

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	River North Same Day Surgery, LLC		
Street Address:	1 East Erie Street Suite 300		
City and Zip Code:	Chicago, IL 60611		
County:	Cook	Health Service Area:	006
		Health Planning Area:	HSA-6

Legislators

State Senator Name:	Robert Peters
State Representative Name:	Kam Buckner

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

Exact Legal Name:	Northwestern Memorial Hospital
Street Address:	251 East Huron Street
City and Zip Code:	Chicago, IL 60611
Name of Registered Agent:	Julia K. Lynch
Registered Agent Street Address:	211 East Ontario Street Suite 1800
Registered Agent City and Zip Code:	Chicago, IL 60611
Name of Chief Executive Officer:	Thomas J. McAfee
CEO Street Address:	251 East Huron Street
CEO City and Zip Code:	Chicago, IL 60611
CEO Telephone Number:	312-926-5471

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:	Bridget Orth
Title:	Director, Regulatory Planning
Company Name:	Northwestern Memorial HealthCare
Address:	251 East Ontario Street, Suite 1750, Chicago, IL 60611
Telephone Number:	312-926-8650
E-mail Address:	borth@nm.org
Fax Number:	312-926-0373

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

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	River North Same Day Surgery, LLC		
Street Address:	1 East Erie Street Suite 300		
City and Zip Code:	Chicago, IL 60611		
County:	Cook	Health Service Area:	006
		Health Planning Area:	HSA-6

Legislators

State Senator Name:	Robert Peters
State Representative Name:	Kam Buckner

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

Exact Legal Name:	Northwestern Memorial HealthCare
Street Address:	251 East Huron Street
City and Zip Code:	Chicago, IL 60611
Name of Registered Agent:	Julia K. Lynch
Registered Agent Street Address:	211 East Ontario Street Suite 1800
Registered Agent City and Zip Code:	Chicago, IL 60611
Name of Chief Executive Officer:	Howard B. Chrisman, MD
CEO Street Address:	251 East Huron Street
CEO City and Zip Code:	Chicago, IL 60611
CEO Telephone Number:	312-926-0016

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:	Bridget Orth
Title:	Director, Regulatory Planning
Company Name:	Northwestern Memorial HealthCare
Address:	251 East Ontario Street, Suite 1750, Chicago, IL 60611
Telephone Number:	312-926-8650
E-mail Address:	borth@nm.org
Fax Number:	312-926-0373

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.**Facility/Project Identification**

Facility Name:	River North Same Day Surgery, LLC		
Street Address:	1 East Erie Street Suite 300		
City and Zip Code:	Chicago, IL 60611		
County:	Cook	Health Service Area:	006
		Health Planning Area:	HSA-6

Legislators

State Senator Name:	Robert Peters
State Representative Name:	Kam Buckner

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

Exact Legal Name:	River North Same Day Surgery, LLC
Street Address:	1 East Erie Street, Suite 300
City and Zip Code:	Chicago, IL 60611
Name of Registered Agent:	CT Corporation System
Registered Agent Street Address:	208 South LaSalle Street, Suite 814
Registered Agent City and Zip Code:	Chicago, IL 60604-1101
Name of Chief Executive Officer:	Jonathan Bailey
CEO Street Address:	14201 Dallas Parkway
CEO City and Zip Code:	Dallas, Texas 75254
CEO Telephone Number:	331-276-7637

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:	Bridget Orth
Title:	Director, Regulatory Planning
Company Name:	Northwestern Memorial HealthCare
Address:	251 East Ontario Street, Suite 1750, Chicago, IL 60611
Telephone Number:	312-926-8650
E-mail Address:	borth@nm.org
Fax Number:	312-926-0373

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.**Facility/Project Identification**

Facility Name:	River North Same Day Surgery, LLC		
Street Address:	1 East Erie Street Suite 300		
City and Zip Code:	Chicago, IL 60611		
County:	Cook	Health Service Area:	006
		Health Planning Area:	HSA-6

Legislators

State Senator Name:	Robert Peters
State Representative Name:	Kam Buckner

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

Exact Legal Name:	NorthShore/USP Surgery Centers II, LLC		
Street Address:	14201 Dallas Parkway		
City and Zip Code:	Dallas, Texas 75254		
Name of Registered Agent:	CT Corporation System		
Registered Agent Street Address:	208 South Lasalle Street, Suite 814		
Registered Agent City and Zip Code:	Chicago, IL 60604-1101		
Name of Chief Executive Officer:	Scott Kettlewell (manager)		
CEO Street Address:	14201 Dallas Parkway		
CEO City and Zip Code:	Dallas, Texas 75254		
CEO Telephone Number:	331-276-7637		

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:	Bridget Orth
Title:	Director, Regulatory Planning
Company Name:	Northwestern Memorial HealthCare
Address:	251 East Ontario Street, Suite 1750, Chicago, IL 60611
Telephone Number:	312-926-8650
E-mail Address:	borth@nm.org
Fax Number:	312-926-0373

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

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

Name:	Mary Clare DeBartolo
Title:	Senior Associate General Counsel
Company Name:	Northwestern Memorial HealthCare
Address:	211 East Ontario Street Suite 1800
Telephone Number:	312-695-1193
E-mail Address:	mary.debartolo@nm.org
Fax Number:	312-926-0077

Post Exemption Contact

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

Name:	Bridget Orth
Title:	Director, Regulatory Planning
Company Name:	Northwestern Memorial HealthCare
Address:	211 East Ontario Street, Suite 1750, Chicago, IL 60611
Telephone Number:	312-926-8650
E-mail Address:	borth@nm.org
Fax Number:	312-926-0373

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	G&I VIII MJW One E Erie LLC
Address of Site Owner:	20 South Clark Street, Suite 3000, Chicago, IL 60603
Street Address or Legal Description of the Site:	1 East Erie Street, Suite 300, Chicago, IL 60611
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.

Current Operating Identity/Licensee

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

Exact Legal Name:	River North Same Day Surgery, LLC												
Address:	1 East Erie Street, Suite 300, Chicago, IL 60611												
<table border="0"> <tr> <td>☐ Non-profit Corporation</td> <td>☐ Partnership</td> <td></td> </tr> <tr> <td>☐ For-profit Corporation</td> <td>☐ Governmental</td> <td></td> </tr> <tr> <td>☒ Limited Liability Company</td> <td>☐ Sole Proprietorship</td> <td>☐</td> </tr> <tr> <td>☐ Other</td> <td></td> <td></td> </tr> </table>		☐ Non-profit Corporation	☐ Partnership		☐ For-profit Corporation	☐ Governmental		☒ Limited Liability Company	☐ Sole Proprietorship	☐	☐ Other		
☐ Non-profit Corporation	☐ Partnership												
☐ For-profit Corporation	☐ Governmental												
☒ Limited Liability Company	☐ Sole Proprietorship	☐											
☐ Other													

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

Operating Identity/Licensee after the Project is Complete

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

Exact Legal Name: River North Same Day Surgery, LLC	
Address: 1 East Erie Street, Suite 300, Chicago, IL 60611	
☐ Non-profit Corporation ☐ For-profit Corporation ☒ Limited Liability Company ☐ Other	☐ Partnership ☐ Governmental ☐ Sole Proprietorship
○ 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.

Narrative Description

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

River North Same Day Surgery, LLC ("the ASTC") is a multi-specialty, IDPH-licensed ambulatory surgery treatment center with four (4) operating rooms located at 1 East Erie Street, Suite 300, Chicago, Illinois. It is currently owned by NorthShore/USP Surgery Centers II, LLC and several individual physicians. None of the physicians own membership interests in the ASTC in excess of 5%. Northwestern Memorial Hospital (NMH) seeks approval to purchase 100% of the outstanding membership interests in the ASTC.

The transaction is anticipated to be completed on or around February 1, 2024 following HFSRB approval of the Certificate of Exemption.

After the closing of the transaction to acquire the membership interests in the ASTC, NMH anticipates that it will rename the ASTC to identify and reflect NMH ownership and the Northwestern Medicine brand. NMH also anticipates a brief temporary suspension of operations at the ASTC while it credentials new physicians, hires staff, and makes minor physical improvements, including information systems updates. The ASTC will continue to operate without any change in its license and will continue to offer procedures in the following specialties for which it is currently approved: General Surgery, Ophthalmology, Orthopedic, Otolaryngology, Pain Management, Plastic Surgery, Podiatry, and Urology.

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

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: \$ see ATTACHMENT-6

Fair Market Value: \$ see ATTACHMENT-6

Project Status and Completion Schedules

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes ☐ No ☒ X. If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

Anticipated exemption completion date (refer to Part 1130.570): _____

State Agency Submittals

Are the following submittals up to date as applicable:

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

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

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

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 Northwestern Memorial Hospital (NMH)

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

Thomas J. McAfee

PRINTED NAME

President

PRINTED TITLE

SIGNATURE

Julia K. Lynch

PRINTED NAME

Secretary

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 9th day of November 2023

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Dec. 16, 2024

Notarization:

Subscribed and sworn to before me
this 9th day of November 2023

Signature of Notary

Seal

OFFICIAL SEAL
Bridget S. Orth
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Dec. 16, 2024

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

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 Northwestern Memorial HealthCare (NMHC)

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

Howard B. Chrisman, MD
PRINTED NAME

President & CEO
PRINTED TITLE


SIGNATURE

Julia K. Lynch
PRINTED NAME

Secretary
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 9th day of November 2023


Signature of Notary

Seal

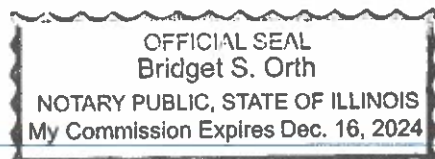
Notarization:

Subscribed and sworn to before me
this 9th day of November 2023


Signature of Notary

Seal

*Insert the EXACT legal name of the applicant



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

CERTIFICATION

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

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

This Application is filed on the behalf of NorthShore/USP Surgery Centers II, 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

NAME
PRINTED NAME

TITLE
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

SIGNATURE

PRINTED NAME

TITLE
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 20th day of November 2023

Signature of Notary

Seal



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

CERTIFICATION

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

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

This Application is filed on the behalf of NonnShore/USP Surgery Centers II, 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.

Jonathan T. Bailey
SIGNATURE

NAME Jonathan T. Bailey NAME
PRINTED NAME

VP President, USP
PRINTED TITLE

SIGNATURE

PRINTED NAME

TITLE
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 20th day of November, 2023

Linda Girlich
Signature of Notary

Seal
LINDA GIRLICH
OFFICIAL SEAL
Notary Public - State of Illinois
My Commission Expires
April 30, 2025

Notarization:
Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

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

CERTIFICATION

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

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

This Application is filed on the behalf of River North Same Day Surgery, 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

NAME
PRINTED NAME

TITLE
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

SIGNATURE

Scott Kettlewell
PRINTED NAME

TITLE
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 20th day of November 2023

Signature of Notary

Seal



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

CERTIFICATION

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

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

This Application is filed on the behalf of River North Same Day Surgery, 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

NAME Jonathan T. Bailey NAME
PRINTED NAME

Market President, USPI
PRINTED TITLE

SIGNATURE

PRINTED NAME

TITLE
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 20th day of November, 2023

Linda Girlich
Signature of Notary

Seal

*Insert the EXACT **LINDA GIRLICH** signature of the applicant
Notary Public - State of Illinois
My Commission Expires
April 30, 2025

Notarization:

Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

SECTION II. BACKGROUND.**BACKGROUND OF APPLICANT**

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

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

SECTION III. CHANGE OF OWNERSHIP (CHOW)**Transaction Type. Check the Following that Applies to the Transaction:**

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

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

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

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

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

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

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X
1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X
APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

SECTION IV.CHARITY CARE INFORMATION

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

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 7.

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

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

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

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

INDEX OF ATTACHMENTS			
ATTACHMENT NO.		PAGES	
1	Applicant Identification including Certificate of Good Standing	21 - 25	
2	Site Ownership	26 - 30	
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	31	
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	32	
5	Background of the Applicant	33 - 34	
6	Change of Ownership	35 - 38	
7	Charity Care Information	39 - 40	

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Included in this attachment are:

1. Certificate of Good Standing for River North Same Day Surgery, LLC
2. Certificate of Good Standing for Northwestern Memorial Hospital
3. Certificate of Good Standing for Northwestern Memorial HealthCare
4. Certificate of Good Standing for NorthShore/USP Surgery Centers II, LLC

File Number

0007218-4



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulis, 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

RIVER NORTH SAME DAY SURGERY L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JUNE 12, 1996, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 8TH day of NOVEMBER A.D. 2023 .

Authentication #: 2331202608 verifiable until 11/08/2024

Authenticate at: <https://www.isos.gov>

Alexi Giannoulis

SECRETARY OF STATE

File Number

5008-768-9



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulis, 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

NORTHWESTERN MEMORIAL HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 01, 1972, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 1ST day of NOVEMBER A.D. 2023 .

Authentication #: 2330503024 verifiable until 11/01/2024

Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulis

SECRETARY OF STATE

File Number

5257-740-3



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, 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

NORTHWESTERN MEMORIAL HEALTHCARE, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 30, 1981, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 31ST day of OCTOBER A.D. 2023 .

Authentication #: 2330402688 verifiable until 10/31/2024
Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulas
SECRETARY OF STATE

File Number

0151911-5



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, 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

NORTHSHORE/USP SURGERY CENTERS II, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON MAY 20, 2005, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 8TH day of NOVEMBER A.D. 2023 .

Authentication #: 2331202522 verifiable until 11/08/2024

Authenticate at: <https://www.isos.gov>

Alexi Giannoulas

SECRETARY OF STATE

Site Ownership after the Project is Complete

The site owner is G&I VIII MJW One East Erie, LLC. River North Same Day Surgery, LLC has an active lease through March 31, 2024 for Suites 300 and 333 at One East Erie in Chicago, IL consisting of 14,659 rentable square feet.

#E-039-23

Signed / sent for
full execution
1/24/00.

OFFICE LEASE
between

OF PARTNERS,
an Illinois general partnership,
as sole beneficiary of American National Bank
and Trust Company of Chicago, Trust No. 112563-02
(Landlord)

and

RIVER NORTH SAME DAY SURGERY, LLC.
(Tenant)

TABLE OF CONTENTS**OFFICE LEASE**

<u>Article</u>	<u>Title</u>	<u>Page</u>
1	Definitions	1
2	Premises	2
3	Term	2
4	Rental	2
5	Security Deposit	5
6	Use of Premises	5
7	Utilities and Services	7
8	Maintenance and Repairs	8
9	Alterations, Additions and Improvements	8
10	Indemnification and Insurance	9
11	Damage or Destruction	11
12	Condemnation	11
13	Relocation	12
14	Assignment and Subletting	12
15	Default and Remedies	13
16	Attorneys' Fees; Costs of Suits	15
17	Subordination and Attornment	15
18	Quiet Enjoyment	16
19	Rules and Regulations	16
20	Estoppel Certificates	16
21	Entry by Landlord	17
22	Landlord's Lease Undertakings-Exculpation from Personal Liability; Transfer of Landlord's Interest	17
23	Holdover Tenancy	18
24	Notices	18
25	Brokers	18
26	Electronic Services	18
27	Miscellaneous	20

EXHIBITS

Exhibit A	Floor Plan of Premises
Exhibit B	Work Letter Agreement
Exhibit C	Rules and Regulations
Exhibit D	Guaranty by a Corporation
Exhibit E	Suite Acceptance Agreement
Exhibit F	Allocation of Operating Expenses and Property Taxes

OFFICE LEASE

THIS OFFICE LEASE ("Lease"), dated _____, 2000, is made and entered into by and between OF PARTNERS, an Illinois general partnership, as sole beneficiary of American National Bank and Trust Company of Chicago, Trust No. 112563-03 ("Landlord") and RIVER NORTH SAME DAY SURGERY, L.L.C. ("Tenant") upon the following terms and conditions:

ARTICLE I - DEFINITIONS

Unless the context otherwise specifies or requires, the following terms shall have the meanings specified herein:

1.01 Project Building. The term "Project" shall mean that certain multi-use building project located at 1 East Erie/10 East Ontario in Chicago, Illinois, commonly known as ONE EAST ERIE/ONTARIO PLACE together with all related land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping. The Project consists of one multi-use building containing commercial office space, residential apartments and a public garage facility. The Term "Building" shall mean the commercial office section in the Project in which the Premises (as hereinafter defined) are situated, including the first-floor entrance lobby fronting onto East Erie Street, most of floors two through six of the Project, portions of the basement and those elevator penthouses situated above the sixth floor which house the elevator shafts and machinery serving the Building.

1.02 Premises. The term "Premises" shall mean Suite 300 in the Building, as more particularly outlined on the drawing attached hereto as Exhibit A and incorporated herein by reference. As used herein, "Premises" shall not include storage area in the Building, which may be leased or rented pursuant to a separate agreement.

1.03 Rentable Area of the Premises. The term "Rentable Area of the Premises" shall mean 18,764 square feet, which Landlord and Tenant have stipulated as the Rentable Area of the Premises. Tenant acknowledges that the Rentable Area of the Premises includes the usable area, without deduction for columns or projections, multiplied by a load factor to reflect a share of certain areas, which may include lobbies, corridors, mechanical, utility, janitorial, boiler and service rooms and closets, restrooms and other public, common and service areas of the Building and Project.

1.04 Lease Term. The term "Lease Term" shall mean the period between the Commencement Date and the Expiration Date (as such terms are hereinafter defined), unless sooner terminated as otherwise provided in this Lease.

1.05 Commencement Date. Subject to adjustment as provided in Article 3, the term "Commencement Date" shall be 105 days following the date this Lease is fully executed. Notwithstanding anything in this Lease to the contrary, Tenant shall begin to pay Base Rent in the monthly amount of \$9,733.47 as of April 1, 2000 regardless of the actual Commencement Date as defined herein. On the Commencement Date, Base Rent shall begin to be paid in the monthly amounts set forth in Article 1.07 below.

1.06 Expiration Date. Subject to adjustment as provided in Article 3, the term "Expiration Date" shall mean the end of the 180th month following the Commencement Date.

1.07 Base Rent. Subject to adjustment as provided in Article 4, the term "Base Rent" shall be according to the rent set forth on the following schedule:

Period	Rent per Square Foot	Monthly Base Rent	Annual Base Rent
Year 1	\$23.64	\$21,205.08	\$254,460.96
Year 2	\$24.64	\$22,102.08	\$265,224.96
Year 3	\$25.64	\$22,999.08	\$275,988.96
Year 4	\$26.64	\$23,896.08	\$286,752.96
Year 5	\$27.64	\$24,793.08	\$297,516.96
Year 6	\$28.64	\$27,434.08	\$329,808.96
Year 7	\$31.14	\$27,932.58	\$335,190.96
Year 8	\$31.64	\$28,381.08	\$340,572.96
Year 9	\$32.14	\$28,829.58	\$345,954.96
Year 10	\$32.64	\$29,278.08	\$351,336.96
Year 11	\$34.64	\$31,072.08	\$372,864.96
Year 12	\$35.14	\$31,520.58	\$378,246.96
Year 13	\$35.64	\$31,969.08	\$383,628.96
Year 14	\$36.14	\$32,417.58	\$389,010.96
Year 15	\$36.64	\$32,866.08	\$394,392.96

1.08 Tenant's Percentage Share. The term "Tenant's Percentage Share" shall mean 9.057% with respect to increases in Property Taxes and Operating Expenses (as such terms are hereinafter defined). Landlord may reasonably determine Tenant's Percentage Share from time to time (using a BOMA - Chicago Standard for measurement) to reflect reconfigurations, additions or modifications to the Building or the Project.

**EXHIBIT B
WORK LETTER AGREEMENT**

This Work Letter Agreement ("Work Letter") is executed simultaneously with that certain Office Lease (the "Lease") between RIVER NORTH SAME DAY SURGERY, LLC., as "Tenant", and OP PARTNERS, an Illinois general partnership, as sole beneficiary of American National Bank and Trust Company of Chicago, Trust No. 112563-02, as "Landlord", relating to demised premises ("Premises") at the building commonly known as ONE EAST BRIE/ONTARIO PLACE, Chicago, Illinois (the "Project"), which Premises are more fully identified in the Lease. Capitalized terms used herein, unless otherwise defined in this Work Letter, shall have the respective meanings ascribed to them in the Lease.

For and in consideration of the agreement to lease the Premises and the mutual covenants contained herein and in the Lease, Landlord and Tenant hereby agree as follows:

1. **Work.** Tenant, at its sole cost and expense, shall perform, or cause to be performed, the work (the "Work") in the Premises provided for in the Approved Plans (as defined in Paragraph 2 hereof). Subject to Tenant's satisfaction of the conditions specified in this Work Letter Agreement, Tenant shall be entitled to Landlord's Contribution (as defined in Paragraph 4(b) below).

2. **Pre-Construction Activities.**

(a) On or before forty-five (45) days following the date of Landlord execution of this Lease, Tenant shall submit the following information and items to Landlord for Landlord's review and approval:

(i) A detailed critical path construction schedule containing the major components of the Work and the time required for each, including the scheduled commencement date of construction of the Work, milestone dates and the estimated date of completion of construction. (See Insert 2(a)(i) on page 1(A)).

(ii) An itemized statement of estimated construction cost, including fees for permits and architectural and engineering fees.

(iii) Evidence satisfactory to Landlord in all respects of Tenant's ability to pay the cost of the Work as and when payments become due.

(iv) The names and addresses of Tenant's contractors (and said contractor's subcontractors) and materialmen to be engaged by Tenant for the Work (individually, a "Tenant Contractor," and collectively, "Tenant's Contractors"). Landlord has the right to approve or disapprove all or any one or more of Tenant's Contractors. Landlord may, at its election, designate a list of approved contractors for performance of those portions of work involving electrical, mechanical, plumbing, heating, air conditioning or life safety systems, from which Tenant must select its contractors for such designated portions of work.

(v) Certified copies of insurance policies or certificates of insurance as hereinafter described. Tenant shall not permit Tenant's Contractors to commence work until the required insurance has been obtained and certified copies of policies or certificates have been delivered to Landlord.

(vi) Payment and performance bonds for all of Tenant's Contractors naming Landlord (or an agent, designee or representative appointed by Landlord's written notice to Tenant given prior to Tenant's procurement of paid bonds) as dual obligee.

(vii) The Plans (as hereinafter defined) for the Work, which Plans shall be subject to Landlord's approval in accordance with Paragraph 2(b) below.

Tenant will update such information and items by notice to Landlord of any changes.

(b) As used herein the term "Approved Plans" shall mean the Plans (as hereinafter defined), as and when approved in writing by Landlord. As used herein, the term "Plans" shall mean the full and detailed architectural and engineering plans and specifications covering the Work (including, without limitation, architectural, mechanical and electrical working drawings for the Work). The Plans shall be subject to Landlord's approval and the approval of all local governmental authorities requiring approval of the work and/or the Approved Plans. Landlord shall give its approval or disapproval (giving general reasons in case of disapproval) of the Plans within five (5) business days after their delivery to Landlord. Landlord agrees not to unreasonably withhold its approval of said Plans; provided, however, that Landlord shall not be deemed to have acted unreasonably if it withholds its approval of the Plans because, in Landlord's reasonable opinion: the Work as shown in the Plans is likely to adversely affect Project systems, the structure of the Project or the safety of the Project and/or its occupants; the Work as shown on the Plans might impair Landlord's ability to furnish services to Tenant or other tenants; the Work would increase the cost of operating the Project; the Work would violate any governmental laws, rules or ordinances (or interpretations thereof); the Work contains or uses hazardous or toxic materials or substances; the Work would adversely affect the appearance of the Project; the Work might adversely affect another tenant's premises; or the Work is prohibited by any mortgage or trust deed encumbering the Project. The foregoing reasons, however, shall not be exclusive of the reasons for which

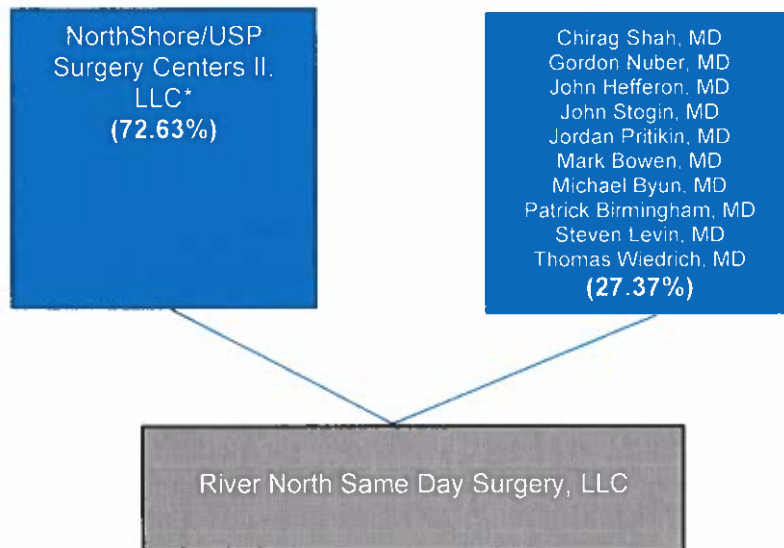
Operating Identity/Licensee after the Project is Complete

The operating entity and licensee will continue to be River North Same Day Surgery, LLC. The ASTC will be 100% owned by Northwestern Memorial Hospital after the transaction is completed.

Certificates of Good Standing for River North Same Day Surgery, LLC and Northwestern Memorial Hospital can be found in ATTACHMENT-1.

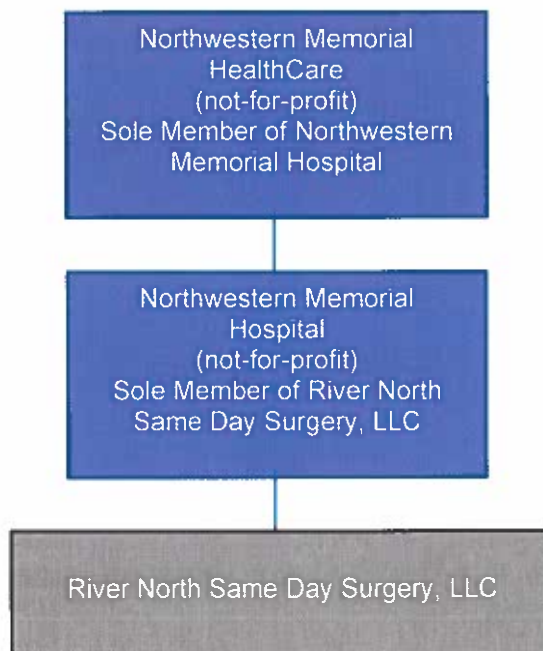
Organizational Relationships

Organizational Structure – Prior to Transaction



*United Surgical Partners International (USPI) has 36.4% indirect ownership and NorthShore University Health System has 36.2% indirect ownership of the ASTC

Organization Structure – Post-Transaction



SECTION II. BACKGROUND.**BACKGROUND OF APPLICANT**

1. *Listing of all health care facilities owned or operated by the applicants, including licensing, and certification if applicable.*

Northwestern Memorial HealthCare:

Facility	IDPH License No.	Joint Commission Organization No.
Northwestern Memorial Hospital	0003251	7267
Lake Forest Hospital	0005660	3918
Central DuPage Hospital Association	0005744	7444
Delnor-Community Hospital	0005736	5291
Marianjoy Rehabilitation Hospital	0003228	7445
Kishwaukee Community Hospital	0005470	7325
Valley West Community Hospital	0004690	382957
Northern Illinois Medical Center d/b/a Northwestern Medicine McHenry Hospital	0003889	7375
Northern Illinois Medical Center d/b/a Northwestern Medicine Huntley Hospital	0003889	7375
Northern Illinois Medical Center d/b/a Northwestern Medicine Woodstock Hospital	0003889	7375
Northwestern Medicine Palos Hospital	0003210	7306
Grayslake Freestanding Emergency Center	22002	3918
Grayslake ASTC	7003156	3918
Grayslake Endoscopy ASTC	7003149	3918
Cadence Ambulatory Surgical Center, LLC d/b/a Northwestern Medicine Surgery Center Warrenville	7003173	n/a
The Midland Surgical Center, LLC d/b/a Northwestern Medicine Surgery Center Sycamore	7003148	n/a
Palos Health Surgery Center*	7003224	n/a
Northwestern Medicine Proton Center	n/a	n/a

*denotes partial ownership > 50%

NorthShore/USP Surgery Centers II, LLC:

Facility	IDPH License No.	Joint Commission Organization No.
River North Same Day Surgery, LLC	7002090	n/a
North Shore Same Day Surgery, LLC	7003130	n/a

2. *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.*

See above.

3. *A certified listing of any adverse action taken against any facility owned and/or operated by the applicants during the three years prior to the filing of the application.*

By their signatures on the Certification pages of this application, each of the Applicants attest that no adverse action has been taken against any facility owned and/or operated by the Applicants during the three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.140.

4. *Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, by 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.*

By their signatures on the Certification pages of this application, each of the Applicants authorize HFSRB and DPH access any documentation which it finds necessary to verify any information submitted, including, but not limited to: official records of DPH or other State agencies and the records of nationally recognized accreditation organizations.

SECTION III. CHANGE OF OWNERSHIP (CHOW)**1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility****1130.520(b)(1)(A) – Names of the parties**

The Applicants are:

- (i) Northwestern Memorial HealthCare ("NMHC")
- (ii) Northwestern Memorial Hospital ("NMH")
- (iii) River North Same Day Surgery, LLC ("the ASTC")
- (iv) NorthShore/USP Surgery Centers II, LLC

1130.520(b)(1)(B) – Background of the parties

Each of the Applicants, by their signatures on the Certification pages of this application, attest that they are fit, willing, able, and have qualifications, background, and character to adequately provide a proper standard of health service for the community.

By their signatures on the Certification pages of this application, each of the Applicants attests that no adverse action has been taken against the applicants by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicants, directly or indirectly, within three years preceding the filing of this application. For the purpose of this statement, the term "adverse action" has the meaning given to it in 77 IAC §1130.140.

1130.520(b)(1)(C) – Structure of the transaction

NMH will purchase 100% of outstanding membership interest in River North Same Day Surgery, LLC from the sellers, NorthShore/USP Surgery Centers II, LLC (72.63% direct ownership) and ten (10) individual physicians (27.37% direct ownership).

1130.520(b)(1)(D) – Name of the person who will be licensed after the transaction

The licensed entity after the change of ownership transaction will remain River North Same Day Surgery, LLC.

1130.520(b)(1)(E) – List of the ownership or membership interests both prior to and after the transaction, including a description of the organizational structure

The current ownership/membership interests are as follows:

- NorthShore/USP Surgery Centers II, LLC – 77.63% direct ownership
- Ten (10) Individual Physicians (none of which own in excess of 5%) – 27.37% direct ownership

The post-transaction ownership/membership interests will be:

- Northwestern Memorial Hospital – 100% direct ownership

1130.520(b)(1)(F) – Fair market value of assets to be transferred

The identified purchase price of \$2,960,000 is based on an arm's length transaction and represents the fair market value of the assets of River North Same Day Surgery, LLC and is subject to the seller's use of the transaction proceeds to satisfy any debt obligations of River North Same Day Surgery, LLC. The purchase price includes consideration for the equity and termination of management rights. The consideration paid at closing may be adjusted based on various factors including the value of inventory on hand at closing. These adjustments could be made to account for changes in the business's financial condition or other factors that become apparent during the due diligence process such as changes in working capital or debt.

1130.520(b)(1)(G) – Purchase price or other forms of consideration to be provided

The identified purchase price of \$2,960,000 is based on an arm's length transaction and represents the fair market value of the assets of River North Same Day Surgery, LLC and is subject to the seller's use of the transaction proceeds to satisfy any debt obligations of River North Same Day Surgery, LLC. The purchase price includes consideration for the equity and termination of management rights. The consideration paid at closing may be adjusted based on various factors including the value of inventory on hand at closing. These adjustments could be made to account for changes in the business's financial condition or other factors that become apparent during the due diligence process such as changes in working capital or debt.

1130.520(b)(2) – Affirmation that projects for which permits have been issued have been completed will be completed or altered in accordance with the provisions of this Section

The Applicants affirm that any projects for which Certificate of Need or Certificate of Exemption permits have been issued have been completed or will be completed or altered in accordance with the provisions in Section 1130.520.

1130.520(b)(3) – Affirmation that the facility will not adopt a more restrictive charity care policy

While the ownership change is not for a hospital, the Applicants affirm that River North Same Day Surgery Center, LLC will adopt NMHC's financial assistance programs and Presumptive Eligibility policy which will increase access to medically necessary health care for those who do not have the resources to pay for it.

1130.520(b)(4) – Statement of anticipated benefits of the proposed change in ownership to the community

The proposed transaction will improve access to high quality, cost-efficient ambulatory surgical services. Over the last 8 years, surgical hours at NMH have increased by 10%. In CY22, the 61 operating rooms at NMH had a utilization rate of 1,861 hours/OR which exceeds the State's target utilization rate of 1,500 hours/OR by 24%. The CY22 surgical volume justifies an additional 15 operating rooms at NMH—however, there is no available space in existing NMH buildings to accommodate additional surgical space without the displacement of other hospital functions.

As is the case nationwide, a growing number of commercial and government payers are now requiring that certain procedures be performed in an ASTC or charging members more out of pockets when they do not obtain care in an ASTC. Currently, Northwestern Medicine does not own/operate any ASTCs in the downtown Chicago area, limiting access for NM patients to the high quality, cost-efficient, convenient care that an ASTC provides.

The advantages of an outpatient surgery center are well documented and include:

1. Lower cost – while procedures at the ASTC will have a lower cost than at NMH, the quality will be equal because care will be provided by members of the NMH medical staff.
2. Convenience and accessibility –the proposed ASTC is located approximately 4 blocks from NMH and parking will be located in the same building as the surgery center making it convenient for both patients and physicians.
3. Safety – the risk of patients at an ASTC acquiring an illness from someone with a contagious disease is lower than in a hospital setting.
4. Time – due to an ASTC's ability to focus on non-emergent cases only, procedures themselves not only take less time but scheduling the procedures is more predictable because patients aren't getting bumped by emergent cases.

Additionally, access to the ASTC will increase for uninsured and underinsured patients as the ASTC will adopt NMHC's financial assistance programs and Presumptive Eligibility policy and provide services to Medicaid and charity care patients.

1130.520(b)(5) – Anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership

As stated above, Northwestern Medicine does not own/operate any ASTC's in the NMH service area. The proposed transaction will allow NM patients to access a lower-cost option for outpatient surgeries. Based on numerous studies of Medicare payment data, Medicare reimburses hospitals as much as twice as much as ASTCs for the same procedure. While out-of-pocket savings vary by plan and procedure, studies have show consistently lower costs at ambulatory sites for patients. Both patients seeking lower out-of-pocket costs and insurers will benefit from this transaction.

1130.520(b)(6) – Description of the facility’s quality improvement program mechanism that will be utilized to assure quality control

NMH has a longstanding commitment to a culture of quality, safety, and service. By aspiring to the highest standards for quality and patient satisfaction, NMH will continue to advance the commitment to delivering care that is of the highest quality, is evidence based, and eliminates preventable harm. The ASTC will integrate its quality plan with NMH’s quality plan after the closing of the proposed transaction. NMH’s quality plan is overseen by its Board of Directors, and is designed to align leadership, staff, and resources to accomplish defined quality improvement goals. The goals were established following consideration of key components of the national quality, patient safety, equity, and infection control agendas, value, and with input from stakeholders both internal and external to the system including patients and their family members.

1130.520(b)(7) – Description of the selection process that the acquiring entity will use to select the facility’s governing body

NMH’s process to select the facility’s governing body will align and comply with the bylaws of each of NMH as well as that of its Sole Member (NMHC), who has the sole authority to elect directors of the boards of its Affiliates, of which NMH is one, and the directors of the boards of NMH’s Subsidiaries, of which River North Same Day Surgery, LLC will be one.

1130.520(b)(9) – Description of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition

After the closing of the transaction, NMH anticipates that it will rename the ASTC to identify and reflect NMH ownership and the Northwestern Medicine brand. NMH also anticipates a brief temporary suspension of operations at the ASTC while it credentials new physicians, hires staff, and makes minor physical improvements, including information systems updates. The ASTC will continue to operate without any change in its license and will continue to offer procedures in the following specialties for which it is currently approved: General Surgery, Ophthalmology, Orthopedic, Otolaryngology, Pain Management, Plastic Surgery, Podiatry, and Urology.

SECTION IV. CHARITY CARE INFORMATION

With a mission-driven commitment to provide quality medical care regardless of the patient's ability to pay, NMHC is dedicated to improve the health of members of the community who are the most medically underserved. NMHC's financial assistance programs and outreach services enable NMHC to serve patients with the most socioeconomic needs in our communities. Through our financial assistance programs and Presumptive Eligibility policy, NMHC continues to provide medically necessary health care for those who do not have the resources to pay for it. Many NMHC hospitals are leaders in providing charity care in their respective communities, including in DeKalb, DuPage, Lake and McHenry counties. Three NMHC hospitals are among the top 15 leading charity care providers in Illinois: NMH (No. 3), NM CDH (No. 10) and NM LFH (No. 11). The unreimbursed cost of charity care for NMHC was approximately \$90.8 million in FY22.

NMHC is also a leading provider of care for patients with Medicaid coverage in Illinois, handling nearly 114,000 inpatient days, more than 23,300 admissions and more than 183,000 outpatient visits annually. Along with some of the area's safety-net hospitals, NMH has been among the top providers of care under the Medicaid program in Illinois for more than 15 years.

As well as being the third-largest provider of unreimbursed charity care in the state, NMH is the third-largest provider of care to beneficiaries of Illinois Medicaid. NMH's commitment to patients on Medicaid has increased over the past five years: the volume of Medicaid inpatient days handled by NMH has increased by nearly 32%; the number of Medicaid admissions has risen by 10%; and volume of outpatient care is up by 27%. Driving NMH's large and growing Medicaid volume is NM's mission to put patients first in everything we do. NM is dedicated to providing access to quality healthcare services to improve the health of all people in the communities we serve. NMH is a destination for those seeking care from across Chicagoland, including patients on Medicaid. Approximately 16,000 individual patients on Medicaid who live on Chicago's South and West sides receive their care at NMH. Patients on Medicaid account for more than 26,000 visits annually to NMH's Emergency Department (ED); 80% of them arrive by means other than ambulance. Many of these patients bypass multiple hospitals in order to receive care at NMH: more than 38% of all patients who seek care at NMH's ED live 10 or more miles from the hospital, and most of those reside on the city's South and West sides.

In FY22, NMHC contributed more than \$1.253 billion, or approximately 17.3% of net patient service revenue, including more than \$1.1 billion in community services and charity care and approximately \$147.5 million in research and education.

Northwestern Memorial HealthCare

	FY20	FY21	FY22
Net Patient Revenue	\$5,570,736,744	\$6,810,599,673	\$7,399,122,793
Amount of Charity Care (charges)	\$ 411,965,498	\$ 476,740,967	\$ 469,227,416
Cost of Charity Care	\$ 89,728,349	\$ 79,890,361	\$ 90,752,502

Northwestern Memorial Hospital

	FY20	FY21	FY22
Net Patient Revenue	\$1,889,171,315	\$2,224,223,354	\$2,302,112,870
Amount of Charity Care (charges)	\$ 125,892,803	\$ 149,889,022	\$ 131,577,275
Cost of Charity Care	\$ 27,249,187	\$ 23,057,958	\$ 24,380,729

River North Same Day Surgery, LLC

	FY20	FY21	FY22
Net Patient Revenue	\$ 5,613,487	\$ 5,617,663	\$ 5,908,701
Amount of Charity Care (charges)	\$ 0	\$ 1,219	\$ 727
Cost of Charity Care	\$ 0	\$ 1,219	\$ 727