria and are admitted to the ICU or PCU, shall have a mandatory intensivist consult. An intensivist is defined as a member of the Medical Staff who is board certified in Critical Care Medicine or, if a member of the Medical Staff before January 1, 2011, who is board certified in Pulmonary Medicine. For patients with acute coronary syndrome, the intensivist can be a member of the Medical Staff who is board certified in Cardiovascular Medicine. The intensivist shall be responsible for the following while the patient is in the ICU or PCU: coordinating patient services, directing patient care, communicating with the attending physician and consultants, coordinating family meetings and coordinating the patient's discharge from the ICU or PCU. The attending physician retains the right to follow his/her patient(s) in the ICU or PCU and participate in their care.

### **MASS CASUALTY ASSIGNMENTS**

14. All physicians shall be assigned to posts, either in the Hospital or in auxiliary hospitals, and it is their responsibility to report to their designated stations. No physician will perform any duties other than those assigned. The chairperson of the Mass Casualty Committee and the administrator of the Hospital will work as a team to coordinate activities and directions. In case of evacuation of patients from one section of the Hospital to another or evacuation from the Hospital premises, the chairperson of the Mass Casualty Committee during the disaster will authorize the movements of patients in cooperation with the administrator of the Hospital. All policies concerning patient care will be the joint responsibility of the Chairperson of the Mass Casualty Committee and the Administrator of the Hospital. In their absence, the alternates are next in line of authority. All physicians on the Medical Staff of the Hospital specifically agree to be under the direction of the Chairperson of the Mass Casualty Committee in cases of such emergency. The plan shall be rehearsed at least once a year by key hospital personnel and physicians. The Medical Staff shall abide by the Area Wide Disaster Plan after the plan has been adapted by the Board of Directors of the Hospital.

### **MEDICAL RECORDS**

16. The attending physician shall be held responsible for full cooperation in the completion of a satisfactory medical record for each patient. This record shall include identification data; complete history and physical examination; special reports such as consultations, clinical laboratory, x-ray and others; provisional diagnosis; medical or surgical treatment; operative report; pathological findings; clinical progress notes; final diagnosis; condition upon discharge; summary or discharge note; follow-up and autopsy when available. The clinical progress note may receive entries by attending

physicians, consultants, and other hospital personnel as deemed appropriate after Medical Staff approval. No medical record shall be filed until it is complete except on order of the Performance Improvement Committee.

17. All orders for treatment shall be in writing. An order shall be considered to be in writing if dictated to a registered nurse, dietician, pharmacist, respiratory therapist, physical therapist, speech therapist, occupational therapist, or radiology technician, and signed by the attending physician. All orders including verbal and telephone orders must be legible, completed, dated, timed, and authenticated. The practitioner must date and time the authentication of the verbal/telephone orders. The verbal/telephone order must be authenticated within 48 hours by the ordering physician. All entries made by medical students in the medical education program must be countersigned by residents or staff physicians.  
  
Use of signature facsimiles, e.g., rubber stamps for authentication of drug orders is prohibited.
18. Standing orders shall be formulated and approved by the Medical Staff with notification to the administrator of any changes in standing orders.
19. The medical records must contain a discharge summary with outcome of hospitalization, disposition or care and provisions for follow-up care. For patient stays under 48 hours, the final progress note may service as the discharge summary.
  - A. The content of the final progress note or discharge summary must include the following:
    - 1) the resolution of the admission diagnosis and chief complaint and final diagnosis;
    - 2) the course of the facility stay;
    - 3) interventions, procedures, operations, consultations, etc.
    - 4) any complications arising and how these were managed;
    - 5) the progress made in regard to specific interventions (i.e. physical therapy, respiratory care, etc);
    - 6) difficulties in establishing the diagnosis and an effective treatment pan;
    - 7) conditions on discharge;
    - 8) instructions for follow-up care including nutrition, medication, activity, any referrals, and the next appointment if appropriate; and
    - 9) include instructions for pain.
  - B. The same information transfer summary is required when a patient is discharged to another level of care.
  - C. Whether delegated or non-delegated, the person who writes the discharge summary must authenticate, date, and time their entry. Additionally, for delegated summaries, the physician responsible for the patient must co-authenticate and date the discharge summary to verify content.
  - D. In addition to the above elements for the discharge summary, a death record requires a final progress noted which includes the following:
    - 1) end of life decisions
    - 2) pronouncement of death
    - 3) request for organ procurement
    - 4) whether death meets criteria for review by the medical examiner or for autopsy
    - 5) disposition of the body.
20. All records are the property of the Hospital and shall not be removed without the necessary subpoena duces tecum. Records shall not be reviewed or information released to anyone unless a written authorization is obtained from the patient. In case of readmission of the patient, all previous records shall be available for the use of the attending physician. This shall apply whether he/she be attended

by the same physician or by another.

21. Free access to all medical records of all patients shall be afforded to all staff physicians in good standing for bona fide study and research, consistent with preserving the confidentiality of personal information concerning the individual patients. Former members of the Medical Staff shall be permitted free access to information from the medical records of their patients covering all periods during which they attended such patients in the Hospital.
22. At the time of discharge, the attending physician shall see that the record is complete, state the final diagnosis and sign the record.
23. The use of rubber stamp signatures is acceptable under the following strict conditions: 1) the practitioner whose signature of the rubber stamp represents is the only one who has the stamp and is the only one who uses it, 2) the practitioner shall place in the administration office a signed statement to the effect that he is the only who has the stamp and is the only one who will use it. The rubber stamp is not acceptable for any part of the chemical dependency unit medical record.
24. Symbols and abbreviations may be used only when they have been approved by the Medical Staff. An official record of approved abbreviations should be kept on file in the Medical Records Department.

#### **DEFINITION OF A "DELINQUENT MEDICAL RECORD" AND "DELINQUENT SIGNATURES"**

25. A medical record will be considered delinquent if it is incomplete, after discharge, beyond 30 days.  

Physicians with delinquent medical records as defined above will have their privileges suspended automatically as delineated in Sections 10.4.1, 10.4.1.1, 10.4.1.2, and 10.4.1.3 of the Medical Staff Bylaws.
26. Contents of all medical records shall be sufficient to justify diagnosis and treatment.

#### **OPERATIVE REPORTS**

27. Operative reports must be written or dictated immediately upon completion of the operation. If an operative report is not placed in the medical record immediately after surgery, a progress note is entered immediately.

#### **LABORATORY REPORTS**

28. When results of laboratory tests from other institutions/laboratories accompany a patient for admission or pre-surgical evaluation, the physician has to make sure that the tests were performed at a CLIA accredited institution/laboratory, or repeated at Westlake Hospital.

#### **MEDICAL STAFF COMMITTEES**

29. All committees of the Medical Staff are advisory and must have significant recommendations approved by the Executive Committee prior to implementation and ratified by the Staff at its next Bi-Annual Medical Staff Meeting. All meetings of the committees of the Medical Staff are open meetings and may be freely attended by any member in good standing. Executive sessions of committees are reserved only for confidential matters, i.e. disciplinary action.

#### **MEDICAL STAFF TREASURY**

30. The Medical Staff shall operate yearly on a "zero balance" budget, and this budget shall be prepared by Medical Staff Officers after their election. The budget is then to be presented at the next Bi-Annual Staff Meeting for staff amendment and approval.

#### **PREGNANCY TEST**

31. A pregnancy test must precede any procedure which could likely interrupt a possible pregnancy during the child bearing age through 49. This test shall be performed routinely within 48 hours preceding any surgery, even though the patient may have had previous tubal ligation.

### **RESTRAINTS AND SECLUSIONS**

32. Use of restraints must be authorized by a physician. Time limits for obtaining the order and the length of use shall be in accordance with the Illinois Mental Health and Disability Program. Seclusion will also comply with the Illinois Mental Health Code.

### **DISCHARGE OF ATTENDING PHYSICIAN**

33. If the patient discharges the attending physician from a case, it is the responsibility of the patient and/or the patient's family to secure another physician. The appropriate Department Chair shall assist the patient in procuring a new physician. The discharged physician should confer with the patient's new physician to advise him of the patient's condition and course of treatment. The patient's acknowledgement of the withdrawal or discharge of the attending physician and the engagement of another attending physician shall be documented in the patient's record by both physicians.

The attending physician shall continue to have responsibility for the patient's care until another physician assumes responsibility for the patient's care.

The attending physician is responsible for the patient's chart, including the history, physical and discharge summary.

### **MISCELLANEOUS**

34. Control cards denoting privileges of all staff members granted such privileges by the appropriate control committee shall be kept in the Medical Staff Office, and a copy in the appropriate supervisor's office.
35. Staff members performing surgery in this hospital shall be under the jurisdiction of the Chairperson of the Surgery Department, the Surgical Control Committee, the Executive Committee, and the Board of Directors.
36. Surgeons must be in the operating room and ready to commence operation at the time scheduled. In no case will the operating room be held longer than fifteen (15) minutes after the time scheduled.
37. The surgical operation shall be performed only on written consent of the patient except in cases of a true emergency. In exceptional circumstances, the legally qualified representative (as defined on the operative consent form) may authorize surgery on the patient.

09/80  
Reviewed: 07/81  
Reviewed: 09/82  
Reviewed: 09/88  
Reviewed: 07/93  
Reviewed: 09/94  
Reviewed: 12/95  
Revised: 03/96  
Revised: 12/97  
Revised: 09/99

Revised: 04/01  
Revised: 02/04  
Revised: 01/05  
Revised: 07/05  
Revised: 04/07  
Revised: 01/11  
Revised: 02/11  
Revised: 04/11  
Revised: 03/12  
Revised: 03/14  
Revised: 09/15

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**Section V**  
**Attachment 8**  
**Charity Care and Access Information**

1. WSH was specifically organized for this Project and does not have any historical charity care information.
2. Westlake Hospital had a Medicaid Inpatient Utilization Rate ("MIUR") of 47% in fiscal year 2018 (the last full year of its operation prior to closure). WSH anticipates that it will have the same MIUR, payor mix and charity care ratios as Westlake Hospital. The last filed Annual Hospital Questionnaire for Westlake Hospital (which lists the Medicaid and Charity Care Revenues and Ratios at Westlake Hospital) is attached as ATTACHMENT 8.
3. WSH will adopt the same charity policies that were in place at the former Westlake Hospital at the time Westlake Hospital closed. WSH will maintain those same charity care policies for no less than two years after the opening of Woodlake Hospital. See ATTACHMENT 6. Copies of the Westlake Hospital charity care policies are attached at ATTACHMENT 6.
4. WSH will adopt the same admission policies that were in place at the former Westlake Hospital at the time Westlake Hospital closed. WSH will maintain those same admission policies for no less than two years after the opening of Woodlake Hospital. See ATTACHMENT 8. WSH is still attempting to locate copies of the Westlake Hospital admission policies.



Ownership, Management and General Information		Patients by Race		Patients by Ethnicity	
ADMINISTRATOR NAME:	Christopher Fryszak	White	23.0%	Hispanic or Latino:	31.4%
ADMINISTRATOR PHONE:	708-763-2254	Black	42.2%	Not Hispanic or Latino:	68.0%
OWNERSHIP:	VHS Westlake Hospital	American Indian	0.0%	Unknown:	0.6%
OPERATOR:	VHS Westlake Hospital	Asian	0.3%		
MANAGEMENT:	For Profit Corporation	Hawaiian/ Pacific	0.2%	IDPH Number:	5702
CERTIFICATION:		Unknown	34.3%	HPA	A-06
FACILITY DESIGNATION:	General Hospital			HSA	7
ADDRESS	1225 W. Lake Street	CITY:	Melrose Park	COUNTY:	Suburban Cook County

Facility Utilization Data by Category of Service										
Clinical Service	Authorized CON Beds 12/31/2018	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	111	61	58	2,017	8,393	1,598	5.0	27.4	24.7	44.9
0-14 Years				0	0					
15-44 Years				396	1,057					
45-64 Years				716	2,948					
65-74 Years				337	1,504					
75 Years +				568	2,884					
Pediatric	5	5	1	10	23	0	2.3	0.1	1.3	1.3
Intensive Care	12	12	12	411	1,784	13	4.4	4.9	41.0	41.0
Direct Admission				322	1,242					
Transfers				89	542					
Obstetric/Gynecology	24	24	20	693	1,805	145	2.8	5.3	22.3	22.3
Maternity				691	1,800					
Clean Gynecology				2	5					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Total AMI	50			938	9,442	0	10.1	25.9	51.7	
Adolescent AMI		0	0	0	0	0	0.0	0.0		0.0
Adult AMI		50	45	938	9,442	0	10.1	25.9		51.7
Rehabilitation	28	20	17	192	2,789	0	14.5	7.6	27.3	38.2
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	230			4,172	24,236	1,756	6.2	71.2	31.0	

(Includes ICU Direct Admissions Only)

Inpatients and Outpatients Served by Payor Source							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	25.3%	9.3%	0.0%	60.5%	2.2%	2.7%	4,172
	1055	390	0	2523	90	114	
Outpatients	10.8%	5.9%	0.0%	77.2%	3.9%	2.1%	39,697
	4293	2360	0	30660	1532	852	

Financial Year Reported: 1/1/2018 to 12/31/2018								Inpatient and Outpatient Net Revenue by Payor Source	
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals	Charity Care Expense	Total Charity Care Expense	Total Charity Care as % of Net Revenue
Inpatient Revenue (\$)	30.7%	25.8%	0.0%	43.2%	0.3%	100.0%	622,688	1,265,782	
	11,435,422	9,616,473	0	16,057,585	95,182	37,204,662	622,688		
Outpatient Revenue (\$)	19.0%	3.1%	0.0%	75.0%	3.0%	100.0%	643,094		2.4%
	2,846,860	465,563	0	11,249,074	444,480	15,005,977	643,094		

Birthing Data			Newborn Nursery Utilization			Organ Transplantation		
Number of Total Births:	691		Level I	Level II	Level II+	Kidney:		0
Number of Live Births:	695		Beds	20	6	Heart:		0
Birthing Rooms:	0		Patient Days	1,239	611	Lung:		0
Labor Rooms:	0		Total Newborn Patient Days		1,850	Heart/Lung:		0
Delivery Rooms:	0					Pancreas:		0
Labor-Delivery-Recovery Rooms:	8					Liver:		0
Labor-Delivery-Recovery-Postpartum Rooms:	0					Total:		0
C-Section Rooms:	1		Inpatient Studies		46,621			
CSections Performed:	233		Outpatient Studies		61,613			
			Studies Performed Under Contract		21,883			

**Surgery and Operating Room Utilization**

Surgical Specialty	Operating Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	0	0	0	0	0	0	0	0.0	0.0
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	5	5	386	759	472	729	1201	1.2	1.0
Gastroenterology	0	0	0	0	0	0	0	0	0	0.0	0.0
Neurology	0	0	0	0	0	0	0	0	0	0.0	0.0
OB/Gynecology	0	0	0	0	15	267	34	318	352	2.3	1.2
Oral/Maxillofacial	0	0	0	0	0	0	0	0	0	0.0	0.0
Ophthalmology	0	0	0	0	0	175	0	161	161	0.0	0.9
Orthopedic	0	0	0	0	62	22	173	47	220	2.8	2.1
Otolaryngology	0	0	0	0	0	0	0	0	0	0.0	0.0
Plastic Surgery	0	0	0	0	0	0	0	0	0	0.0	0.0
Podiatry	0	0	0	0	14	24	19	42	61	1.4	1.8
Thoracic	0	0	0	0	0	0	0	0	0	0.0	0.0
Urology	0	0	1	1	33	73	37	99	136	1.1	1.4
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>510</b>	<b>1320</b>	<b>735</b>	<b>1396</b>	<b>2131</b>	<b>1.4</b>	<b>1.1</b>

<b>SURGICAL RECOVERY STATIONS</b>	Stage 1 Recovery Stations	8	Stage 2 Recovery Stations	16
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**Dedicated and Non-Dedicated Procedure Room Utilization**

Procedure Type	Procedure Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	2	2	235	570	146	355	501	0.6	0.6
Laser Eye Procedures	0	0	1	1	0	37	0	37	37	0.0	1.0
Pain Management	0	0	0	0	0	0	0	0	0	0.0	0.0
Cystoscopy	0	0	0	0	0	0	0	0	0	0.0	0.0

**Multipurpose Non-Dedicated Rooms**

ECTs	1	183	0	108	0	108	0	108	0.6	0.0
		0	0	0	0	0	0	0	0.0	0.0
		0	0	0	0	0	0	0	0.0	0.0

**Emergency/Trauma Care**

Certified Trauma Center	No
Level of Trauma Service	Level 1      Level 2
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	0
Patients Admitted from Trauma	0
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	12
Persons Treated by Emergency Services:	18,125
Patients Admitted from Emergency:	1,944
Total ED Visits (Emergency+Trauma):	18,125

**Free-Standing Emergency Center**

Beds in Free-Standing Centers	0
Patient Visits in Free-Standing Centers	0
Hospital Admissions from Free-Standing Center	0

**Outpatient Service Data**

Total Outpatient Visits	39,697
Outpatient Visits at the Hospital/ Campus:	39,697
Outpatient Visits Offsite/off campus	0

**Cardiac Catheterization Labs**

Total Cath Labs (Dedicated+Nondedicated labs):	2
Cath Labs used for Angiography procedures	2
Dedicated Diagnostic Catheterization Labs	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	0

**Cardiac Catheterization Utilization**

Total Cardiac Cath Procedures:	184
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	103
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	81
EP Catheterizations (15+)	0

**Cardiac Surgery Data**

Total Cardiac Surgery Cases:	0
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	0
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	0

**Diagnostic/Interventional Equipment**

	Owned		Examinations			Therapeutic Equipment		Therapies/ Treatments
	Contract		Inpatient	Outpt	Contract	Owned	Contract	
General Radiography/Fluoroscopy	13	0	2,740	13,039	0	Lithotripsy	0	0
Nuclear Medicine	3	0	314	223	0	Linear Accelerator	0	0
Mammography	3	0	0	2,546	0	Image Guided Rad Therapy		0
Ultrasound	4	0	902	5,466	0	Intensity Modulated Rad Thrpy		0
Angiography	2	0				High Dose Brachytherapy	0	0
Diagnostic Angiography			126	71	0	Proton Beam Therapy	0	0
Interventional Angiography			25	42	0	Gamma Knife	0	0
Positron Emission Tomography (PET)	0	0	0	0	0	Cyber knife	0	0
Computerized Axial Tomography (CAT)	1	0	657	4,902	0			
Magnetic Resonance Imaging	1	0	246	410	0			

Source: 2018 Annual Hospital Questionnaire, Illinois Department of Public Health, Health Care Systems Development.

**Woodlake Specialty Hospital LLC  
Woodlake Pacific Holdings LLC**

May 25, 2021


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

Re: Admission Policy Certification (Woodlake Specialty Hospital COE)

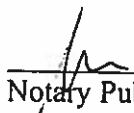
Dear Mr. Constantino:

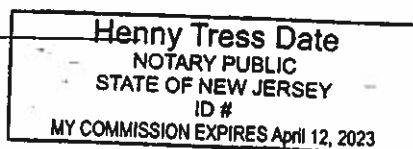
I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, and pursuant to 77 Ill. Admin. Code § 1130.520(b)(3), that Woodlake Specialty Hospital LLC will not adopt more restrictive admission policies that were in effect at Westlake Hospital prior to its closure in 2019, and that those admission policies will remain in effect for no less than two years following the re-opening of the former Westlake Hospital.

Sincerely,

  
Mark Tress  
Managing Member  
Woodlake Specialty Hospital LLC  
Woodlake Pacific Holdings LLC

Subscribed and Sworn to before me  
this 26 day of May, 2021.

  
Notary Public



Error! Unknown document property name.

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ATTACHMENT

8

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	21-23
2	Site Ownership	24-80
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	81
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	82
5	Background of the Applicant	83-86
6	Change of Ownership	87-127
7	Additional Requirements	128-205
8	Charity Care Information	206-209