ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Niles Surgery Center LLC
Street Address: 7403 Milwaukee Avenue
City and Zip Code: Niles, 60714
County: Cook Health Service Area: 7 Health Planning Area: 7-B

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

Exact Legal Name: Niles Surgery Center LLC
Street Address: 7403 Milwaukee Avenue
City and Zip Code: Niles, 60714
Name of Registered Agent: C T Corporation System
Registered Agent Street Address: 208 S. LaSalle St., Suite 814
Registered Agent City and Zip Code: Chicago, 60604
Name of Chief Executive Officer: Kevin Sullivan
CEO Street Address: 7403 Milwaukee Avenue
CEO City and Zip Code: Niles, 60714
CEO Telephone Number: 847-533-6367

Type of Ownership of Applicants

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Mark J. Silberman & Juan Morado, Jr.
Title: Counsel
Company Name: Benesch Friedlander Coplan & Aronoff, LLP
Address: 71 S. Wacker, Suite 1600
Telephone Number: 312-212-4952; 312-212-4967
E-mail Address: MSilberman@beneschlaw.com; JMorado@beneschlaw.com
Name: Mark J. Silberman & Juan Morado, Jr.

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

Name: Kevin L. Sullivan
Title: CEO
Company Name: Niles Surgery Center, LLC
Address: 7403 Milwaukee Avenue Niles, IL 60714
Telephone Number: 847-533-6367
E-mail Address: ksullivan@maeyecenter.com
Fax Number: 312-767-9192

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Niles Surgery Center LLC
Street Address: 7403 Milwaukee Avenue
City and Zip Code: Niles, IL 60714
County: Cook Health Service Area: 7 Health Planning Area: 7-B

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

Exact Legal Name: SEF Partners LC
Street Address: 7403 Milwaukee Avenue
City and Zip Code: Niles, IL 60714
Name of Registered Agent: Andrew D. Werth
Registered Agent Street Address: 2822 Central Street Suite, 300
Registered Agent City and Zip Code: Evanston, IL 60201
Name of Chief Executive Officer: Kevin Sullivan
CEO Street Address: 7403 Milwaukee Avenue
CEO City and Zip Code: Niles, IL 60714
CEO Telephone Number: 847-533-6367

Type of Ownership of Applicants

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Kevin Sullivan
Title: CEO
Company Name: Niles Surgery Center, LLC
Address: 1759 Prestwick Drive, Inverness, IL 60067
Telephone Number: 847-533-6367
E-mail Address: ksullivan@maeyecenter.com
Fax Number: 773-819-7013

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

Name: Mark J. Silberman & Juan Morado, Jr.
Title: Counsel
Company Name: Benesch Friedlander Caplan & Aronoff, LLP
Address: 71 S. Wacker, 20th Floor
Telephone Number: 312-212-4952; 312-212-4967
E-mail Address: MSilberman@beneschlaw.com; JMorado@beneschlaw.com
Fax Number: 312-767-9192

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

Name: Kevin Sullivan
Title: CEO
Company Name: Niles Surgery Center, LLC
Address: 7403 Milwaukee Ave., Niles, IL 60714
Telephone Number: 847-533-6367
E-mail Address: ksullivan@maeyecenter.com
Fax Number: 773-819-7013

Site Ownership [Provide this information for each applicable site]

Exact Legal Name of Site Owner: SEF Partners, LLC
Address of Site Owner: 7403-21 Milwaukee Avenue, Niles, IL 60714
Street Address or Legal Description of the Site: **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee [Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Niles Surgery Center, LLC
Address:7403 Milwaukee Avenue Chicago, IL 60741

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

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

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

Organizational Relationships

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

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

Flood Plain Requirements [Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements [Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification :

☒ Substantive

☐ Non-substantive

2. Narrative Description

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

Niles Surgery Center, LLC proposes to establish a single specialty ambulatory surgical treatment center ("ASTC") providing Ophthalmology surgical procedures one operating room. The proposed facility will be located at 7403 Milwaukee Avenue, Niles, IL 60714.

The ASTC will be owned in equal 50% ownership shares between Drs. Kevin L. Sullivan and Jason G. Ethington. The proposed facility will include 4,596 total gross square feet.

This project is considered a substantive project because it will result in the establishment of a new facility.

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	-	-	-
Site Survey and Soil Investigation	-	-	-
Site Preparation	-	-	-
Off Site Work	-	-	-
New Construction Contracts	-	-	-
Modernization Contracts	$917,008	$629,622	$1,546,630
Contingencies	$85,129	$58,450	$143,579
Architectural/Engineering Fees	$89,804	$61,660	$151,464
Consulting and Other Fees	$92,730	$63,669	$156,399
Movable or Other Equipment (not in construction contracts)	$471,750	$83,250	$555,000
Bond Issuance Expense (project related)	-	-	-
Net Interest Expense During Construction (project related)	$36,680	$25,185	$61,865
Fair Market Value of Leased Space or Equipment	$762,844	$122,576	$1,064,146
Other Costs to Be Capitalized	$53,065	$36,435	$89,500
Acquisition of Building or Other Property (excluding land)	-	-	-
TOTAL USES OF FUNDS	$2,509,010	$1,080,847	$3,768,583
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	**$873,083**	**$481,354**	**$1,354,437**
Pledges	-	-	-
Gifts and Bequests	-	-	-
Bond Issues (project related)	-	-	-
Mortgages	**$873,083**	**$476,917**	**$1,350,000**
Leases (fair market value)	**$762,844**	**$122,576**	**$1,064,146**
Governmental Appropriations	-	-	-
Grants	-	-	-
Other Funds and Sources	-	-	-
TOTAL SOURCES OF FUNDS	**$2,509,010**	**$1,080,847**	**$3,768,583**

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: $ N/A
Fair Market Value: $ N/A

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

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

Estimated start-up costs and operating deficit cost is $ 1,000,000

Project Status and Completion Schedules

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

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary

☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): July 1, 2024

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

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

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

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable?

☐ Cancer Registry- **NOT APPLICABLE**
☐ APORS- **NOT APPLICABLE**
☐ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted- **NOT APPLICABLE**
☐ All reports regarding outstanding permits- **NOT APPLICABLE**

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

Cost Space Requirements

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

Not Reviewable Space [i.e. non-clinical]: *means an area for the benefit of the patients, visitors, staff or employees of a health care facility and not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; newsstands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers.* [20 ILCS 3960/3]

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
ASTC-1 Operating Room	$2,509,010		2,725	2,725			
Total Clinical	$2,509,010		2,725	2,725			
NON-REVIEWABLE							
Administrative	$1,080,847						
Total Non-clinical							
TOTAL	**$3,768,583**		4,596	4,596			
APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

Facility Bed Capacity and Utilization- NOT APPLICABLE

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

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

CERTIFICATION

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

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

This Application is filed on the behalf of Niles Surgery Center, LLC and SEF Partners, 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

Kevin L. Sullivan

PRINTED NAME

CEO

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13 day of December, 2022

Signature of Notary

Seal

JENNY NGO
OFFICIAL SEAL
Notary Public - State Of Illinois
My Commission Expires
December 08, 2025

SIGNATURE

Jason G. Ethington

PRINTED NAME

Member

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13 day of December 2022

Signature of Notary

Seal

JENNY NGO
OFFICIAL SEAL
Notary Public - State Of Illinois
My Commission Expires
December 08, 2025

*Insert the EXACT legal name of the applicant

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

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

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.

2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.

3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

    a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.

    b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.

    c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.

    d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.

    e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.

4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**

5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant can submit amendments to previously submitted information, as needed, to update and/or clarify data.

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

Criterion 1110.110(b) & (d)

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.

2. Define the planning area or market area, or other relevant area, per the applicant's definition.

3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.

4. Cite the sources of the documentation.

5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

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

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

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

ALTERNATIVES

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

   Alternative options **must** include:

   A) Proposing a project of greater or lesser scope and cost;

   B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

   C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

   D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

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

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

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

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

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

SIZE OF PROJECT				
Department/Service	**Proposed BGSF/DGSF**	**State Standard**	**Difference**	**Met Standard?**
ASTC (1 Operating Room)	**2,725**	**2,750**	**-25**	**Yes**

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

PROJECT SERVICES UTILIZATION:

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

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

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

UTILIZATION					
	Department/ Service	**Historical Utilization (Patient Days) (Treatments) Etc.**	**Projected Utilization**	**State Standard**	**Meet Standard?**
Year 1	**ASTC**	**1,416**	**1,435**	**1,500**	**Yes**
Year 2	**ASTC**	**1,416**	**1,506**	**1,500**	**Yes**

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

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.

2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.

3. Evidence that the shell space is being constructed due to:

    a. Requirements of governmental or certification agencies; or

    b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.

4. Provide:

    a. Historical utilization for the area for the latest five-year period for which data is available; and

    b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

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

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and

3. The anticipated date when the shell space will be completed and placed into operation.

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

G. Non-Hospital Based Ambulatory Surgery

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

ASTC Service
☐ **Cardiovascular**
☐ **Colon and Rectal Surgery**
☐ **Dermatology**
☐ **General Dentistry**
☐ **General Surgery**
☐ **Gastroenterology**
☐ **Neurological Surgery**
☐ **Nuclear Medicine**
☐ **Obstetrics/Gynecology**
☒ **Ophthalmology**
☐ **Oral/Maxillofacial Surgery**
☐ **Orthopedic Surgery**
☐ **Otolaryngology**
☐ **Pain Management**
☐ **Physical Medicine and Rehabilitation**
☐ **Plastic Surgery**
☐ **Podiatric Surgery**
☐ **Radiology**
☐ **Thoracic Surgery**
☐ **Urology**
☐ **Other**_____

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

APPLICABLE REVIEW CRITERIA	Establish New ASTC or Service	Expand Existing Service
1110.235(c)(2)(B) – service to GSA Residents	X	X
1110.235(c)(3) – Service Demand – Establishment of an ASTC or Additional ASTC Service	X	
1110.235(c)(4) – Service Demand – Expansion of Existing ASTC Service		X
1110.235(c)(5) – Treatment Room Need Assessment	X	X
1110.235(c)(6) – Service Accessibility	X	
1110.235(c)(7)(A) – Unnecessary Duplication/Maldistribution	X	
1110.235(c)(7)(B) – Maldistribution	X	
1110.235(c)(7)(C) – Impact to Area Providers	X	
1110.235(c)(8) – Staffing	X	X
1110.235(c)(9) – Charge Commitment	X	X
1110.235(c)(10) – Assurances	X	X
APPEND DOCUMENTATION AS ATTACHMENT 25, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		

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

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

SECTION VII. 1120.120 - AVAILABILITY OF FUNDS

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

$1,354,857	a) Cash and Securities − statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b) Pledges − for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c) Gifts and Bequests − verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts;
$2,414,146	d) Debt − a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e) Governmental Appropriations − a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f) Grants − a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;

_____	g) All Other Funds and Sources − verification of the amount and type of any other funds that will be used for the project.
$3,768,583	**TOTAL FUNDS AVAILABLE**

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

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

Variance

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

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

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

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

A. Reasonableness of Financing Arrangements

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

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot		Gross Sq. Ft.		Gross Sq. Ft.		Const. $	Mod. $	
	New	Mod.	New	Circ.*	Mod.	Circ.*	(A x C)	(B x E)	
ASC	$336.51		2,725				$917,008		$917,008
Contingency	$31.24		0				$85,129		$85,129
TOTALS	$367.75		2,725				$1,002,137		$1,002,137

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

SECTION X. SAFETY NET IMPACT STATEMENT

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

1. The project's material impact, if any, on essential safety net services in the community, ***including the impact on racial and health care disparities in the community,*** to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

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

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

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

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

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

SECTION X. CHARITY CARE INFORMATION

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

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

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

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

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

APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

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

1. Applicant: Niles Surgery Center, LLC (Name) 7403 Milwaukee Avenue (Address)

Niles (City) Illinois (State) 60714 (Zip Code) (847) 533-6367 (Telephone Number)

2. Project Location: 7403 Milwaukee Avenue (Address) Niles (City) Illinois (State)

Cook County (County) Niles Township (Township) (Section)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (https://msc.fema.gov/portal/home) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the ***Go to NFHL Viewer*** tab above the map. You can print a copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

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

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

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

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

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

FIRM Panel Number:_____ Effective Date:_____

Name of Official:_____ Title: _____

Business/Agency:_____ Address:_____

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

Signature:_____ Date: _____

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

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

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

INDEX OF ATTACHMENTS

ATTACHMENT 1
Type of Ownership of Applicant

Included with this attachment are:

1. The Certificate of Good Standing for the applicant, Niles Surgery Center, LLC .

ATTACHMENT 1
Certificate of Good Standing - Niles Surgery Center, LLC

File Number 1204315-5

To all to whom these Presents Shall Come, Greeting:

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

NILES SURGERY CENTER LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON AUGUST 19, 2022, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

Authentication #: 2229901408 verifiable until 10/26/2023
Authenticate at: https://www.ilsos.gov

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 26TH *day of* OCTOBER *A.D.* 2022 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 2
Site Ownership

The proposed site for the facility is owned by SEF Partners, LLC and entity that is owned by three physicians holding equal ownership units. Two of those physicians include the owners of the Applicant Niles, Surgery Center, LLC. The third physician is the spouse of Dr. Ethington one of the owners of Niles Surgery Center, LLC. The Applicant will rent the site from the property owner. Attached as evidence of control over the site is a property tax bill reflecting SEF Partners, LLC, as the owner of the site.

ATTACHMENT 2
Site Ownership

TOTAL PAYMENT DUE	2021 Second Installment Property Tax Bill - Cook County Electronic Bill					
$0.00 By 12/30/2022	Property Index Number (PIN)	Volume	Code	Tax Year	(Payable In)	Township	Classification
	10-30-301-009-0000	127	24137	2021	(2022)	NILES	5-17

IF PAYING LATE, PLEASE PAY	12/31/22 - 02/01/23	02/02/23 - 03/01/23	03/02/23 - 04/01/23	LATE INTEREST IS 1.5% PER MONTH, BY STATE LAW
	$0.00	$0.00	$0.00	

TAXING DISTRICT BREAKDOWN

Taxing Districts	2021 Tax	2021 Rate	2021 %	Pension	2020 Tax
MISCELLANEOUS TAXES					
Morton Grove-Niles Water Commission	0.00	0.000	0.00%		0.00
North Shore Mosq Abate. Dist Northfield	25.21	0.009	0.09%		25.39
Metro Water Reclamation Dist of Chicago	1,069.69	0.382	3.84%	117.61	1,066.57
Niles-Maine District Library	1,002.49	0.358	3.60%	67.20	1,091.97
Niles Park District	1,184.50	0.423	4.26%	142.80	1,086.32
Miscellaneous Taxes Total	**3,281.89**	**1.172**	**11.79%**		**3,270.26**
SCHOOL TAXES					
Oakton College Dist Skokie Des Plaines	705.66	0.252	2.54%		640.51
Niles Township HS District 219 (Skokie)	9,380.83	3.350	33.71%	19.60	8,546.71
Niles School District 71	5,603.29	2.001	20.14%	128.81	5,062.00
School Taxes Total	**15,689.78**	**5.603**	**56.38%**		**14,249.22**
MUNICIPALITY/TOWNSHIP TAXES					
TIF VII of Niles-Milwaukee/Harlem	4,716.70	0.000	16.95%		6,399.01
Village of Niles	2,509.02	0.896	9.02%	1,934.97	1,444.68
Road & Bridge Niles	0.00	0.000	0.00%		0.00
General Assistance Niles	22.40	0.008	0.08%		19.75
Town of Niles	142.81	0.051	0.51%		129.79
Municipality/Township Taxes Total	**7,390.83**	**0.955**	**26.56%**		**7,993.23**
COOK COUNTY TAXES					
Cook County Forest Preserve District	162.41	0.058	0.58%	5.60	163.65
Consolidated Elections	53.20	0.019	0.19%		0.00
County of Cook	680.48	0.243	2.45%	246.42	767.51
Cook County Public Safety	366.83	0.131	1.32%		372.45
Cook County Health Facilities	201.62	0.072	0.72%		138.26
Cook County Taxes Total	**1,464.54**	**0.523**	**5.26%**		**1,441.87**
(Do not pay these totals)	**27,827.14**	**8.263**	**100.00%**		**26,954.57**

****Visit cookcountyclerk.com for information about TIFs and for TIF revenue distributions.*

TAX CALCULATOR

2020 Assessed Value	114,788
2021 Assessed Value	112,281
2021 State Equalizer	X 3.0027
2021 Equalized Assessed Value (EAV)	337,178
2021 Local Tax Rate	X 8.263%
2021 Total Tax Before Exemptions	27,827.14

2021 Total Tax Before Exemptions	27,827.14
Homeowner's Exemption	.00
Senior Citizen Exemption	.00
Senior Freeze Exemption	.00
2021 Total Tax After Exemptions	27,827.14
First Installment	14,825.01
Second Installment +	13,002.13
Total 2021 Tax (Payable In 2022)	27,827.14

IMPORTANT MESSAGES

PROPERTY LOCATION

7403 MILWAUKEE AVE
NILES IL 60714 3707

MAILING ADDRESS

SEF PARTNERS LLC
7447 W TALCOTT AVE 300
CHICAGO IL 606313714

*** Please see 2021 Second Installment Payment Coupon next page ***

ATTACHMENT 3
Operating Entity

The Niles Surgery Center, LLC will be licensed by the Illinois Department of Public Health. Attached as evidence of the owner entity's good standing is a Certificate of Good Standing issued by Illinois Secretary of State.

ATTACHMENT 3
Operating Entity Certificate of Good Standing for Niles Surgery Center LLC

File Number 1204315-5

To all to whom these Presents Shall Come, Greeting:

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

NILES SURGERY CENTER LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON AUGUST 19, 2022, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

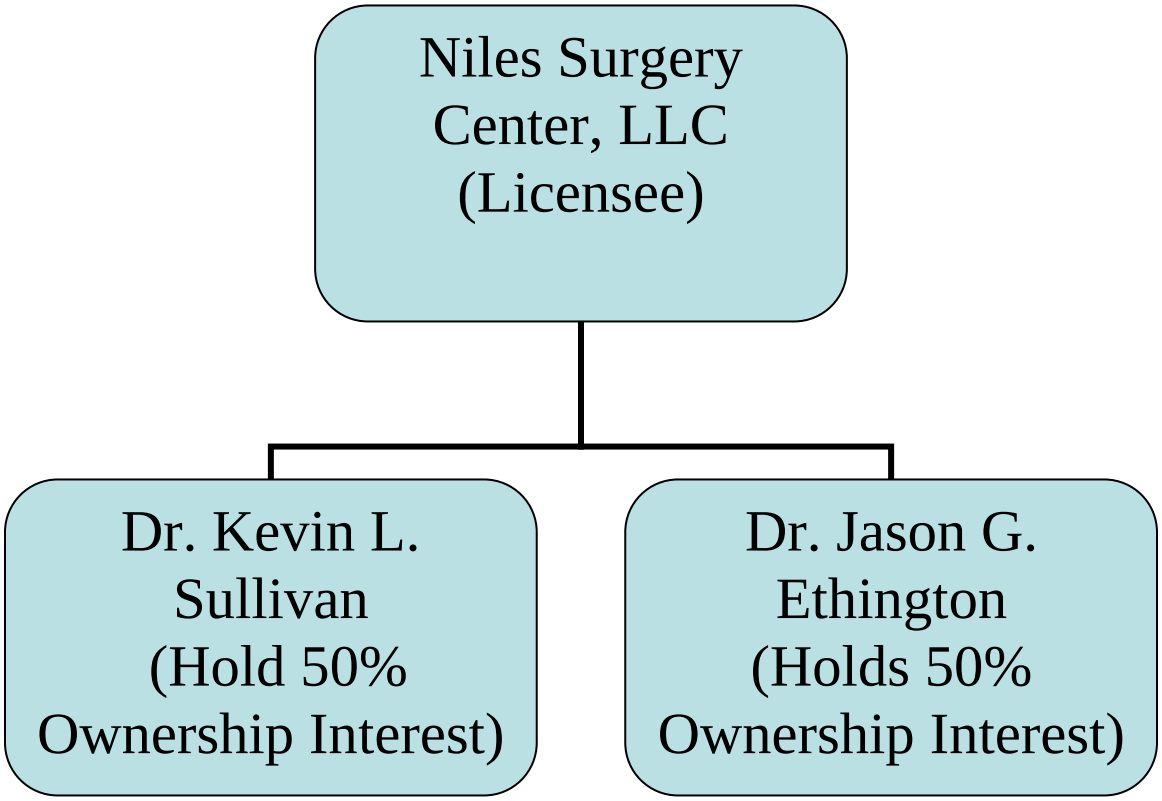
Authentication #: 2229901408 verifiable until 10/25/2023
Authenticate at: https://www.ilsos.gov

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 26TH *day of* OCTOBER *A.D.* 2022 .

Jesse White
SECRETARY OF STATE

ATTACHMENT 4
Organizational Relationships

The facility will owned by Drs. Kevin L. Sullivan and Jason G. Ethington with each holding an equal 50% ownership. All direct owners of a 5% or more interest in the applicant facility are identified in the organizational charts.



ATTACHMENT 5
Flood Plain Requirements

NILES SURGERY CENTER, LLC
7403 MILWAUKEE AVENUE
NILES, IL 60714

December 11, 2022

John Kniery
Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Niles Surgery Center LLC- Flood Plain Requirements

Dear Chair Savage:

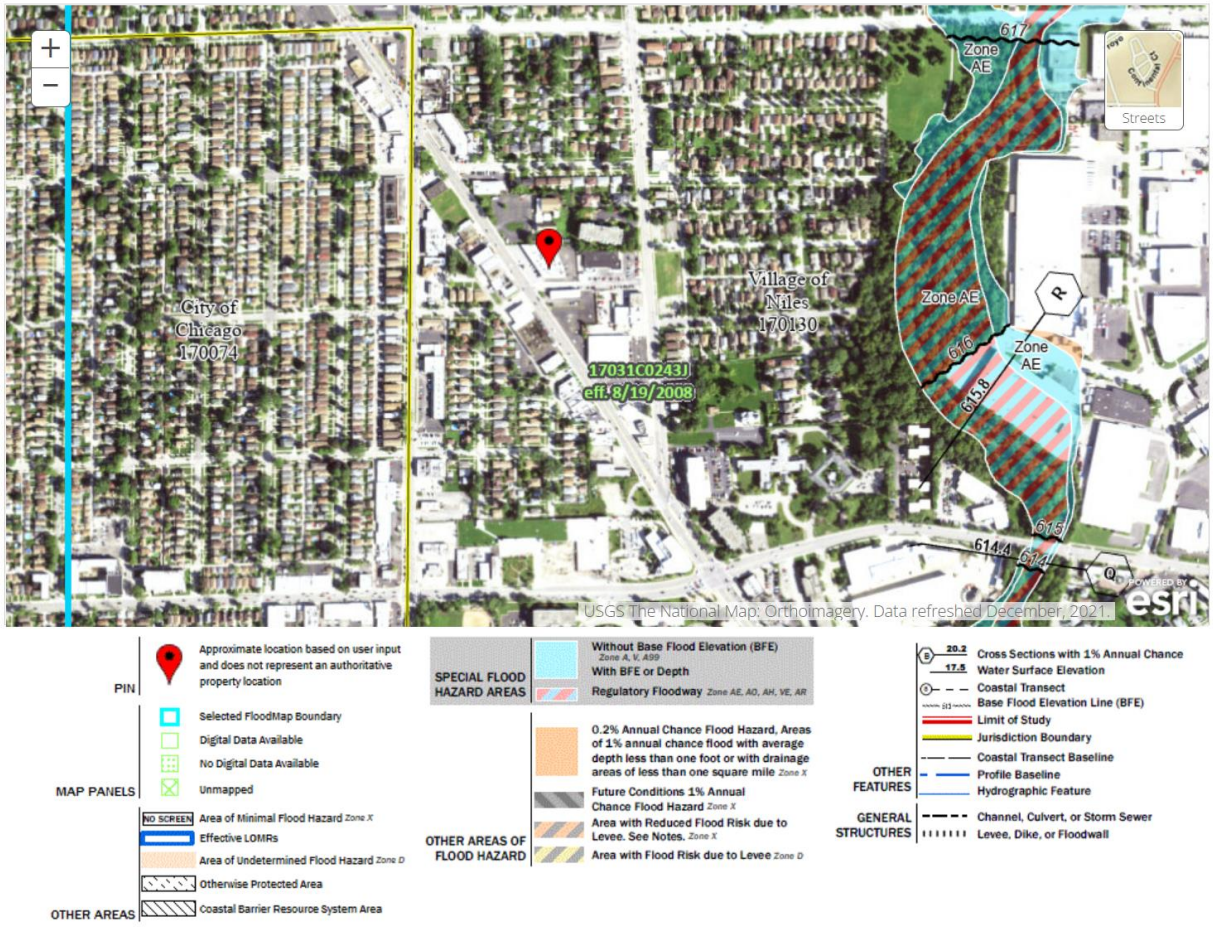
As representative of Niles Surgery Center LLC, I, Kevin Sullivan, M.D., affirm that the proposed relocation for the facility complies with Illinois Executive Order #2005-5. The facility location at 7403 Milwaukee Ave, Niles, IL 60714 is not located in a flood plain, as evidence please find enclosed a map from the Federal Emergency Management Agency ("FEMA").

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

Sincerely,

Kevin Sullivan, MD
CEO
Niles Surgery Center LLC

ATTACHMENT 5
Flood Plain Requirements



ATTACHMENT 6
Historic Preservation Act Requirements

The Applicant submitted a request for determination to the Illinois Department of Natural Resources-Preservation Services Division on December 5, 2022. A final determination has not yet been received, however, with the certification made with this application, the Applicant certify that either a determination from the Department will be provided to the HFSRB staff prior to Board review of this CON application or if the HFSRB approves this application, the project will not be obligated until the determination is made by DNR.

ATTACHMENT 6
Historic Preservation Act Requirements

Benesch
Attorneys at Law

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

December 5, 2022

VIA E-MAIL

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

Re: Certificate of Need Application for Ambulatory Surgical Treatment Center

Dear Jeffrey:

I am writing on behalf of my client, Niles Surgery Center, LLC ("NSC") to request a review of the project area under Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). NSC is submitting an application for a Certificate of Need from the Illinois Health Facilities and Services Review Board to establish an ambulatory surgical treatment center.

NSC will be constructed in an existing office building located at 7403 Milwaukee Avenue, Niles, Illinois, 60714. NSC will contain a patient waiting room, physician office space, nursing station, examination rooms, mechanical space, and one operating room. For your reference, we have enclosed pictures of the existing lot and topographic maps showing the general location of the project.

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

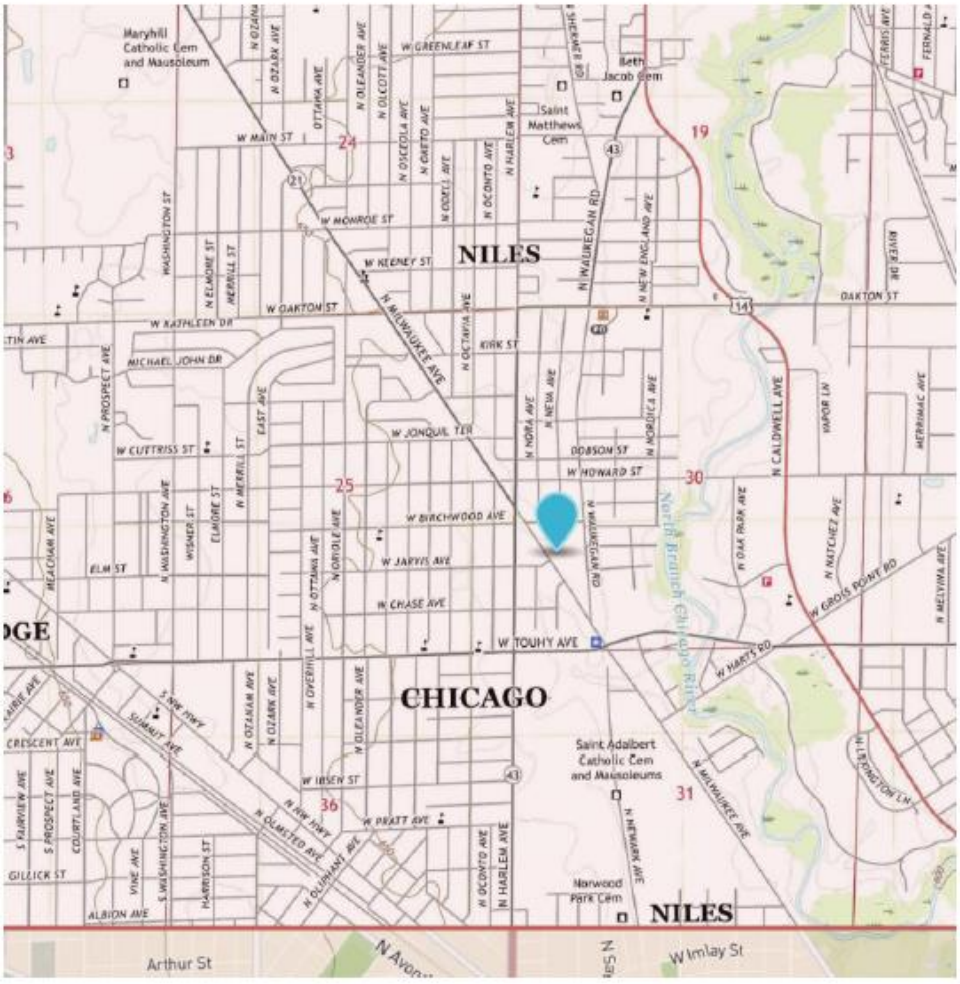
Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF, LLP

Juan Morado, Jr.

ATTACHMENT 6
Historic Preservation Act Requirements

Topographic Map (7403 Milwaukee Avenue, Niles, Illinois, 60714)

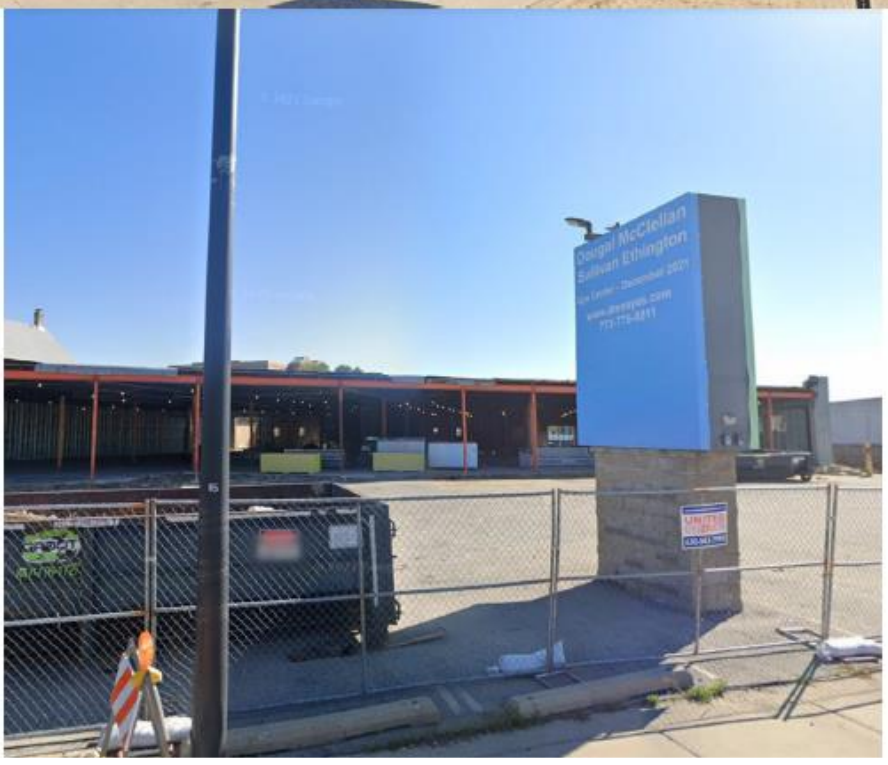


ATTACHMENT 6
Historic Preservation Act Requirements

Aerial Map of 7403 Milwaukee Avenue, Niles, Illinois, 60714

ATTACHMENT 6
Historic Preservation Act Requirements

Street View of 7403 Milwaukee Avenue, Niles, Illinois, 60714



ATTACHMENT 6
Historic Preservation Act Requirements

Rear View of Building at 7403 Milwaukee Avenue, Niles, Illinois, 60714

ATTACHMENT 7
Project Costs and Sources of Funds

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	-	-	-
Site Survey and Soil Investigation	-	-	-
Site Preparation	-	-	-
Off Site Work	-	-	-
New Construction Contracts	-	-	-
Modernization Contracts	$917,008	$629,622	$1,546,630
Contingencies	$85,129	$58,450	$143,579
Architectural/Engineering Fees	$89,804	$61,660	$151,464
Consulting and Other Fees	$92,730	$63,669	$156,399
Movable or Other Equipment (not in construction contracts)	$471,750	$83,250	$555,000
Bond Issuance Expense (project related)	-	-	-
Net Interest Expense During Construction (project related)	$36,680	$25,185	$61,865
Fair Market Value of Leased Space or Equipment	$762,844	$122,576	$1,064,146
Other Costs to Be Capitalized	$53,065	$36,435	$89,500
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	$2,509,010	$1,080,847	$3,768,583
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	**$873,083**	**$481,354**	**$1,354,437**
Pledges	-	-	-
Gifts and Bequests	-	-	-
Bond Issues (project related)	-	-	-
Mortgages	**$873,083**	**$476,917**	**$1,350,000**
Leases (fair market value)	**$762,844**	**$122,576**	**$1,064,146**
Governmental Appropriations	-	-	-
Grants	-	-	-
Other Funds and Sources	-	-	-
TOTAL SOURCES OF FUNDS	**$2,509,010**	**$1,080,847**	**$3,768,583**

ATTACHMENT 7
Project Costs and Sources of Funds

New Construction Costs	• General Contractor cost, material, and labor cost • Miscellaneous Equipment	$1,546,630
Contingencies	• Unexpected costs associated with matter not covered under construction contract	$143,579
Architectural/Engineering Fees	• A/E Site Plans Preparation, Review Process	$151,464
Consulting and Other Fees	• CON and Permit Related Fees- $135,330 • Builder Permit Fees $21,399	$156,399
Moveable or Other Equipment (not in construction contracts)	• Laser- $350,000 • Miscellaneous Eye Equipment- $56,750 • Patient Beds and Chairs- $65,000 • Furniture- $83,250	$555,000
Net Interest Expense During Construction	• Estimated Interest to be paid on loan.	$61,865
FMV of Leased Space	• Cost of Leased Space Annually- $140,944 with a 3% annual increase, multiplied over 10 years for life of the lease term	$1,064,146
Other Costs to Be Capitalized	• IT Data Room, Software- $69,500 • Miscellaneous Fees- $20,000	$89,500
Total Uses of Funds		**$3,768,586**

New Construction Contracts- The proposed project will be constructed in an existing office building currently used for medical services. The projected building costs are based on national architectural and construction standards and adjusted to compensate for several factors. The clinical construction costs are estimated to be $917,008 or $336.52 per clinical square foot.

Contingencies- The Project's contingencies costs are designed to allow the construction team an amount of funding for unforeseeable event related to construction. Clinical construction costs for contingencies are estimated to be $85,129 or 9.3% percent of projected clinical new construction costs.

Architectural/Engineering Fees- The clinical project cost for architectural/engineering fees are projected to be $89,804 or 9% of the new construction and contingencies costs.

Consulting and Other Fees- The Project's consulting fees are primarily comprised of various project related fees, additional state/local fees, and other CON related costs.

Net Interest Expense During Construction- This cost is the estimated interest cost for the loan taken out for the project.

ATTACHMENT 7
Project Costs and Sources of Funds

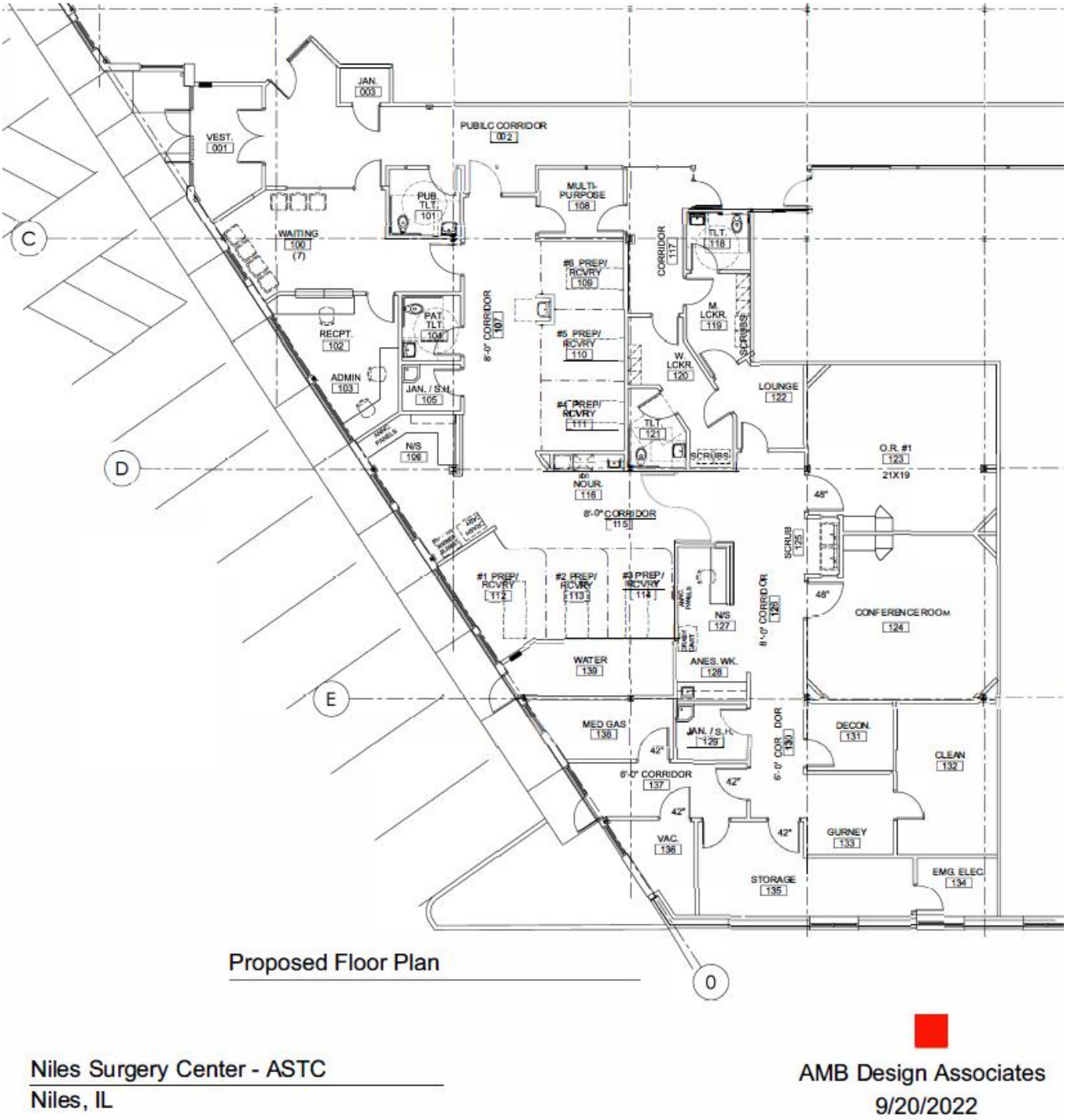
Moveable Equipment Costs- The moveable equipment costs are necessary for the operation of the ASTC, and proposed operating rooms. The clinical equipment costs account for $471,750.

Fair Market Value of Leased Space- The initial lease for the space will be for 10 years, and the annual rent will be $140,944. There will be a 3% annual increase, each year over the 10-year term. Over 10 years, the total lease value is $1,064,146.

Other Costs to be Capitalized- These costs include miscellaneous fees, and costs associated with infrastructure of the space.

ATTACHMENT 8
Project Status and Completion Schedules

The proposed project plans are still at a schematic stage. The proposed project completion date is July 1, 2024. Financial commitment for the project will occur following permit issuance, but in accordance with HFSRB regulations.



Proposed Floor Plan

Niles Surgery Center - ASTC
Niles, IL

AMB Design Associates
9/20/2022

ATTACHMENT 9
Cost Space Requirements

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
ASTC-1 Operating Room	$2,509,010		2,725	2,725			
Total Clinical	$2,509,010		2,725	2,725			
NON-REVIEWABLE							
Administrative	$1,080,847						
Total Non-clinical							
TOTAL	**$3,768,583**		4,596	4,596			

ATTACHMENT 11
Background of the Applicant

The following information is provided to illustrate the qualifications, background and character of the Applicants, and to assure the Health Facilities and Services Review Board that the proposed hospital will provide a proper standard of health care services for the community.

Niles Surgery Center, LLC

1. The proposed project is brought forth by Niles Surgery Center LLC and Drs. Kevin Sullivan and Jason Ethington. Drs. Sullivan and Ethington are each 50% owners of the facility. The ownership of facility is reflected in Attachment 4.

2. Neither Dr. Sullivan nor Dr. Ethington have a direct ownership interest in excess of 5% in any other health care facility in Illinois. The applicants certify that there have been no adverse actions taken during the three (3) years prior to filing of this application. A letter certifying to the above information is included at Attachment 11.

3.We have included a letter authorizing access to the HFSRB and IDPH to verify information contained in the application at Attachment 11.

Dr. Kevin L. Sullivan and Dr. Jason G. Ethington

Dr. Kevin L. Sullivan is a board-certified ophthalmologist and surgeon with over 20 years of experience providing complete eye care and founder of the Milwaukee Avenue Eye Center practice. He received his Bachelor of Science degree in Biology from Northwestern University and his Doctor of Medicine degree from Loyola University School of Medicine. He completed an internship in internal medicine at Evanston Hospital and his ophthalmology residency at Wills Eye Hospital. Dr. Sullivan was inducted into the Phi Beta Kappa Society at Northwestern and the Alpha Omega Alpha Honor Medical Society at Loyola.

Dr. Sullivan performs cataract surgery, corneal transplants, laser surgery and laser vision correction. He has staff privileges at Resurrection Medical Center and St. Alexius Medical Center. He is a member of the American Academy of Ophthalmology and the Illinois Association of Ophthalmology.

The physicians from the Milwaukee Avenue Eye Center recently completed the eye center in recent years and it is home to a vibrant full-service practice for eye care. Their team of optometrists and ophthalmologists have years of experience, maintain an expertise in the latest in eye health technology, and have dedicated staff, that can provide eye care to the entire family.

ATTACHMENT 11
Background of the Applicant

Dr. Jason G. Ethington joined Dr. Sullivan's practice in 2013 and achieved partnership in recent years. He completed his undergraduate degree from the University of Wisconsin, Madison and received his medical degree with honors at Loyola Stritch School of Medicine. He completed his internship year at the Resurrection Medical Center followed by his ophthalmology training at the Loyola University Medical Center. He is a skilled cataract surgeon and has a special interest in treating medical retinal disease such as age-related macular degeneration and diabetic macular edema.

ATTACHMENT 11
Background of the Applicant

NILES SURGERY CENTER, LLC
7403 MILWAUKEE AVENUE
NILES, IL 60714

December 11, 2022

John Kniery
Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Niles Surgery Center- Certification and Authorization

Dear Mr. Kniery,

As a representative of Niles Surgery Center, LLC I, Kevin L. Sullivan, M.D., respectively, give authorization to the Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to: official records of IDPH or other state agencies, the licensing or certification records of other states, and the records of nationally recognized accreditation organizations.

I further verify that Niles Surgery Center, LLC has no ownership interest in other healthcare facilities. Therefore, there are no adverse actions to report for the past three (3) years.

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

Sincerely,

Kevin Sullivan, MD
CEO
Niles Surgery Center LLC

ATTACHMENT 12
Purpose of the Project

This project accomplishes two fundamentally important goals: it increases access to ophthalmological and optometric care – both for patients and providers, by avoiding the splintering of services, and it meaningfully improves quality and access for patients reliant upon Medicaid for services.

The facility will accept Medicaid and Medicare and those government programs are the primary payer for a significant percentage of the patient population to be served by this facility. The issue with regards to access for Medicaid patients is one of particular importance for this project. The common obstacle raised with regards to increases participation in the Medicaid program relates to the sufficiency of reimbursement levels. This is particularly true in certain specialties upon which other ambulatory surgery centers (ASCs) rely. In facilities such as those, the decision not to participate in Medicaid acts as a notable obstacle because of how many of the patients requiring the care this ASC will provide are dependent upon Medicaid.

The reimbursement model for the ophthalmological and optometric care to be provided is sufficiently manageable that it is intended that a significant portion of the population to be cared for will rely upon Medicaid or other government payors. While the facility will accept the full range of payers, government and private alike, removing the obstacle for access to care will truly advance care for the Medicaid population.

This is how access to care will be meaningfully approved in a measurable way, as will having access to the quality physicians that will provide care at the facility. The planning area is defined as 10-miles, as reflected in the Boards rules. Despite the primary group of patients to be served coming from the patient population already identified within this service area, our expectation is that practitioners and their patients will come from outside of this area, as well, to enjoy the benefits of a facility dedicated to and focused upon ophthalmological and optometric care.

The physicians from Milwaukee Avenue Eye Center are utilizing several ASTCs at this time and not one accepts Illinois Medicaid patients. Additionally, the hospitals that the practice utilizes currently have not provided surgical block time for these types of procedures as they have in the past. Dr. Sullivan was on staff at Resurrection Hospital which discontinued performing eye surgeries six years ago. Saint Alexius which is 20 miles away will accept Illinois Medicaid patients but the travel to the facility creates a hardship for the patient and physician. Another of the surgery centers that the practice utilizes, Northwest Surgicare will be closing at the end of 2022 and merging with Northwest Community Hospital Day Surgery Center.

The benefits of having a staff and a facility dedicated to a particular specialty is something well established and well known to the Board. The ability to work with staff, specially trained and experienced with these procedures – day in and day out – is immeasurable. Moreover, the ability to both ensure the equipment and materials are available yields less delay and improved patient experience. Finally, the ability to avoid the delay that comes from cancellations and rescheduling when more lucrative procedures are competing for the same limited ASC slot yields a better outcome and improved access to care for the patients requiring care.

ATTACHMENT 13
Alternatives

Alternative #1: Maintain the Status Quo

This alternative has no capital costs associated with it. However, it does nothing to address the issue that this project is seeking to solve. Currently, the care these patients are receiving is fractured among multiple locations, provided in office-settings where the standard of care is moving more towards provision of care within an ASC setting. Patients are being forced to travel longer distances than necessary to obtain the care they need and should have more meaningful access to this care within the community in which they reside. Given the nature of the practice, this also includes a greater likelihood of patients have to spend prolonged periods of time managing issues with regards to their sight – not because the care is not needed but because the physicians who are providing the care are being forced to compete for ASC slots with more lucrative procedures that generate more revenue. Finally, the status quo yields unnecessary challenges in maintaining meaningful access for patients reliant upon Medicaid, something this project is designed to address. For these reasons, this alternative was not selected.

Alternative #2: Pursing a Joint Venture

A second alternative considered by the applicant was entering a joint venture with one or more area providers or entities instead of establishing a new ASTC in the local geographic area. The total projected cost of this alternative is, ultimately, unknown. It is likely similar to the proposed cost of this project with the expense being shared among the joint venture. However, as reflected within the purpose of the project section, many of the existing ASCs and those interested in the establishment of a new ASC are hesitant to design a facility driven in large part by the provision of services to Medicaid beneficiaries. The reimbursement 'challenges' that discourage other specialties are not a sufficient issue for these providers to stand in the way of ensuring meaningful access to patients requiring this care – regardless of their payer source – and especially when they are reliant upon government payers such as Medicaid. Entering into a joint venture adds additional oversight and pressure that, ultimately, is likely to yield obstacles related to profitability that carry with them the tendency to disadvantage the lowest reimbursed procedures – most often those that are ophthalmological or optometric and ever more often those that are reimbursed by Medicaid.

Considering that, the applicant recognizes entering a joint venture would not allow the applicant the ability to design and create a center that would best fit the needs of its patients and practice autonomously, which is how the applicant has been serving this patient population for years. For these reasons, this alternative was not selected.

Alternative #3: Propose a Project of Greater or Lesser Scope

Creating a large-scope project would undoubtedly increase the capital expenditure associated with such project. The costs associated with a smaller project would be reduced, but would not sufficiently reduce, the capital expenditures in a meaningful way. Adding additional specialties or surgical suites and thus increasing the scope of this project is not necessary, as it is not reflective of the current needs of this market area and, as discussed in the other alternatives, the addition of alternative specialties can carry with it the risk of interfering with the meaningful access to care envisioned by this project. Neither option and the rationales to pursue them appear to offer sufficient financial benefit or sufficiently address access to care issues to displace the project as designed and, for these reasons, this alternative was not selected.

ATTACHMENT 13
Alternatives

Alternative #4: Project as Proposed

This project has been given significant thought. The design, the timing, the purpose, and the goal. This project will provide stability and increased access to care for ophthalmological and optometric patients, particularly for those whose care is reimbursed by Medicaid. Balancing all of the principles of the CON program, it was this project that best advanced those interests and, as such, was selected.

ATTACHMENT 14
Size of the Project

The square footage identified in this application for the proposed projects, includes one operating room, recovery stations is necessary, not excessive, and consistent with the standards identified in Appendix B of 77 Illinois Admin. Code Section 1110, as documented below.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
ASTC (1 Operating Room)	**2,725**	**2,750**	**-25**	**YES**

ATTACHMENT 15
Project Service Utilization

The annual utilization expected of an ASTC is 1,500 hours per surgical or procedure room. The proposal for this facility is to establish one surgical room, making the objective for demonstrating utilization at least 80% of target utilization or at least 1,500 hours. Based upon historical utilization and proposed patient volume, the facility should meet the state standard by its second year of operation.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1	ASTC	1,416	1,435	1,500	No
YEAR 2	ASTC	1,416	1,506	1,500	YES

The number of 1,435 predicted procedures are derived from patients and procedures envisioned emanating directly from current patients and from the referral letter included in this application.[1] The referral letters reflect proposed referrals to this facility over the first two years of its operation. The predicted procedures are based on procedures historically performed by the physicians at the Milwaukee Avenue Eye Center.

Year 1		
	State Standard for Four Operating Rooms	1500
	Proposed Facility Utilization in Minutes	86080
	Proposed Facility Utilization in Hours	1435
	Total Projected Refferals in Year 1	1435
	Percentage of Utilization	77%
Year 2	State Standard for Four Operating Rooms	1500
	Proposed Facility Utilization in Minutes	90384
	Proposed Facility Utilization in Hours	1506
	Total Projected Refferals in Year 1	1486
	Percentage of Utilization	80%
	Utilzation Calculation	
	Operational Days	250
	Average Hours of Operation	7.5
	Procedures Hours Per Operating Room	1875
	Number of Operating Rooms	1
	First Year Proposed Procedures	1416
	First Year Utilization	77%
	Second Year Proposed Proceudres	1486
	Second Year Utilization	80%

[1] There are likely existing patients and procedures that will seek to utilize this facility for care but since they fall outside the 10-mile radius defining the proposed service area, they have not been included to justify the utilization of the project from HFSRB consideration and approval.

ATTACHMENT 15
Project Service Utilization

The average procedure time were derived from evaluating maintained documentation tracking patient procedures and professional studies of common procedures already performed in the office-based setting and in area surgery centers. It is expected by year 2 of operation that the facility will be the state's target utilization.

CPT	Description	Number of Cases	Mata	Ethington	Sullivan	Dougal	Conti	Park	Estimated Procedure Time with Prep, Procedure and Clean up (In Minutes)	Estimated Procedure Time with Prep, Procedure and Clean up (In Hours)
66984	standard cataract	859	118	442	299	0	0	0	60	859
66982	complex cataract	136	29	67	40	0	0	0	85	193
66821	Laser: Yag	201	20	58	103	12	0	8	50	168
65756	DSEK	5	0	0	5	0	0	0	100	8
65855	Laser: SLT	27	12	5	7	3	0	0	40	18
67840	excision of lid lesion	38	8	1	4	0	25	0	45	29
67800	excision of chalazion, single	40	6	20	4	1	2	7	45	30
67801	excision of chalazion, multiple but same lid	7	1	4	0	0	2	0	30	4
67805	excision of chalazion, multiple but diff lids	3	0	2	1	0	0	0	30	2
68761	close tear duct opening	5	1	2	1	1	0	0	30	3
15823	Bleph, upper eyelid	27	0	0	0	0	27	0	110	50
64612	chemodenervation of muscles	26	0	0	0	0	26	0	50	22
67921	repair of entropion	6	0	0	0	0	6	0	60	6
67904	repair of bleph, external approach	15	0	0	0	0	15	0	100	25
67917	repair of ectropion	16	0	0	0	0	16	0	60	16
14060	Adjacent tissue transfer	3	0	0	0	0	3	0	60	3
66170	trabeculectomy	1	0	0	0	0	1	0	60	1
67966	Excision & repair eye lid, > 18/4	1	0	0	0	0	1	0	60	1
Total		1416	195	601	464	17	124	15		1435

ATTACHMENT 16
Unfinished or Shell Space

NOT APPLICABLE - The proposed project does not include plans for shell space.

ATTACHMENT 17
Assurances

NOT APPLICABLE - The proposed project does not include plans for shell space.

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service to GSA Residents- 1110.235(c)(2)(B)

The proposed project is necessary to meet the needs of the residents of the planning area in which this facility will be located. As the zip codes indicate, the practice will allow for the unification of these services in a single facility with a specialized team of physicians, nurses, and staff trained and dedicated to the provision of ophthalmological procedures.

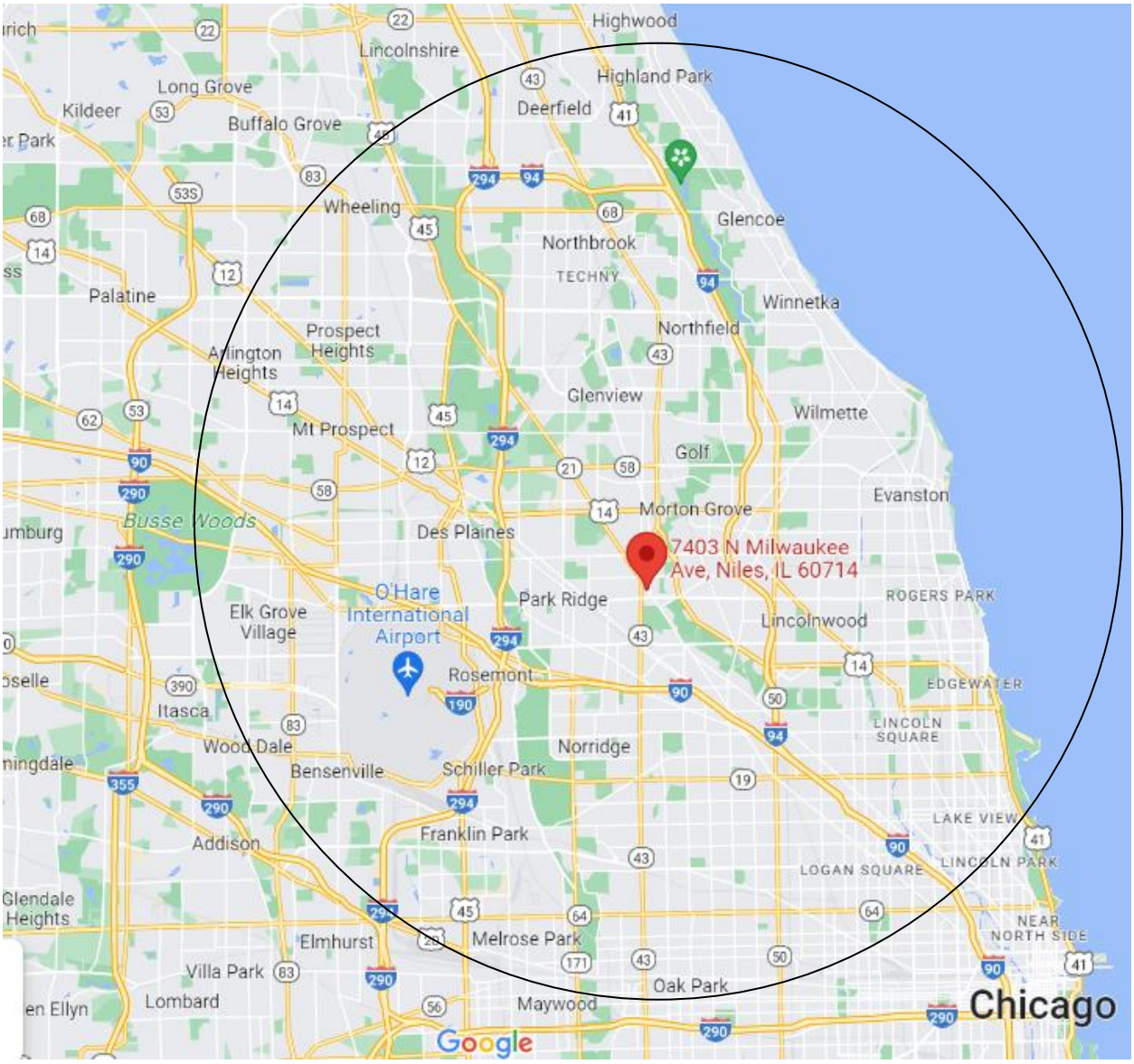
As a single specialty ASC with a focus on ophthalmological and optometric procedures, the impact upon any area facility at which procedures have been previously performed should be minimal, as the nature of a practice such as this and the quality developed results from repetition and volume. Given the short length of time for an individual procedure (as compared to other more complex outpatient surgical procedures in other categories of service) and any reimbursement lost are easily replaced, oftentimes by a single procedure.

While the practice will always continue referring patient to other area facilities, the expectation is that the ultimate benefits of having a dedicated facility for this care will be evident to patients and practitioners alike. The facility will be offering operating rooms to area providers under their open staff policy. While area facilities have a degree surgical capacity, it has been proven by multiple studies, articles, and actions of the Centers of Medicare and Medicaid Services (CMS) that outpatient procedures in an ASTC setting is less costly when medically appropriate. There are huge cost incentives, and ASTCs offer more patients better access to care at a lower cost. Needless to say, however, it is ultimately patient choice that will determine where procedures will take place.

The primary purpose of this project is to provide necessary health care to resident of the geographic service area (“GSA”) in which the ASTC will be located. Listed on the following pages, in accordance with 77 Illinois Admin Code Section 1110.235(c)(2)(8) is the GSA consisting of all zip codes areas that are located within a 10-mile radius of the proposed site of the ASTC. The zip codes and area within a 10-mile radius of the proposed facility is listed below. We have included a map of the multi-directional travel radiuses of the proposed ASTC site.

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service to GSA Residents- 1110.235(c)(2)(B)

10 Mile Radius from 7403 Milwaukee Avenue, Niles 67014



ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service to GSA Residents- 1110.235(c)(2)(B)

Geographic Service Area Population by Zip Code

Zip code	Population
60053	22,937
60076	31,393
60077	27,653
60130	13,808
60171	9,957
60201	41,386
60202	32,593
60203	4,248
60301	2,998
60302	31,568
60304	17,536
60305	10,883
60601	14,513
60602	1,596
60603	1,186
60604	729
60605	30,950
60606	3,204
60607	30,306
60608	80,011
60609	60,551
60610	40,954
60611	33,937
60612	32,240
60613	51,399
60614	72,391
60616	52,557
60618	94,646
60622	52,957
60623	77,732
60624	35,054
60625	78,820
60626	51,017

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service to GSA Residents- 1110.235(c)(2)(B)

Geographic Service Area Population by Zip Code

Zip code	Population
60630	55,692
60631	28,864
60634	75,604
60639	88,515
60640	69,726
60641	70,163
60642	20,191
60644	45,919
60645	46,924
60646	29,043
60647	85,658
60651	63,679
60653	33,574
60654	20,812
60656	28,982
60657	70,489
60659	43,843
60660	45,131
60661	10,734
60706	22,804
60707	42,434
60712	12,338
60714	29,429
60804	81,505
TOTAL	**2,265,763**

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service Demand- Establishment of an ASTC- 1110.235(c)(3)

We are submitting a referral letter from the Family Eye Physician practice group that includes zip code specific patient origin analysis of the individual's historical caseload and the patient origin to be serviced at the proposed facility is identical to that identified in the letter.

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service Demand- Establishment of an ASTC- 1110.235(c)(3)

November 14, 2022

John P. Kniery
Board Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, Floor 2
Springfield, IL 62761

Re: Referral Letter- Niles Surgery Center

Dear Mr. Kniery,

My name is Kevin Sullivan, M.D. and I am a board-certified ophthalmologist and surgeon affiliated with Milwaukee Avenue Eye Center. This letter contains the referral documentation required per 77 Ill. Admin. Code Section 1110.235(c)(3)(A)-(B). During the 12-month period prior to submission of this letter, my practice and my practice referred a total of 1,169 surgical procedures within the last 12 months to the following healthcare facilities: Belmont Harlem Surgery Center, Golf Surgery Center, Hoffman Estates Surgery Center, Holy Family Hospital, Milwaukee Avenue Eye Center, Northwest Surgicare, and Saint Alexius Hospital. The other members of practice include Drs. Jason G. Ethington, Christine Mata, Mary A. Dougal, and Paul Park.

Historical Caseload by Licensed setting:

Name of Healthcare Facility	Number of cases in past 12 months	Niles Surgery Center
Belmont Harlem Surgery Center	590	350
Golf Surgery Center	9	9
Hoffman Estate Surgery Center	86	30
Milwaukee Eye Center (in-office procedures)	182	182
Holy Family Hospital	155	100
Northwest Surgicare	138	138
Saint Alexius Hospital	9	5
Total	**1169**	**756**

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service Demand- Establishment of an ASTC- 1110.235(c)(3)

Based on my historical referrals, we anticipate referring 756 surgical cases each year to Niles Surgery Center. Enclosed with this letter is a list of patient origin by zip code of residence. I certify that the patients I propose to refer reside within the applicant's proposed geographic service area.

I further certify that the aforementioned referrals have not been used to support another pending or approved certificate of need permit application. The information provided in this letter is true and accurate to the best of my knowledge.

Thank you,

Kevin Sullivan, M.D.

Physician's Signature _____ Date 11-14-22

(Please Print/Type Name) _____

Subscribed and sworn to before me

this 14th day of November, 2022.

MELISSA L SANCHEZ
Official Seal
Notary Public - State of Illinois
My Commission Expires Dec 16, 2023

Seal

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service Demand- Establishment of an ASTC- 1110.235(c)(3)

Zip Code	# of Patients from Zip Code
60007	1
60016	2
60018	3
60056	1
60067	2
60068	25
60090	2
60101	2
60126	1
60143	4
60173	2
60191	2
60192	1
60611	1
60630	9
60631	6
60634	15
60641	5
60646	17
60656	7
60706	15
60707	1
60712	2
60714	5
32903	2
46373	2
53095	2
53104	1
54521	1
60004	6
60005	4
60013	1
60015	1

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service Demand- Establishment of an ASTC- 1110.235(c)(3)

Zip Code	# of Patients from Zip Code
60016	56
60018	45
60025	9
60026	4
60035	1
60045	1
60046	1
60053	17
60056	6
60062	8
60067	6
60068	74
60070	18
60073	2
60074	7
60077	5
60085	1
60089	5
60090	5
60091	1
60101	2
60102	1
60104	2
60106	1
60107	1
60108	2
60118	2
60124	2
60131	9
60142	1
60143	3
60148	2
60160	1
60164	1

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service Demand- Establishment of an ASTC- 1110.235(c)(3)

Zip Code	# of Patients from Zip Code
60171	9
60176	18
60177	1
60181	2
60191	2
60192	8
60201	1
60402	1
60453	1
60613	2
60614	1
60616	1
60617	2
60618	27
60624	1
60625	19
60626	2
60629	1
60630	85
60631	115
60632	2
60633	2
60634	72
60639	26
60641	39
60645	3
60646	23
60656	74
60659	3
60660	2
60706	90
60707	25
60712	5
60714	51
Grand Total	**1,169**

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Treatment Room Assessment- 1110.235(c)(4)

The annual utilization expected of an ASTC is 1,500 hours per surgical or procedure room. The proposal for this facility is to establish one surgical room, making the objective for demonstrating utilization at least 80% of target utilization or at least 1,500 hours. Based upon historical utilization and proposed patient volume, the facility should meet the state standard by its second year of operation.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1	ASTC	1,416	1,435	1,500	No
YEAR 2	ASTC	1,416	1,506	1,500	YES

The number of 1,435 predicted procedures are derived from patients and procedures envisioned emanating directly from current patients and from the referral letter included in this application. The referral letters reflect proposed referrals to this facility over the first two years of its operation. The predicted procedures are based on procedures historically performed by the physicians at the Milwaukee Avenue Eye Center.

Year 1		
	State Standard for Four Operating Rooms	1500
	Proposed Facility Utilization in Minutes	86080
	Proposed Facility Utilization in Hours	1435
	Total Projected Refferals in Year 1	1435
	Percentage of Utilization	77%
Year 2	State Standard for Four Operating Rooms	1500
	Proposed Facility Utilization in Minutes	90384
	Proposed Facility Utilization in Hours	1506
	Total Projected Refferals in Year 1	1486
	Percentage of Utilization	80%
	Utilzation Calculation	
	Operational Days	250
	Average Hours of Operation	7.5
	Procedures Hours Per Operating Room	1875
	Number of Operating Rooms	1
	First Year Proposed Procedures	1416
	First Year Utilization	77%
	Second Year Proposed Proceudres	1486
	Second Year Utilization	80%

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Treatment Room Assessment- 1110.235(c)(4)

The average procedure time were derived from evaluating maintained documentation tracking patient procedures and professional studies of common procedures already performed in the office-based setting and in area surgery centers. It is expected by year 2 of operation that the facility will be the state's target utilization.

CPT	Description	Number of Cases	Mata	Ethington	Sullivan	Dougal	Conti	Park	Estimated Procedure Time with Prep, Procedure and Clean up (In Minutes)	Estimated Procedure Time with Prep, Procedure and Clean up (In Hours)
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66982	complex cataract	136	29	67	40	0	0	0	85	193
66821	Laser: Yag	201	20	58	103	12	0	8	50	168
65756	DSEK	5	0	0	5	0	0	0	100	8
65855	Laser: SLT	27	12	5	7	3	0	0	40	18
67840	excision of lid lesion	38	8	1	4	0	25	0	45	29
67800	excision of chalazion, single	40	6	20	4	1	2	7	45	30
67801	excision of chalazion, multiple but same lid	7	1	4	0	0	2	0	30	4
67805	excision of chalazion, multiple but diff lids	3	0	2	1	0	0	0	30	2
68761	close tear duct opening	5	1	2	1	1	0	0	30	3
15823	Bleph, upper eyelid	27	0	0	0	0	27	0	110	50
64612	chemodenervation of muscles	26	0	0	0	0	26	0	50	22
67921	repair of entropion	6	0	0	0	0	6	0	60	6
67904	repair of bleph, external approach	15	0	0	0	0	15	0	100	25
67917	repair of ectropion	16	0	0	0	0	16	0	60	16
14060	Adjacent tissue transfer	3	0	0	0	0	3	0	60	3
66170	trabeculectomy	1	0	0	0	0	1	0	60	1
67966	Excision & repair eye lid, > 18/4	1	0	0	0	0	1	0	60	1
Total		1416	195	601	464	17	124	15		1435

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service Accessibility- 1110.235(c)(6)

Hospitals within 10 Miles of Proposed ASTC

Hospital Name	Zip Code	Adjusted Distance (Min.)
Evanston Hospital	60201	26.45
Adventist Hinsdale Hospital	60521	29.9
Loretto Hospital	60644	37.95
Northwest Community Hospital	60005	20.7
Rush Oak Park Hospital	60304	41.4
Swedish Covenant Hospital	60625	33.35
Advocate Good Samaritan Hospital	60515	31.05
Advocate Good Shepherd Hospital	60010	44.85
Glenbrook Hospital	60026	10.35
Adventist GlenOaks Hospital	60139	36.8
Advocate Lutheran General Hospital	60068	8.05
Highland Park Hospital	60035	25.3
Vista Medical Center East	60085	41.4
Advocate Condell Medical Center	60048	27.6
Skokie Hospital	60076	16.1
Northwestern Lake Forest Hospital	60045	25.3
VHS West Suburban Medical Center	60302	41.4
VHS Westlake Hospital	60160	37.95
Elmhurst Memorial Hospital	60126	31.05
Gottlieb Memorial Hospital	60160	29.9
Loyola University Medical Center	60153	33.35
Community First Medical Center	60634	32.2
Adventist La Grange Memorial Hospital	60525	35.65
Presence Saint Francis Hospital	60202	29.9
Presence Resurrection Medical Center	60631	19.55
Holy Family Hospital	60016	15.1

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Service Accessibility- 1110.235(c)(6)

Ambulatory Surgical Centers within 10 Miles of Proposed ASTC

ASTC Name	Zip Code	Adjusted Distance (Min.)
Advanced Ambulatory Surgical Center	60707	32.2
Ashton Center for Day Surgery	60192	33.35
Belmont Harlem Surgery Center	60630	32.2
Children's Outpatient Services at Westchester	60154	26.45
DMG Surgical Center, LLC	60148	37.95
Elmhurst Outpatient Surgery Center, LLC	60126	31.05
Hinsdale Surgical Center	60521	37.95
Hoffman Estates Surgery Center, LLC	60169	39.1
LGH-A/Golf ASTC, LLC dba Golf Surgical Center	60016	5.75
Loyola Ambulatory Surgery Center at Oakbrook, L.P.	60181	33.35
Loyola University Ambulatory Surgery Center	60153	42.55
Midwest Center for Day Surgery	60515	40.25
North Shore Surgical Center	60712	24.15
Northwest Community Day Surgery Center II, LLC	60005	25.3
Northwest Surgicare	60005	23
Northwestern Grayslake Ambulatory Surgery Center	60030	35.65
NovaMed Surgery Center of Chicago Northshore, LLC	60659	32.2
Novamed Surgery Center of River Forest LLC	60305	41.4
The Oak Brook Surgical Centre, Inc.	60523	33.35

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Unnecessary Duplication/Maldistrubtion, Impact on Area Providers- 1110.235(c)(7)(a)-(c)

There is inherent value in the unification of a specialty, both from a quality of healthcare perspective but also from a patient experience perspective. As a single specialty ASC with a focus on ophthalmological and optometric procedures, the impact upon any area facility at which procedures have been previously performed should be minimal, as the nature of a practice such as this and the quality developed results from repetition and volume. Given the short length of time for an individual procedure (as compared to other more complex outpatient surgical procedures in other categories of service) and any reimbursement lost are easily replaced, oftentimes by a single procedure.

Too often, patients and practitioners find scheduling isolated ophthalmologic and optometric procedures to be challenging, sometimes because of the payer (too often, Medicaid) and other times because of the low reimbursement compared to other, more lucrative specialties. None of that, however, reduces the actual need for this necessary healthcare. The focus of this practice will be sufficiently narrow that its impact upon any other area facility should be minimal, if any.

While the practice will always continue referring patient to other area facilities, the expectation is that the ultimate benefits of having a dedicated facility for this care will be evident to patients and practitioners alike. The facility will be offering operating rooms to area providers under their open staff policy. While area facilities have a degree surgical capacity, it has been proven by multiple studies, articles, and actions of the Centers of Medicare and Medicaid Services (CMS) that outpatient procedures in an ASTC setting is less costly when medically appropriate. There are huge cost incentives, and ASTCs offer more patients better access to care at a lower cost. Needless to say, however, that ultimately patient choice will determine where procedures will take place.

In evaluating the available options, it was unquestionable that a dedicated ASTC is the far more cost-effective option when compared to a hospital surgical suite and the excessive traveling that physicians and patients are currently forced to undertake. We believe that to meaningfully assess this issue requires going beyond the number to determine whether or not these services are truly needed within the community and whether those needs can practically and principally be met by existing facilities.

Some of licensed ASTCs in the geographic service area are either operating at or near target utilization, some do not offer the same services that are proposed by this project, others are affiliated with hospital institutions and serve patients from those facilities. Other facilities that offer ophthalmological are either near target utilization, offer minimal or no services to Medicaid patients currently, or are multi-specialty ASTCs offering procedures in many different categories of service. None of the surgery centers are designed for or dedicated to serving this patient population that this facility is proposed for, nor do they have the commitment to a Medicaid population, as this facility will.

This makes the likelihood of maldistribution minimal.

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Staffing- 1110.235(c)(8)

The facility will appoint, Kevin L. Sullivan, M.D. who is an Ophthalmological Surgeon as Medical Director for the facility. The applicant has not traditionally had any difficulties in staffing their existing offices nor do they anticipate difficult in staffing the proposed ASTC. As needed additional staff will be identified and employed utilizing existing job search sites and professional placement services.

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Charge Commitment- 1110.235(c)(9)

A list of the relevant CPT codes, procedures and charge for the proposed ASTC is outlined below. In submitting this information, the applicant verifies that it will not increase these charges for a minimum of 24 months.

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Charge Commitment- 1110.235(c)(9)

NILES SURGERY CENTER, LLC
7403 MILWAUKEE AVENUE
NILES, IL 60714

December 11, 2022

John Kniery
Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Niles Surgery Center- Charge Commitment

Dear Mr. Kniery,

As a representative of Niles Surgery Center, LLC I, Kevin L. Sullivan, M.D., hereby attest that a peer review program exists or will be implemented that evaluates whether patient outcomes are consistent with quality standards established by professional organization for the ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated.

Furthermore, I hereby attest that in order to meet the objectives of the Act, which are to improve the financial ability of the public to obtain necessary health services; and to establish an orderly and comprehensive health care delivery system that will guarantee the availability of quality health care to the general public; and cost containment and support for safety net services that we have enclosed a list of CPT codes and a proposed fee schedule.

We hereby commit that the charges will not increase, at a minimum, for the first 2 years of operation unless a permit is first obtained pursuant to 77 Ill. Admin. Code. 1130.310(a).

Sincerely,

Kevin Sullivan, MD
CEO
Niles Surgery Center LLC

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Charge Commitment- 1110.235(c)(9)

CPT	Description	Expected Cost Per Procedure
66984	standard cataract	$1,767
66982	complex cataract	$1,989
66821	Laser: Yag	$629
65756	DSEK	$3,403
65855	Laser: SLT	$375
67840	excision of lid lesion	$405
67800	excision of chalazion, single	$197
67801	excision of chalazion, multiple but same lid	$246
67805	excision of chalazion, multiple but diff lids	$312
68761	close tear duct opening	$238
15823	Bleph, upper eyelid	$1,587
64612	chemodenervation of muscles	$220
67921	repair of entropion	$1,301
67904	repair of bleph, external approach	$1,614
67917	repair of ectropion	$1,461
14060	Adjacent tissue transfer	$1,713
66170	trabeculectomy	$2,373
67966	Excision & repair eye lid, > 18/4	$1,679

ATTACHMENT 25
Non-Hospital Based Ambulatory Surgery
Assurances- 1110.235(c)(10)

NILES SURGERY CENTER, LLC
7403 MILWAUKEE AVENUE
NILES, IL 60714

December 11, 2022

John Kniery
Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Niles Surgery Center- Assurances

Dear Mr. Kniery,

As a representative of Niles Surgery Center, LLC I, Kevin L. Sullivan, M.D., hereby attest that the Applicant's full anticipation that, by the end of the second year following the proposed ambulatory surgical treatment center's opening, the proposed facility will operate at or in excess of the utilization standards identified in 77 Illinois Admin. Code Section 1110, Appendix B.

Sincerely,

Kevin Sullivan, MD
CEO
Niles Surgery Center LLC

ATTACHMENT 34
Availability of Funds

The total estimated project cost is $3,768,583 and $2,704,437 of that amount is attribute to construction and equipment purchases. Kevin L Sullivan, M.D and Jason G. Ethington will fund the project costs with cash and a personal loan from Dr. Mary Dougal. The physicians have sufficient internal resources to fund the cash portion of the project and letter from Dr. Sullivan's bank attesting to the availability of the necessary project funds and a letter of commitment from Dr. Mary Dougal is enclosed to evidence Dr. Ethington's ability to obtain financing for the remainder of the project costs.

ATTACHMENT 34
Availability of Funds

UBS Financial Services Inc.
801 Laurel Oak Drive, Ste 500
Naples, FL 34108
ubs.com/fs

Confirmation

October 26, 2022

Confirmation: Information regarding the account of Kevin Sullivan

The following client has requested UBS Financial Services Inc. to provide you with a letter of reference to confirm their banking relationship with our firm.

To whom it may concern,

Kevin Sullivan has been a valued client of ours since June 2019 and as of the close of business on October 26, 2022 the accounts of Kevin Sullivan has liquid assets in excess of $1,350,000 which can be used at any time for the Niles Surgery Center LLL construction project.

Please be aware this account is a securities account not a "bank" account. Securities, mutual funds and other non-deposit investment products are not FDIC-insured or bank guaranteed and are subject to market fluctuation. The assets in the account, including cash balances.

Questions
If you have any questions about this information, please contact Jeffrey Pierce at 239-254-7130

UBS Financial Services is a member firm of the Securities Investor Protection Corporation (SIPC).

Jason E. Stephens, CFP®
Managing Director-Wealth Management
Private Wealth Advisor

UBS Financial Services Inc. is a subsidiary of UBS AG

Page 1 of 1

ATTACHMENT 34
Availability of Funds

Mary A. Dougal M.D.
505 Voltz Rd.
Northbrook, IL 60062

To whom it may concern:

It is my intention to lend Jason G. Ethington, M.D. $1,350,000 for the completion of the Ambulatory Surgical Center located at 7403 North Milwaukee Avenue, Niles, IL 60714. Attached is the documentation of available funds.

Sincerely,

Mary A. Dougal, MD

Mary A. Dougal, M.D.

Nov. 10, 2022

ATTACHMENT 34
Availability of Funds

Amy Jason
Registered Senior Wealth Management Client Associate
Merrill
1033 Skokie Blvd Ste 500
Northbrook, IL 60062

MERRILL
A BANK OF AMERICA COMPANY

November 10, 2022

Dr. Mary A. Dougal
Email: Kmmdmdmd@aol.com

Mary:

We are providing this letter to you at your request. As of the close of business on 11/09/2022 you had assets on deposit with Merrill Lynch in excess of $1,350,000. You have maintained assets at Merrill Lynch since October of 1995.

Sincerely,

Amy Jason

Amy Jason
Registered Senior Wealth Management Client Associate

We are providing the above information as requested. The information is provided as a service to you and is obtained from data we believe to be accurate. However, Merrill Lynch considers the monthly statements to be the official document of all transactions.

ATTACHMENT 34
Availability of Funds

NILES SURGERY CENTER, LLC
7403 MILWAUKEE AVENUE
NILES, IL 60714

December 11, 2022

John Kniery
Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Niles Surgery Center
Ill. Admin. Code Section 1120.120(a) Available Funds Certification
Ill. Admin. Code Section 1120.140(a) Reasonableness of Financing Arrangements

Dear Mr. Kniery,

As a representative of Niles Surgery Center, LLC I, Kevin L. Sullivan, M.D., hereby attest that the project costs will be $3,768,583. The construction for the project will cost approximately $2,704,437, the balance of the project costs can be attributed to underlying facility leasing costs. I will fund the entirety of my portion the construction of the project with cash and Dr. Jason G. Ethington will fund his portion of the construction costs with a personal loan from Dr. Mary Dougal. We have sufficient and readily accessible internal resources to fund the obligation required by the project, and to fully fund my other ongoing obligations.

I further certify that our analysis of the funding options for this project reflected that the funding strategy outlined herein is the lowest net cost option available.

Sincerely,

Kevin Sullivan, MD
CEO
Niles Surgery Center LLC

ATTACHMENT 34
Financial Viability

Current Ratio		
	Current Assets	$ 2,400,000.00
	Current Liabilites	$ 998,325.00
	Calculation	2.40
	Standard	1.5 or More
Net Margin Percentage		
	Net Income	$ 521,215.00
	Net Operating Revenue	$ 1,519,540.00
	Calculation	34.30084104
	Standard	3.5% or More
Long -Term Debt to Capitalization		
	Long-Term Debt	0
	Long-Term Debt plus Net Assets	$ 2,400,000.00
	Calculation	0
	Standard	80% or Less
		N/A No Debt
Projected Debt Service Coverage		
	Net Income	$ 521,215.00
	Deprciation	$ -
	Interest	$ -
	Amortization	$ -
	Principal Payments	$ -
	Interest Expense for Year of Maximum Debt Service	$ 61,865.00
	Calculation	8.42503839
	Standard	1.75 or More
		N/A No Debt
Days-Cash-On-Hand		
	Cash	$ 521,215.00
	Investments	$ -
	Board Designated Funds	$ -
	Operating Expense	$ 998,325.00
	Depreciation Expense	$ -
	Days	365
	Calculation	190.5626675
	Standard	45 Days or More
Cushion Ratio		
	Cash	$ 521,215.00
	Investments	0
	Board Designated Funds	0
	Principal Payments	0
	Interest Expense	$ 61,865.00
	Calculation	8.42503839
	Standard	3.0 or More

ATTACHMENT 36
Economic Feasibility

Project Operating Costs and Total Effect of the Project on Capital Costs

Proposed Facility ProForma

NSC LLC			Year 1		Year 2	
REVENUE			$1,322,340		$1,519,540	
EXPENSES						
	Rent		$151,800		$151,800	
	Payroll		$310,000		$360,000	
	Billing		$50,000		$50,000	
	Med supplies per case		$294,860		$340,860	
	Complex supplies		$22,700		$26,240	
	Health ins		$10,000		$11,160	
	Utilities		$6,000		$6,000	
	Computer		$18,000		$18,000	
	Office supplies		$15,000		$15,000	
	Phone		$5,000		$5,000	
	Bank fees		$500		$500	
	Insurance		$9,015		$9,265	
		BO		$6,000		$6,000
		WC		$1,550		$1,800
		Prof Liability		$1,465		$1,465
	Professional					
		Accounting	$1,500		$1,500	
		Legal	$3,000		$3,000	
TOTAL EXPENSES			$897,375		$998,325	
NET OPERATIONAL INCOME			$424,965		$521,215	

ATTACHMENT 36
Economic Feasibility

ASSETS				
	Current assets			
		Checking		$100,000
Total current assets				$100,000
	Fixed assets			
		TI		$2,000,000
		Medical equipment		$300,000
Total fixed assets				$2,300,000
TOTAL ASSETS				**$2,400,000**
LIABILITIES & EQUITY				
	Liabilities			
		Current liabilities		$0
		Long term liabilities		$0
Total liabilities				**$0**
	Equity			
		Owner's investment		$2,400,000
		Retained earnings		$0
		Net income		$0
Total Equity				**$2,400,000**
TOTAL LIABILITIES & EQUITY				**$2,400,000**

ATTACHMENT 36
Economic Feasibility
Cost and GSF by Service

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
ASC	$336.51		2,725				$917,008		$917,008
Contingency	$31.24		0				$85,129		$85,129
TOTALS	$367.75		2,725				$1,002,137		$1,002,137
* Include the percentage (%) of space for circulation									

Pursuant to Illinois Admin. Code Section 1120.Appendix A (a)(3) a project's cost must be at or below the RS Means for the new construction of an ASTC. At the time of this application the RS Means for the new construction of a ASTC in this area of the state is $446.96 GSF. This project is slated to be completed in the 3rd quarter of 2024 and the applicable RS Means standard at the midway point of construction is $460.37 per GSF. The proposed cost per GSF for this project is $367.12, and thus this project meets the Board's criteria.

ATTACHMENT 37
Economic Feasibility

NILES SURGERY CENTER, LLC
7403 MILWAUKEE AVENUE
NILES, IL 60714

December 11, 2022

John Kniery
Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Niles Surgery Center
Ill. Admin. Code Section 1120.120(a) Available Funds Certification
Ill. Admin. Code Section 1120.140(a) Reasonableness of Financing Arrangements

Dear Mr. Kniery,

As a representative of Niles Surgery Center, LLC I, Kevin L. Sullivan, M.D., hereby attest that the project costs will be $3,768,583. The construction for the project will cost approximately $2,704,437, the balance of the project costs can be attributed to underlying facility leasing costs. I will fund the entirety of my portion the construction of the project with cash and Dr. Jason G. Ethington will fund his portion of the construction costs with a personal loan from Dr. Mary Dougal. We have sufficient and readily accessible internal resources to fund the obligation required by the project, and to fully fund my other ongoing obligations.

I further certify that our analysis of the funding options for this project reflected that the funding strategy outlined herein is the lowest net cost option available.

Sincerely,

Kevin Sullivan, MD
CEO
Niles Surgery Center LLC

ATTACHMENT 38
Safety Net Impact Statement

Niles Surgery Centers, LLC is a new entity and has no applicable historical data for this section of the application. However, it is anticipated that the proposed facility will not have a material impact on essential safety net services in the community. Milwaukee Avenue Eye Associates has long maintained a commitment to serving all patients regardless of their ability to pay. The existing patient base of the practice is both racially and economically diverse and resides throughout the Niles and Chicagoland area.

The practice currently accepts Medicaid and their proposed business plan is based upon the facility continuing to serve Medicaid patients. This is of significant importance because the commitment to a Medicaid population is a significant basis to justify the need for this facility. Too often, area ASCs do not accept Medicaid because of the lower reimbursement from Medicaid as compared to private insurance. However, a significant percentage of the patient population is reliant upon Medicaid for its primary (or secondary) insurance and, for those patients, access to care can be a significant challenge. The commitment to participation in Medicaid, including in the various Medicaid managed care plans, is an important part of the expansion of safety net services that will be accomplished by this project's approval.

ATTACHMENT 39
Charity Care

Niles Surgery Centers, LLC is a new entity and has no applicable historical data for this section of the application. The project patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net revenue by the end of its second year of operation are included below

Payor Type	Estimated Number of Patients	Expected Revenue by Payor Source
Commercial	64%-70%	70%
Medicare	16%-20%	20%
Medicaid/ Medicaid MCO	6%-10%	10%

ATTACHMENT 40
Flood Zone Letter

NILES SURGERY CENTER, LLC
7403 MILWAUKEE AVENUE
NILES, IL 60714

December 11, 2022

John Kniery
Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Niles Surgery Center LLC- Flood Plain Requirements

Dear Chair Savage:

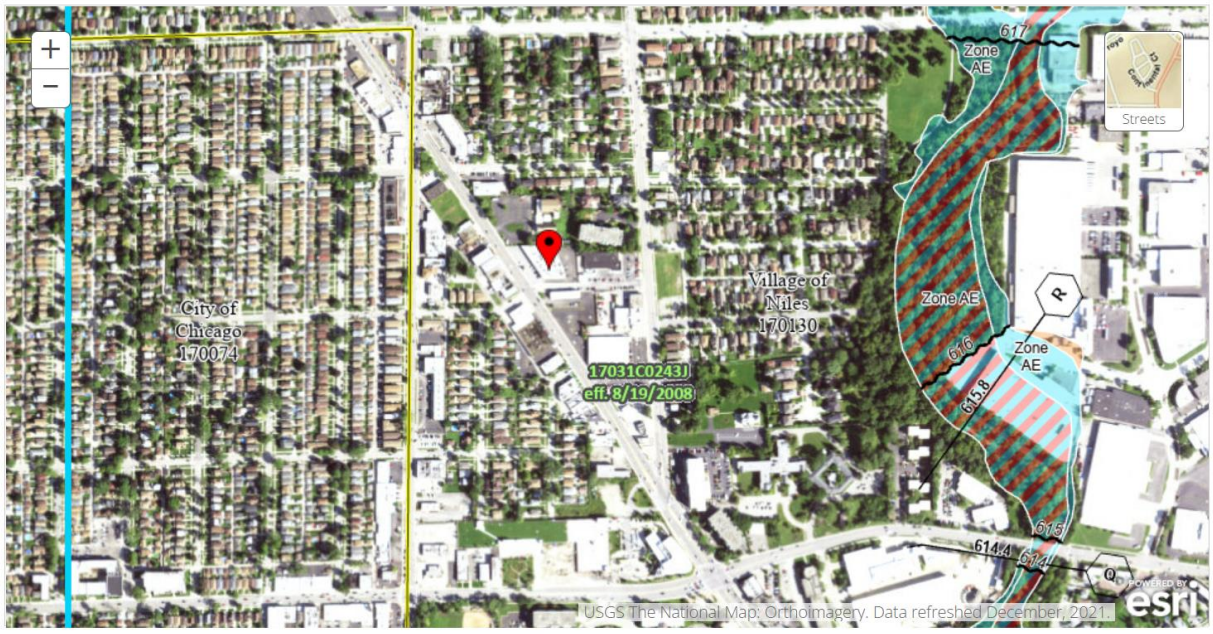
As representative of Niles Surgery Center LLC, I, Kevin Sullivan, M.D., affirm that the proposed relocation for the facility complies with Illinois Executive Order #2005-5. The facility location at 7403 Milwaukee Ave, Niles, IL 60714 is not located in a flood plain, as evidence please find enclosed a map from the Federal Emergency Management Agency ("FEMA").

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

Sincerely,

Kevin Sullivan, MD
CEO
Niles Surgery Center LLC

ATTACHMENT 40
Flood Zone Letter



PIN
Approximate location based on user input and does not represent an authoritative property location

MAP PANELS
Selected FloodMap Boundary
Digital Data Available
No Digital Data Available
Unmapped

OTHER AREAS
NO SCREEN Area of Minimal Flood Hazard Zone X
Effective LOMRs
Area of Undetermined Flood Hazard Zone D
Otherwise Protected Area
Coastal Barrier Resource System Area

SPECIAL FLOOD HAZARD AREAS
Without Base Flood Elevation (BFE) Zone A, V, A99
With BFE or Depth
Regulatory Floodway Zone AE, AO, AH, VE, AR

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

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

GENERAL STRUCTURES
Channel, Culvert, or Storm Sewer
Levee, Dike, or Floodwall

INDEX OF ATTACHMENTS