

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION FEB 15 2024

HEALTH FACILITIES &
SERVICES REVIEW BOARD

This Section must be completed for all projects.

Facility/Project Identification

| | | | |
|--------------------|---|-----------------------|------|
| Facility Name: | Northwestern Medicine Cancer Center Warrenville | | |
| Street Address: | 4405 Weaver Parkway | | |
| City and Zip Code: | Warrenville, IL 60555 | | |
| County: | DuPage | Health Service Area: | 07 |
| | | Health Planning Area: | A-05 |

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

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

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

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

| | |
|-------------------|--|
| Name: | Ann Hall |
| Title: | Vice President, Administration |
| Company Name: | Northwestern Memorial HealthCare |
| Address: | 211 East Ontario Street Suite 1750 |
| Telephone Number: | 312-926-6668 |
| E-mail Address: | ann.hall@nm.org |
| Fax Number: | 312-926-0370 |

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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| County: | DuPage | Health Service Area: | 07 |
| | | Health Planning Area: | A-05 |

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

| | | | |
|-------------------------------------|---|--|--|
| Exact Legal Name: | Central DuPage Hospital Association d/b/a Northwestern Medicine Central DuPage Hospital | | |
| Street Address: | 25 Winfield Road | | |
| City and Zip Code: | Winfield, IL 60190 | | |
| 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: | Kenneth G. Hedley | | |
| CEO Street Address: | 25 Winfield Road | | |
| CEO City and Zip Code: | Winfield, IL 60190 | | |
| CEO Telephone Number: | 312-926-0016 | | |

Type of Ownership of Applicants

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

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

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| Fax Number: | 312-926-0370 |

Post Permit Contact

[Person to receive all correspondence after permit 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 |
| Telephone Number: | 312-926-8650 |
| E-mail Address: | borth@nm.org |
| Fax Number: | 312-926-0373 |

Site Ownership

[Provide this information for each applicable site]

| | |
|--|--|
| Exact Legal Name of Site Owner: | Central DuPage Hospital Association |
| Address of Site Owner: | 25 North Winfield Road, Winfield, IL 60555 |
| 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: | Central DuPage Hospital Association |
| Address: | 25 North Winfield Road, Winfield, IL 60555 |
| <input checked="" type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other |
| <ul style="list-style-type: none"> o 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. o 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.

Central DuPage Hospital Association d/b/a Northwestern Medicine Central DuPage Hospital (CDH) proposes to construct a 2-story addition to the existing NM Cancer Center Warrenville located at 4405 Weaver Parkway in Warrenville.

The addition will allow for the expansion of infusion services, diagnostic imaging services, and modernization/expansion of physician office space. A 3-story parking garage will also be constructed as part of the project.

The total project square footage will be 166,492 square feet: 22,311 sf of clinical/reviewable space (20,082 sf of new construction/2,229 sf of modernization), 144,181 sf of non-clinical/non-reviewable space (129,738 sf of new construction/14,443 sf of modernization) including 106,500 sf of parking.

The total project cost is \$75,050,300.

The anticipated project completion date is December 31, 2027.

The project is classified as non-substantive because it does not establish a new category of service or facility as defined in 20 ILCS 3690/3.

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 | \$ 63,552 | \$ 396,448 | \$ 460,000 |
| Site Survey and Soil Investigation | \$ 6,217 | \$ 38,783 | \$ 45,000 |
| Site Preparation | \$ 517,392 | \$ 3,227,608 | \$ 3,745,000 |
| Off Site Work | \$ 0 | \$ 0 | \$ 0 |
| New Construction Contracts | \$ 8,836,080 | \$ 35,825,368 | \$ 44,661,448 |
| Modernization Contracts | \$ 686,532 | \$ 5,892,292 | \$ 6,578,824 |
| Contingencies | \$ 952,261 | \$ 4,171,766 | \$ 5,124,027 |
| Architectural/Engineering Fees | \$ 456,604 | \$ 2,848,396 | \$ 3,305,000 |
| Consulting and Other Fees | \$ 62,999 | \$ 393,001 | \$ 456,000 |
| Movable or Other Equipment (not in construction contracts) | \$ 8,033,887 | \$ 1,271,113 | \$ 9,305,000 |
| Bond Issuance Expense (project related) | \$ 0 | \$ 0 | \$ 0 |
| Net Interest Expense During Construction (project related) | \$ 0 | \$ 0 | \$ 0 |
| Fair Market Value of Leased Space or Equipment | \$ 0 | \$ 0 | \$ 0 |
| Other Costs to Be Capitalized | \$ 189,273 | \$ 1,180,727 | \$ 1,370,000 |
| Acquisition of Building or Other Property (excluding land) | \$ 0 | \$ 0 | \$ 0 |
| TOTAL USES OF FUNDS | \$ 11,770,909 | \$ 53,974,390 | \$ 75,050,300 |
| SOURCE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Cash and Securities | \$ 11,770,909 | \$ 53,974,390 | \$ 75,050,300 |
| Pledges | | | |
| Gifts and Bequests | | | |
| Bond Issues (project related) | | | |
| Mortgages | | | |
| Leases (fair market value) | | | |
| Governmental Appropriations | | | |
| Grants | | | |
| Other Funds and Sources | | | |
| TOTAL SOURCES OF FUNDS | \$ 11,770,909 | \$ 53,974,390 | \$ 75,050,300 |
| 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 \$ N/A.

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): : December 31, 2027

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

APORS

All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted

All reports regarding outstanding permits

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

Cost Space Requirements

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

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

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

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which 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: NM Central DuPage Hospital | | CITY: Winfield | | | |
|--|------------------------|-----------------------|---------------------|---------------------|----------------------|
| REPORTING PERIOD DATES: CY22 | | From: 1/1/22 | | to: 12/31/22 | |
| Category of Service | Authorized Beds | Admissions | Patient Days | Bed Changes | Proposed Beds |
| Medical/Surgical | 235 | 13,943 | 80,444 | 0 | 235 |
| Obstetrics | 36 | 2,861 | 8,529 | 0 | 36 |
| Pediatrics | 28 | 1,046 | 4,345 | 0 | 28 |
| Intensive Care | 47 | 2,276 | 8,716 | 0 | 47 |
| Comprehensive Physical Rehabilitation | 0 | 0 | 0 | 0 | 0 |
| Acute/Chronic Mental Illness | 48 | 1,505 | 11,950 | 0 | 48 |
| Neonatal Intensive Care | 12 | 368 | 4,586 | 0 | 12 |
| General Long-Term Care | 0 | 0 | 0 | 0 | 0 |
| Specialized Long-Term Care | 0 | 0 | 0 | 0 | 0 |
| Long Term Acute Care | 0 | 0 | 0 | 0 | 0 |
| Other ((identify)) | 0 | 0 | 0 | 0 | 0 |
| TOTALS: | 406 | 21,999 | 118,570 | 0 | 406 |

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 Central DuPage Hospital Association (CDH) *
 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.

Kenneth G. Hedley
 SIGNATURE
Kenneth G. Hedley
 PRINTED NAME
President
 PRINTED TITLE

John A. Orsini
 SIGNATURE
John A. Orsini
 PRINTED NAME
Treasurer
 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 8 day of February, 2024

Notarization:
 Subscribed and sworn to before me
 this 8th day of February 2024

Lisa Rybicki
 Signature of Notary

Bridget S. Orth
 Signature of Notary

Seal
OFFICIAL SEAL
LISA RYBICKI
 NOTARY PUBLIC, STATE OF ILLINOIS
 My Commission Expires 03/03/2027
 *Insert the EXACT legal name of the applicant

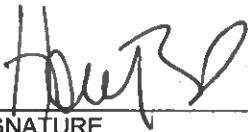
Seal
OFFICIAL SEAL
Bridget S. Orth
 NOTARY PUBLIC, STATE OF ILLINOIS
 My Commission Expires Dec. 16, 2024

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 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



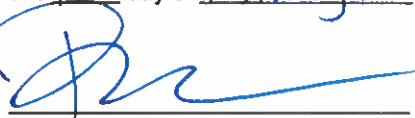
 SIGNATURE
 John A. Orsini

 PRINTED NAME
 Treasurer

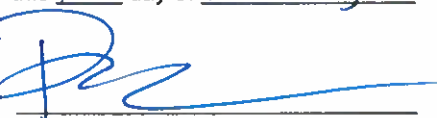
 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 13th day of February 2024

Notarization:
 Subscribed and sworn to before me
 this 13th day of February 2024



 Signature of Notary

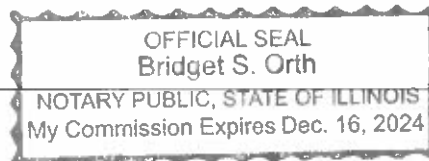


 Signature of Notary

Seal

Seal

*Insert the EXACT legal name of the applicant



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

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

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

UNFINISHED OR SHELL SPACE:

Provide the following information:

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

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

ASSURANCES:

Submit the following:

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

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

M. Criterion 1110.270 - Clinical Service Areas Other than Categories of Service

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than categories of service must submit the following information:

2. Indicate changes by Service: Indicate # of key room changes by action(s):

| Service | # Existing Key Rooms | # Proposed Key Rooms |
|--|----------------------|----------------------|
| <input checked="" type="checkbox"/> Infusion | 26 | 38 |
| <input checked="" type="checkbox"/> Diagnostic Imaging | 2 | 4 |

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

| Project Type | Required Review Criteria |
|--|---|
| New Services or Facility or Equipment | (b) – Need Determination – Establishment |
| Service Modernization | (c)(1) – Deteriorated Facilities |
| | AND/OR |
| | (c)(2) – Necessary Expansion PLUS |
| | (c)(3)(A) – Utilization – Major Medical Equipment |
| | OR |
| | (c)(3)(B) – Utilization – Service or Facility |
| 1 APPEND DOCUMENTATION AS ATTACHMENT 31, 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)

VII. 1120.120 - AVAILABILITY OF FUNDS

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

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

| | |
|---|---|
| <p>_____</p> <p>_____</p> <p>_____</p> | <p>e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent.</p> <p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt.</p> <p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p> |
| | <p>TOTAL FUNDS AVAILABLE</p> |
| <p>APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</p> | |

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 NUMERIC 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 to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

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

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

APPEND DOCUMENTATION AS ATTACHMENT 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 each community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all 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) | Year | Year | Year |
| Inpatient | | | |
| Outpatient | | | |
| Total | | | |
| MEDICAID | | | |
| Medicaid (# of patients) | Year | Year | Year |
| Inpatient | | | |
| Outpatient | | | |
| Total | | | |
| Medicaid (revenue) | Year | Year | Year |
| 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: Northwestern Medicine HealthCare 251 East Huron Street
(Name) (Address)
Chicago Illinois 60611 312-926-3000
(City) (State) (ZIP Code) (Telephone Number)

2. Project Location: 4405 Weaver Parkway Warrenville, IL
(Address) (City) (State)
DuPage County Township 38 North
(County) (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 [print icon] icon in the top corner of the page. Select the pin tool icon [pin 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 | | |
|-----------------------------|--|--------------|
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| 3 | Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. | |
| 4 | Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc. | 39 |
| 5 | Flood Plain Requirements | 40-41 |
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File Number

5257-740-3



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 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 Giannoulis
SECRETARY OF STATE

File Number

3798-159-1



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

CENTRAL DU PAGE HOSPITAL ASSOCIATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON AUGUST 05, 1958, 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 7TH day of FEBRUARY A.D. 2024 .



Authentication #: 2403802552 verifiable until 02/07/2025

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

Alexi Giannoulis

SECRETARY OF STATE

ATTACHMENT-1



FRED BUCHOLZ

DUPAGE COUNTY RECORDER

OCT. 01, 2018 RHSP 11:58 AM
QCD \$46.00 04-12-302-002

010 PAGES R2018-092139

QUITCLAIM DEED

This Instrument Prepared By And
After Recording Return To:

Thomas L. Hefty
Northwestern Memorial HealthCare
Office of General Counsel
211 East Ontario Street, Suite 1800
Chicago, Illinois 60611
Thomas.Hefty@nm.org

This Deed is exempt pursuant to
35 ILCS 200/31-45(e)(2018)

Thomas L. Hefty
Agent for Grantor 31-Aug-2018

Grantee's Address and Send
Subsequent Tax Bills to

Northwestern Memorial HealthCare
Real Estate Strategy
211 East Ontario Street, Suite 1400
Chicago, Illinois 60611

CDH-DELNOR HEALTH SYSTEM, an Illinois not-for-profit corporation, fka Central DuPage Health and Healthcorp Affiliates, having an address of 211 East Ontario Street, Suite 1400, Chicago, Illinois 60611 ("**Grantor**"), for and in consideration of \$10.00 and other good and valuable consideration in hand paid, **CONVEYS** and **QUITCLAIMS** to **CENTRAL DUPAGE HOSPITAL ASSOCIATION**, an Illinois not-for-profit corporation, having an address of 211 East Ontario Street, Suite 1400, Chicago, Illinois 60611, all of Grantor's right, title and interest in and to the parcels of real estate, including all appurtenants and improvements thereto and fixtures thereon, situated in DuPage County, Illinois described in the attached Exhibit A, having such street addresses and tax parcel numbers as set forth in Exhibit A.

[signature on following page]

After recording, please return this document to:
Post Closing Department
Chicago Title Insurance Company-National Division
10 S. LaSalle Street, Suite 3100
Chicago, IL 60603
ATTN: Doris Robinson

ATTACHMENT-2

This Quitclaim Deed is signed by Grantor's duly authorized signatory, intending to be effective as of 11:59 pm local time, August 31, 2018.

CDH-DELNOR HEALTH SYSTEM

By: *John A. Orsini*
John A. Orsini, Treasurer

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that John A. Orsini, Sr., personally known to me to be the Treasurer of CDH-Delnor Health System, an Illinois not-for-profit corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such officer he signed, sealed and delivered said instrument, pursuant to lawful authority, as his free and voluntary act, and as the free and voluntary act and deed as an officer of said corporation for the uses and purposes therein set forth.

Given under my hand and official seal, this 24th day of August, 2018.

Endia Latham
Notary Public

My Commission Expires: 10.12.20



EXHIBIT A
(QUITCLAIM DEED)

1. of 14 (1 parcel)

LOT 1 IN THE FINAL PLAT OF SUBDIVISION OF CANTERA SUB-AREA "D" RESUBDIVISION NO. 3, BEING A SUBDIVISION IN PART OF THE SOUTH HALF OF SECTION 36, TOWNSHIP 39 NORTH, AND THE NORTH HALF OF SECTION 1, TOWNSHIP 38 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID RESUBDIVISION RECORDED OCTOBER 18, 2016 AS DOCUMENT R2016-114775, IN DUPAGE COUNTY, ILLINOIS.

Street Address: 27650 Ferry Rd, Warrenville, IL
Property Tax #: 04-36-318-013, 07-01-101-019
CTIC #8984947
Master List Site #1

2. of 14 (3 parcels)

LOTS 1, 2, AND 5 IN WINFIELD VILLAGE CENTER, A SUBDIVISION IN THE SOUTHWEST 1/4 OF SECTION 12, TOWNSHIP 39 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 28, 1967 AS DOCUMENT R67-27762, IN DUPAGE COUNTY, ILLINOIS.

Street Address: 126 Winfield Road, 0N0150 Winfield Rd, 180 Winfield Road, Winfield, IL
Property Tax #: 04-12-302-004, 04-12-302-003, 04-12-302-002
CTIC #8984848
Master List Site #2

[QCD Exhibit A]

3. of 14 (4 parcels)**PARCEL 1:**

LOT 1 IN RIVER NORTH, BEING A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 30, 1996 AS DOCUMENT R96-177878, IN DU PAGE COUNTY, ILLINOIS.

PARCEL 2:

LOT 2 IN RIVER NORTH, BEING A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 30, 1996 AS DOCUMENT R96-177878, IN DU PAGE COUNTY, ILLINOIS.

PARCEL 3:

LOT 3 IN RIVER NORTH, BEING A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 30, 1996 AS DOCUMENT R96-177878, IN DU PAGE COUNTY, ILLINOIS

PARCEL 4:

LOT 6 IN RIVER NORTH SUBDIVISION, BEING A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 30, 1996 AS DOCUMENT R96-177878, IN DU PAGE COUNTY, ILLINOIS

Street Address: 636 Raymond Drive, Naperville, IL

Property Tax #:07-14-113-008, 07-14-113-006, 07-14-113-009, 07-14-113-011

CTIC # 8984954

Master List Site #6

4. of 14 (2 parcels)**PARCEL 1:**

LOT 3 IN BLOCK 5 IN ARTHUR T. MC INTOSH AND CO'S GENEVA ROAD SUBDIVISION, BEING A SUBDIVISION IN THE NORTHWEST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 26, 1924 AS DOCUMENT 179449 AND CERTIFICATE OF CORRECTION FILED AUGUST 5, 1924 AS DOCUMENT 180974, IN DUPAGE COUNTY, ILLINOIS.

PARCEL 2:

LOT 3 IN CHALBERG-PERRY SUBDIVISION OF LOT 2 IN BLOCK 5 OF ARTHUR T. MCINTOSH AND CO'S GENEVA ROAD SUBDIVISION, A SUBDIVISION IN THE NORTHWEST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID CHALBERG-PERRY SUBDIVISION RECORDED OCTOBER 15, 1979 AS DOCUMENT R79-93196, IN DUPAGE COUNTY, ILLINOIS.

Street Address: 1800 N. Main Street, Wheaton, IL

Property Tax #:05-09-106-004, 05-09-106-021

CTIC #8984955

Master List Site #7

5. of 14 (1 parcel)
 LOT 1 IN STRATFORD DEVELOPMENT PARCEL IV - NORTH, BEING A SUBDIVISION OF PART OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 26, 1983 AS DOCUMENT R83-48984, IN DUPAGE COUNTY, ILLINOIS
 Street Address: 245 S. Gary Avenue, Bloomingdale, IL
 Property Tax #:02-20-205-013
 CTIC # 8984956
 Master List Site #8

6. of 14 (1 parcel)
 LOT 1 IN THE PLAT OF CONSOLIDATION CENTRAL DUPAGE HEALTH CENTER RESUBDIVISION, BEING A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 29, 2008 AS DOCUMENT R2008-145889, IN DU PAGE COUNTY, ILLINOIS
 Street Address: 444 Park Blvd., Glen Ellyn, IL
 Property Tax #:05-11-322-024
 CTIC # 8984957
 Master List Site #9

7. of 14 (1 parcel)
 LOT 2 IN MARYKNOLL OFFICE SUBDIVISION BEING A SUBDIVISION OF PART OF THE NORTH 1/2 OF SECTION 24 TOWNSHIP 39 NORTH RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED THEREOF RECORDED FEBRUARY 11 1997 AS DOCUMENT R97-20954 IN DU PAGE COUNTY, ILLINOIS
 Street Address: 885 Roosevelt Road, Glen Ellyn, IL
 Property Tax #:05-24-104-004
 CTIC # 8984959
 Master List Site #11

8. of 14 (1 parcel)
 LOT 1 IN CANTERA H5 AND H6, BEING A RESUBDIVISION IN THE SOUTHWEST 1/4 OF SECTION 1, TOWNSHIP 38 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 26, 2000 AS DOCUMENT R2000-149708, IN DU PAGE COUNTY, ILLINOIS
 Street Address: 4405 and 4455 Weaver Parkway, Warrenville, IL
 Property Tax #:07-01-305-011
 CTIC # 8986008
 Master List Site #12 + 32

Village of Glen Ellyn
 Real Estate Transfer Tax
 021197
 Sale \$ - 0 -
 Tax \$ - 0 -
 Date 9/6/18 Initials CB
 444 PARK

Village of Glen Ellyn
 Real Estate Transfer Tax
 021198
 Sale \$ - 0 -
 Tax \$ - 0 -
 Date 9/6/18 Initials CB
 885 ROOSEVELT

9. of 14 (2 parcels)**Parcel 1:**

THE NORTH HALF OF LOT 1 IN BLOCK 5 IN THE TOWN OF FRIEDRICKSBURG, BEING A SUBDIVISION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 8, 1853 IN BOOK 14 OF DEEDS, PAGE 163, AS DOCUMENT 6843 IN DUPAGE COUNTY, ILLINOIS.

Parcel 2:

The South 1/2 of Lot 1 in Block 5 in Town of Friedrichsburg, being a Subdivision in the Northeast 1/4 of the Northwest 1/4 of Section 13, Township 39 north, Range 9 East of the Third Principal Meridian, according to the plat thereof recorded February 8, 1953, in Book 14 of Deeds, page 163 as document number 6843, in DuPage County Illinois

Street Address: 80S028 Church St, Winfield, IL, 0S036 Church St, Winfield, IL

Property Tax #:04-13-105-003, 04-13-105-004

CTIC #-NA

Master List Site #13

10. of 14 (2 parcels)**PARCEL 1:**

LOT 4 IN WINFIELD VILLAGE CENTER, A SUBDIVISION IN THE SOUTHWEST 1/4 OF SECTION 12, TOWNSHIP 39 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 28, 1967 AS DOCUMENT R67-27762, IN DUPAGE COUNTY, ILLINOIS.

PARCEL 2:

THE SOUTH 50.0 FEET OF THAT PART OF LOT 3 LYING NORTH OF THE NORTH LINE AND EAST OF THE WEST LINE, EXTENDED NORTH, OF LOT 4, IN WINFIELD VILLAGE CENTER, A SUBDIVISION IN THE SOUTHWEST 1/4 OF SECTION 12, TOWNSHIP 39 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 28, 1967 AS DOCUMENT R67-27762, IN DUPAGE COUNTY, ILLINOIS.

Street Address: 40 N. Winfield Road, Winfield, IL

Property Tax #:04-12-302-007, 04-12-302-011

CTIC # 8984961

Master List Site #14

11. of 14 (3 parcels)**PARCEL 1:**

THAT PART OF LOT 3 IN WINFIELD VILLAGE CENTER, A SUBDIVISION IN THE SOUTH WEST 1/4 OF SECTION 12, TOWNSHIP 39 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN DUPAGE COUNTY, ILLINOIS, ACCORDING TO THE PLAT THEREOF RECORDED JULY 28, 1967 AS DOCUMENT R67-27762, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH EAST CORNER OF SAID LOT 3 (SAID POINT BEING ON THE WEST RIGHT OF WAY LINE OF WINFIELD ROAD); THENCE RUNNING SOUTHERLY ALONG THE WEST LINE OF SAID LOT 3 ON A CURVE TO THE LEFT, HAVING A RADIUS OF 1185.92 FEET, AN ARC DISTANCE OF 32.49 FEET TO THE NORTH EAST CORNER OF LOT 5 IN WINFIELD VILLAGE CENTER, UNIT NO. TWO, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 21, 1968 AS DOCUMENT R68-6533; THENCE SOUTH 89 DEGREES 59 MINUTES 00 SECONDS WEST ALONG THE NORTH LINE OF SAID LOT 5, A DISTANCE OF 168.02 FEET TO THE NORTH WEST CORNER OF SAID LOT 5; THENCE SOUTH 00 DEGREES 01 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF SAID LOT 5, 100.0 FEET TO THE SOUTH WEST CORNER OF SAID LOT 5; THENCE SOUTH 89 DEGREES 59 MINUTES 00 SECONDS WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT 3, 222.0 FEET; THENCE SOUTH 00 DEGREES 01 MINUTES 00 SECONDS EAST, 100.00 FEET; THENCE SOUTH 89 DEGREES 59 MINUTES 00 SECONDS WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT 3, 287.21 FEET TO THE EAST LINE OF LAND CONDEMNED BY THE FOREST PRESERVE DISTRICT OF DU PAGE COUNTY, BY CASE NO. C71-1176; THENCE NORTH 17 DEGREES 30 MINUTES EAST ALONG SAID EAST LINE, 205.22 FEET; THENCE CONTINUING ALONG SAID EAST LINE NORTH 48 DEGREES 33 MINUTES EAST 51.84 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 3, THENCE NORTH 89 DEGREES 59 MINUTES 00 SECONDS EAST ALONG SAID NORTH LINE OF LOT 3, 599.19 FEET TO THE PLACE OF BEGINNING, IN DU PAGE COUNTY, ILLINOIS (EXCEPTING THE FOLLOWING PART THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 3 (SAID POINT BEING ON THE WEST RIGHT OF WAY LINE OF WINFIELD ROAD); THENCE RUNNING SOUTHERLY ALONG THE EAST LINE OF SAID LOT 3 ON A CURVE TO THE LEFT, HAVING A RADIUS OF 1185.92 FEET, AN ARC DISTANCE OF 32.49 FEET TO THE NORTHEAST CORNER OF LOT 5 IN WINFIELD VILLAGE CENTER, UNIT NO. 2, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 21, 1968 AS DOCUMENT R68-6533; THENCE SOUTH 89 DEGREES 59 MINUTES 00 SECONDS WEST ALONG THE NORTH LINE OF SAID LOT 5 AND SAID NORTH LINE, IF EXTENDED WEST, 390.02 FEET; THENCE SOUTH 00 DEGREES 01 MINUTES 00 SECONDS EAST 200.0 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 00 SECONDS WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT 3, 30.0 FEET; THENCE NORTH 00 DEGREES 01 MINUTES 00 SECONDS WEST 230.0 FEET TO A POINT IN THE NORTH LINE OF SAID LOT 3 THAT IS 432.54 FEET WEST OF THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 59 MINUTES 00 SECONDS EAST ON SAID NORTH LINE OF LOT 3, 432.54 FEET, TO THE POINT OF BEGINNING).

PARCEL 2:

LOT 3 (EXCEPT THE SOUTH 135.0 FEET THEREOF; ALSO EXCEPT THE SOUTH 50.0 FEET OF THAT PART OF SAID LOT 3 LYING NORTH OF THE NORTH LINE AND EAST OF THE WEST LINE,

IF EXTENDED NORTH, OF LOT 4; ALSO EXCEPT THAT PART THEREOF LYING NORTH OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT THE SOUTHEAST CORNER OF LOT 5 IN WINFIELD VILLAGE CENTER UNIT 2 AND RUNNING THENCE SOUTH 89 DEGREES, 59 MINUTES, 00 SECONDS WEST ON THE SOUTH LINE OF SAID LOT 5 AND SAID SOUTH LINE, IF EXTENDED WEST (SAID LINE BEING ALSO PARALLEL WITH THE NORTH LINE OF SAID LOT 3), 355.0 FEET; THENCE SOUTH 00 DEGREES, 01 MINUTE, 00 SECONDS EAST, 100.0 FEET; THENCE SOUTH 89 DEGREES, 59 MINUTES, 00 SECONDS WEST PARALLEL WITH SAID NORTH LINE, TO THE WEST LINE OF SAID LOT; ALSO EXCEPT THAT PART CONDEMNED BY THE FOREST PRESERVE DISTRICT OF DUPAGE COUNTY, ILLINOIS, BY CASE NO. C71-1176) IN WINFIELD VILLAGE CENTER, A SUBDIVISION OF THE SOUTHWEST 1/4 OF SECTION 12, TOWNSHIP 39 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 28, 1967 AS DOCUMENT R67-27762, IN DUPAGE COUNTY, ILLINOIS.

PARCEL 3:

THAT PART OF LOT 3 IN WINFIELD VILLAGE CENTER, A SUBDIVISION IN THE SOUTHWEST 1/4 OF SECTION 12, TOWNSHIP 39 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 28, 1967 AS DOCUMENT R67-27762, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 3 (SAID POINT BEING ON THE WEST RIGHT OF WAY LINE OF WINFIELD ROAD); THENCE RUNNING SOUTHERLY ALONG THE EAST LINE OF SAID LOT 3 ON A CURVE TO THE LEFT, HAVING A RADIUS OF 1185.92 FEET, AN ARC DISTANCE OF 32.49 FEET TO THE NORTHEAST CORNER OF LOT 5 IN WINFIELD VILLAGE CENTER, UNIT NO. 2, ACCORDING TO THE PLAT OF SAID WINFIELD VILLAGE CENTER, UNIT NO. 2, RECORDED FEBRUARY 21, 1968 AS DOCUMENT R68-6533; THENCE SOUTH 89 DEGREES, 59 MINUTES, 00 SECONDS WEST ALONG THE NORTH LINE OF SAID LOT 5 AND SOUTH NORTH LINE, IF EXTENDED WEST, 390.02 FEET; THENCE SOUTH 00 DEGREES, 01 MINUTE, 00 SECONDS EAST, 200.0 FEET; THENCE SOUTH 89 DEGREES, 59 MINUTES, 00 SECONDS WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT 3, 30.0 FEET; THENCE NORTH 00 DEGREES, 01 MINUTE, 00 SECONDS WEST, 230.0 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 3 THAT IS 432.54 FEET WEST OF THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES, 59 MINUTES, 00 SECONDS EAST ON SAID NORTH LINE OF LOT 3, 432.54 FEET TO THE POINT OF BEGINNING, IN DUPAGE COUNTY, ILLINOIS.

Street Address: Winfield Road, Winfield, IL (no known address)
Property Tax #:04-12-302-014, 04-12-302-015, 04-12-302-016, 04-12-302-017
CTIC # 8984963
Master List Site #16

12. of 14 (1 parcel)

LOT 2 IN BLOCK 6 IN TOWN OF FREDERICKSBURG, BEING A SUBDIVISION OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 8, 1853 AS DOCUMENT 6843 IN DU PAGE COUNTY, ILLINOIS

Street Address: 33 Church Street, Winfield, IL
Property Tax #:04-13-106-001
CTIC # 8984968
Master List Site #20

13. of 14 (10 units)

UNITS LL/1, LL/2, 1-1, 1-2, 1-3, 1-5, 200, 202, 203 AND 206 IN DANADA MEDICAL OFFICE BUILDING CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: LOT 1 IN CENTRAL DUPAGE CONSOLIDATION PLAT IN PART OF THE WEST 1/2 OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 21, 1996 AS DOCUMENT R96-172572 IN DUPAGE COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE AMENDED AND RESTATED DECLARATION RECORDED OCTOBER 21, 1996 AS DOCUMENT R96-172573, AS AMENDED FROM TIME TO TIME TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS.

Street Address: 7 Blanchard Circle, Wheaton, IL
Property Tax #:05-28-312-012, 05-28-312-013, 05-28-312-014, 05-28-312-015, 05-28-312-016, 05-28-312-018, 05-28-312-021, 05-28-312-023, 05-28-312-024, 05-28-312-025
CTIC # 8984979
Master List Site #26



CITY OF WHEATON
REAL ESTATE TRANSFER TAX

Stamp No.
51653

Date 9/6/18
Initials AN

\$ 0.00

7 BLANCHARD

Exhibit A -- 6 --

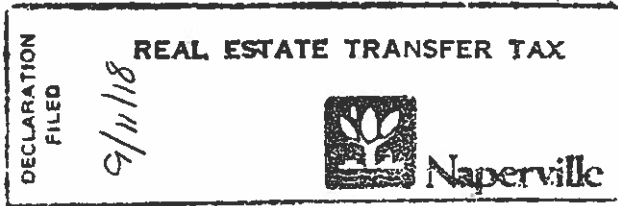
14. of 14 (2 parcels)

LOTS 1 AND 2 IN 101 EAST SUBDIVISION, BEING A RESUBDIVISION OF LOTS 7, 8 AND 9 (EXCEPT THE WESTERMOST 125 FEET OF SAID LOT 9) IN BLOCK 1 IN ARTHUR T. MCINTOSH AND CO'S RIVER GROVE SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 14, 1926 AS DOCUMENT 206178, BEING A SUBDIVISION OF PART OF SECTIONS 29 AND 30, TOWNSHIP 38 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 20, 2012 AS DOCUMENT NUMBER R2012-035955 IN DU PAGE COUNTY.

Street Address: 101 E. 75th Street, Naperville, IL
Property Tax #:08-29-103-039, 08-30-213-010
CTIC # 8984982
Master List Site #29

End of Exhibit A

75th St



Raymond



CITY OF WHEATON
REAL ESTATE TRANSFER TAX

Date 9/6/18
Initials AN

\$ 0.00

1800 N. MAIN

Stamp No.
51654

Exhibit A -- 7 --

J.P. "RICK" CARNEY
RECORDER

AFFIDAVIT - METES AND BOUNDS

STATE OF ILLINOIS }
COUNTY OF DUPAGE } SS.

DOCUMENT NO. _____

Thomas L. Hefty, being duly sworn on oath, states that

he resides at 211 East Ontario Street, Suite 1800, Chicago, IL 60611. That the attached deed is not in violation of 765 ILCS 205/ 1 for one of the following reasons:

- 1X The sale or exchange is of an entire tract of land not being a part of a larger tract of land.
- 2. The division or subdivision of the land is into parcels or tracts of five acres or more of size which does not involve any new streets or easements of access.
- 3. The division is of lots or blocks of less than one acre in any recorded subdivision which does not involve any new streets or easements of access.
- 4. The sale or exchange of parcels of land is between owners of adjoining and contiguous land.
- 5. The conveyance is of parcels of land or interests therein for use as right of way for railroads or other public utility facilities, which does not involve any new streets or easement of access.
- 6. The conveyance is of land owned by a railroad or other public utility which does not involve any new streets or easements of access.
- 7. The conveyance is of land for highway or other public purposes or grants or conveyances relating to the dedication of land for public use or instruments relating to the vacation of land impressed with a public use.
- 8. The conveyance is made to correct descriptions in prior conveyances.
- 9. The sale or exchange is of parcels or tracts of land following the division into no more than two parts of a particular parcel or tract of land existing on July 17, 1959, and not involving any new streets or easements of access.
- 10. The sale is of a single lot of less than five acres from a larger tract, the dimensions and configurations of said larger tract having been determined by the dimensions and configurations of said larger tract on October 1, 1973, and no sale prior to this sale, or any lot or lots from said larger tract having taken place since October 1, 1973, and a survey of said single lot having been made by a registered land surveyor.

CIRCLE NUMBER ABOVE WHICH IS APPLICABLE TO ATTACHED DEED.

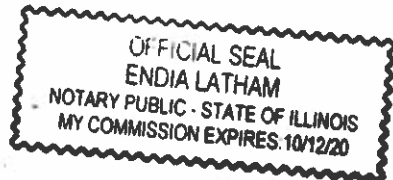
AFFIANT further states that he makes this affidavit for the purpose of inducing the Recorder of DuPage County, Illinois, to accept the attached deed for recording.

Thomas L. Hefty

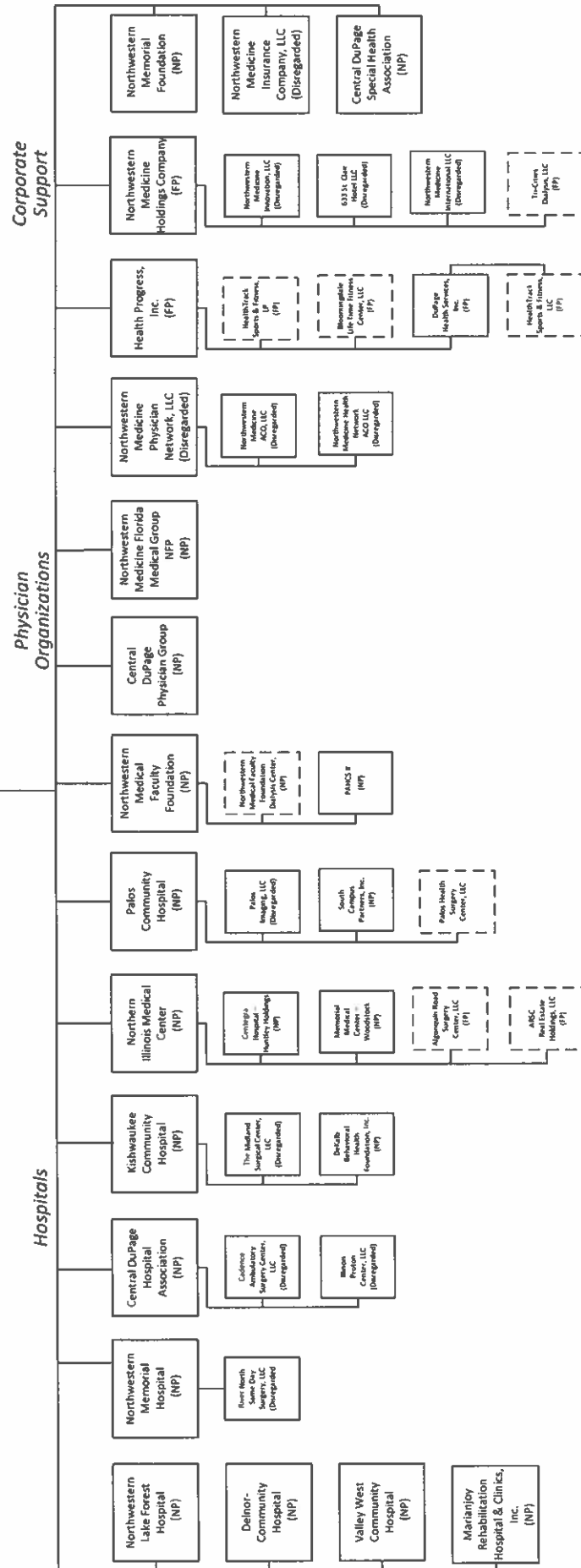
SUBSCRIBED AND SWORN TO BEFORE ME

this 31st day of August, 2018.

Endia Latham
Notary Public



Northwestern Memorial HealthCare



Effective January 10, 2024

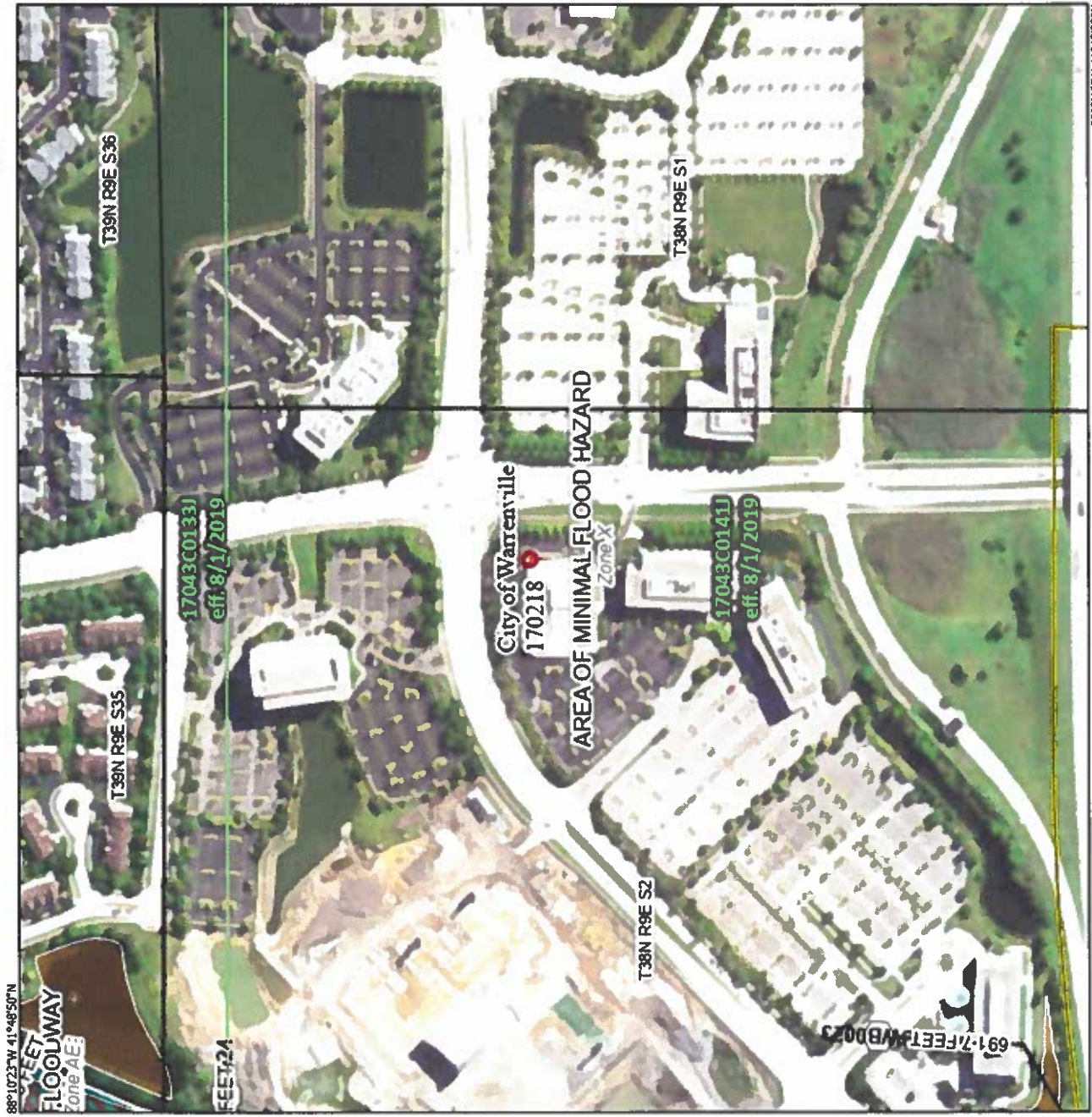


Flood Plain Requirements

The location of the proposed project is 4405 Weaver Parkway, Warrenville.

By their signatures on the Certification page of this application, the Applicants attest that the project is not located in a flood plain and complies with the Flood Plain Rule under Illinois Executive Order #2006-5 according to the FEMA floodplain map on the following page.

National Flood Hazard Layer FIRMette



Basemap Imagery Source: USGS National Map 2023

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

| | |
|--|---|
| | Without Base Flood Elevation (BFE) Zone AE |
| | With BFE or Depth Zone AE, AO, AH, VE, AR |
| | Regulatory Floodway |
| | 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 B |
| | Area with Flood Risk due to Levee Zone D |
| | NO SCREEN |
| | Area of Minimal Flood Hazard Zone X |
| | Effective LOMRS |
| | Area of Undetermined Flood Hazard Zone D |
| | Channel, Culvert, or Storm Sewer |
| | Levee, Dike, or Floodwall |
| | Cross Sections with 1% Annual Chance Water Surface Elevation |
| | Coastal Transect |
| | Base Flood Elevation Line (BFE) |
| | Limit of Study |
| | Jurisdiction Boundary |
| | Coastal Transect Baseline |
| | Profile Baseline |
| | Hydrographic Feature |
| | Digital Data Available |
| | No Digital Data Available |
| | Unmapped |

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 2/2/2024 at 2:31 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Historic Resources Preservation Act Requirements

The location of the proposed project is 4405 Weaver Parkway, Warrenville. The letter from the Illinois Historic Preservation Agency on the following page confirms that no historic, architectural, or archaeological sites exist within the project area.



Illinois
Department of
**Natural
Resources**

JB Pritzker, Governor • Natalie Phelps Finnie, Director
One Natural Resources Way • Springfield, Illinois 62702-1271

www.dnr.illinois.gov

**DuPage County
Warrenville
CON - New Addition, NM Cancer Center Warrenville
4405 Weaver Pkwy.
SHPO Log #003061923**

September 12, 2023

**Bridget Orth
Northwestern Memorial HealthCare
251 E. Huron St.
Chicago, IL 60611-2908**

Dear Bridget Orth:

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

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

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

If you have any further questions, please contact Rita Baker, Cultural Resources Manager, at 217/785-4998 or at Rita.E.Baker@illinois.gov.

Sincerely,

A handwritten signature in black ink that reads "Carey L. Mayer".

**Carey L. Mayer, AIA
Deputy State Historic Preservation Officer**

Project Costs and Sources of Funds

The line item costs attributed to clinical components were calculated as a percentage of clinical square footage when actual break-outs were not available.

Itemization of each line item:

Line 1 – Preplanning Costs – (\$460,000) – this includes:

- Pre-Construction Services
 - Budgeting
 - Schedule
 - Construction phasing
 - Site Logistics
- Programming
 - Gather information for occupant space requirements. Review and analysis NMHC space standards and prepare the Space Occupancy Program which will list square footage requirements and include individual attributes of the departments and all information pertinent to the planning and design of the project.

Of the total amount, \$63,552 is the clinical Preplanning costs which is 0.34% of the clinical New Construction, Modernization, Contingencies, and Equipment costs.

Line 2 – Site Survey and Soil Investigation – (\$45,000) – this includes:

- Subsurface soils investigation
- Foundation system recommendation
- Site topographic survey

Of the total amount, \$6,217 is the clinical Site Survey and Soil Investigation cost.

Line 3 – Site Preparation – (\$3,745,000) – this includes:

- General Site Work
 - Earth moving
 - Shoring
 - Paving
 - Concrete curb and gutter
 - Site utilities
- Utility Company Service Work
 - Relocation, temporary and permanent services as required for power, gas, telecom, and cable
- Underground stormwater detention vault, 0.27 ac-ft of storage.

Of the total amount, \$517,392 is the clinical Site Preparation cost. Together with Site Survey and Soil Investigation, this is 5.0% of the clinical new Construction and Contingencies costs.

Line 5 – New Construction Contracts – (\$44,661,448) – this includes:

- All construction contracts/costs to complete the project. Includes contractor's markups, overhead, and profit. Costs are escalated to the mid-point of construction.

Of the total amount, \$8,836,080 is the clinical New Construction cost.

Line 6 – Modernization Contracts – (\$6,578,824) – this includes:

- All construction contracts/costs to complete the project. Includes contractor's markups, overhead, and profit. Costs are escalated to the mid-point of construction.

Of the total amount, \$686,532 is the clinical Modernization cost.

Line 7 – Contingencies - (\$5,124,027) – this includes:

- Allowance for unforeseen New Construction and Modernization costs

Of the total amount, \$952,261 is the clinical Contingency cost which is 10.0% of the clinical New Construction and Modernization costs.

The clinical New Construction + Contingency cost is \$484/sf and the clinical Modernization + Contingency cost is \$338.80/sf.

Line 8 – Architectural / Engineering Fees – (\$3,305,000) – this includes:

- Schematic Design:
 - Develop diagrammatic plans and documentation to describe the size and character of the building in a way that meets all programmatic and functional objectives, as well as accounting for all structure, shafts, elevators and stairs, communications and electrical closets, and all other design constraints; such as traffic flow and circulation patterns, exterior elevations and conceptual drawings outlining the exterior design approach.
 - Determine the capacity needed for all building systems (such as electrical, mechanical, plumbing, fire protection, and vertical transportation) as well as support functions (such as pharmacy and materials management) necessary for the uses proposed on the floors.
 - Provide statement of Probable Construction Cost.
- Design Development:
 - Develop detailed drawings and documentation to describe the size and character of the interior space as well as the overall building. Includes room layouts, structural, mechanical, electrical, plumbing, exterior elevations and sections, site plan, landscape plans, and parking garage layout.
 - The equipment and furniture consultants will prepare room-by-room FF&E requirement list. The requirements list identify room name, item description, product specification, and total quantity required. The product

specifications include installation requirements that will be provided to the architect/engineer to ensure that spaces and building systems are planned to appropriately accommodate the equipment.

- Construction Documents:
 - Provide drawings and specifications
 - Prepare documentation for bidding and assembling a Guaranteed Maximum Price.
 - Assist in filing Construction Documents for approval by City and State agencies
 - Signage and Way Finding expertise
- Bidding and Negotiation Phase Services:
 - Revise Construction Documents as necessary in accordance with Reconciled Statement of Probable Construction Cost
- Construction Administration Phase Services:
 - Advise and consult during Construction Phase
 - Attend weekly job progress meetings
 - Provide on-site representation to review progress/quality of work
 - Prepare written interpretations of Contract Documents including Bulletins and information requests
 - Correct Errors or Omissions in the drawings, specifications and other documents
 - Review and approve Contractor's submittals
 - Submit notifications for work which does not conform to Contract Documents
 - Review and analyze requests for Change Orders
 - Assist Construction Manager with punchlist completion
 - Assist Construction Manager with Final Completion including system testing and commissioning
 - Inspect Project after correction of work period for deficiencies and update Construction Manager

Of the total amount, \$456,604 is the clinical Architectural / Engineering Fee. This amount is 4.36% of the clinical New Construction, Modernization, and Contingencies costs.

Line 9 – Consulting and Other Fees – (\$456,000) – this includes:

- Charges for the services of various types of consulting and professional experts including:
 - Commissioning Agent - \$42,000
 - Construction Material Testing - \$255,000
 - Medical Equipment Planner - \$120,000
 - Legal Fees for PUD amendment - \$25,000
 - Pharmacy planning peer review - \$7,000
 - Signage peer review - \$7,000

Of the total amount, \$62,999 is the clinical Consulting and Other Fees cost.

Line 10 – Movable Capital Equipment – (\$9,305,000) – this includes:

- All furniture, furnishings, and equipment for the proposed project. Group I, Group II and III medical equipment is included.

The Architect will be retained to provide specific expertise during equipment planning and specification, and to assist and ensure effective use of available funding. Equipment planning will be closely coordinated with architectural design.

FFE procurement will be managed by NM with support from outside consultants. Total acquisition costs will be evaluated during market assessment and contract award, including purchase, installation, training, and maintenance. The approval process during contract award will be consistent with existing hospital financial procedures.

Warehousing, training, acceptance testing and other logistical issues will be defined and scheduled.

Product standards will facilitate detailed equipment planning and appropriate building design, maximize the effectiveness of competitive bidding, and minimize costs for training and long-term maintenance.

Clinical and/or financial analysis of new technology will be done to determine that it is a prudent investment. New technology selected for use will support NM's primary mission, via criteria such as clinical outcomes, turnaround, or productivity.

Freight and installation costs are also included in the estimate.

| Equipment Type | Estimated Cost |
|--|----------------|
| Administration Space | \$6,810,000 |
| Domestic Appliances (refrigerators, microwaves, icemakers, microwaves) | |
| Housekeeping | |
| Linen Carts | |
| Trash Carts | |
| Wire shelving | |
| Diagnostics Imaging | |
| Warming Cabinets | |
| Patient diagnostic equipment | |
| Procedure Carts | |
| Wire Shelving | |
| MRI Imaging System and support equipment | |
| Patient Monitoring | |
| Flowmeters & Regulators | |
| PET/CT Scanner and support equipment | |
| Lead Lined equipment | |

| | |
|--|-------------|
| Portable Ultrasound equipment Crash Carts Wheelchairs Stainless Steel Equipment Infusion Beds AEDS Procedure carts Wire supply carts Medication dispensers Flowmeters & Regulators Patient lifts (mobile) Patient Monitoring Infusion Pumps Patient scales (adult and wheelchair) Stainless Steel Equipment Stools Lab/Phlebotomy Lab Analyzers Temp Monitoring Systems Countertop lab equipment (centrifuges, strainers) Freezers and Refrigerators Blood Draw Chairs Phlebotomy carts Support equipment (sharps, gloves) EKG Machine Stools Medical Oncology Exam Tables Patient Monitoring Exam Diagnostic equipment Patient scales (adult and wheelchair) Pharmacy Biosafety Cabinets Laminar Flow Hoods Temp Monitoring Systems Wire supply carts Refrigerators and Freezers Work tables (stainless) | |
| Furnishings Waiting Room furniture Patient recliners Office furniture Monitor arms | \$1,120,000 |
| Technology Computers Monitors Printers Phones | \$1,150.000 |

| | |
|--|-----------|
| Device Integration IT closet switches | |
| Other Artwork Audio/Visual (TVs, large monitors) | \$225,000 |

Of the total amount, \$8,033,887 is the clinical component of the Moveable Capital Equipment cost.

Line 14 – Other Costs To Be Capitalized – (\$1,370,000) – this includes:

- CON fee - \$100,000
- Building permit fee City of Warrentville - \$100,000
- Warrentville Fire Protection District fee - \$30,000
- Landscaping/Irrigation - \$940,000
- Interior and exterior signage - \$200,000

Of the total amount, \$189,273 is the clinical component of the Other Costs to be Capitalized.

Project Status and Completion Schedules

Anticipated project construction start date: June 2024

Anticipated midpoint of construction date: December 2025

Anticipated project construction substantial completion date: June 2027

Anticipated project completion date: December 2027

Project obligation is contingent upon permit issuance. NMHC plans to sign the contract with the general construction contractor in May 2024 that will be subject to CON approval. This contract will obligate the project. The CON Contingency section of the contract is below:

The following Supplementary Conditions modify the Agreement and General Conditions between Northwestern Memorial Healthcare and Walsh Construction Company ("the Contractor"). Where a portion of the Agreement or General Conditions is modified or deleted by these Supplementary Conditions, these Supplementary Conditions shall control. The unaltered portions of the Agreement or General Conditions shall remain in effect.

S-1. Certificate of Need. NMHC and the Contractor acknowledge and agree that in addition to permitting required by the City of Warrenville, Illinois Department of Public Health ("IDPH") and any other Governmental Authority, this Project and Agreement are subject to the issuance of an appropriate Certificate of Need ("CON") by the Illinois Health Facilities and Services Review Board (the "Board"). The Contractor shall cooperate with NMHC's application to the Board for the CON.

Northwestern Memorial HealthCare Open CON Permits

- CON #21-008: Old Irving Park Medical Office Building
- CON #21-032: Delnor Cancer Center Modernization/Expansion
- CON #22-011: Oak Brook Medical Office Building
- CON #22-046: Bronzeville Medical Office Building
- CON #22-047: Lake Forest Hospital Pavilion Expansion

Cost Space Requirements

| Department | Cost | Departmental Gross Square Feet | | Amount of Proposed Total Gross Square Feet That Is: | | | |
|---|----------------------|--------------------------------|----------------|---|---------------|---------------|---------------|
| | | Existing GSF | Proposed GSF | New Const | Modern-ized | As Is | Vacated Space |
| CLINICAL | | | | | | | |
| Infusion Center | \$ 5,921,960 | 6,750 | 13,570 | 13,200 | 370 | 0 | 0 |
| Diagnostic Imaging | \$ 2,288,000 | 12,219 | 17,419 | 5,200 | 0 | 12,219 | 0 |
| Pharmacy | \$ 740,080 | 682 | 1,682 | 1,682 | 0 | 0 | 0 |
| Laboratory | \$ 572,572 | 999 | 1,859 | 0 | 1,859 | 0 | 0 |
| Clinical Subtotal = | \$ 9,522,612 | 20,650 | 34,530 | 20,082 | 2,229 | 12,219 | 0 |
| NON-CLINICAL | | | | | | | |
| Physician Office Space | \$ 3,420,340 | 28,633 | 38,040 | 0 | 11,105 | 26,935 | 0 |
| Administrative/Storage | \$ 1,427,800 | 0 | 3,245 | 3,245 | 0 | 0 | 0 |
| Waiting/Public | \$ 3,256,792 | 3,999 | 10,964 | 6,965 | 624 | 3,375 | 0 |
| Staff Support | \$ 1,948,760 | 1,226 | 5,063 | 4,429 | 0 | 634 | 0 |
| MEP Systems/Building Support | \$ 12,598,560 | 2,311 | 13,310 | 8,599 | 2,714 | 1,997 | 0 |
| Non-Clinical Subtotal = | \$ 22,652,252 | 36,169 | 70,622 | 23,238 | 14,443 | 32,941 | 0 |
| TOTAL = | \$ 32,174,864 | 56,819 | 105,152 | 43,320 | 16,672 | 45,160 | 0 |
| Parking Garage | \$ 19,065,408 | 0 | 106,500 | 106,500 | 0 | 0 | 0 |
| TOTAL (including Parking Garage) = | \$ 51,240,272 | 56,819 | 211,652 | 149,820 | 16,672 | 45,160 | 0 |

| OTHER | |
|--|----------------------|
| Preplanning Costs | \$ 460,000 |
| Site Survey & Soil Investigation | \$ 45,000 |
| Site Preparation | \$ 3,745,000 |
| Off-Site Work | \$ - |
| Contingencies | \$ 5,124,027 |
| A/E Fees | \$ 3,305,000 |
| Consulting & Other Fees | \$ 456,000 |
| Movable or Other Equipment | \$ 9,305,000 |
| Bond Issuance Expense | \$ - |
| Net Interest Expense | \$ - |
| Other Costs To Be Capitalized | \$ 1,370,000 |
| Acquisition of Building (excluding Land) | \$ - |
| Other Subtotal = | \$ 23,810,027 |
| GRAND TOTAL = | \$ 75,050,300 |

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

Criterion 1110.110(a)

BACKGROUND OF APPLICANT

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

Northwestern Memorial HealthCare:

| | IDPH License No. | Joint Commission Organization No. |
|---|------------------|-----------------------------------|
| Northwestern Memorial Hospital | 0003251 | 7267 |
| Northwestern Lake Forest Hospital | 0005660 | 3918 |
| Central DuPage Hospital Association | 0005744 | 7444 |
| Delnor-Community Hospital | 0005736 | 5291 |
| Marianjoy Rehabilitation Hospital & Clinics | 0003228 | 7445 |
| Kishwaukee Community Hospital | 0005470 | 7325 |
| Valley West Community Hospital | 0004690 | 382957 |
| Northern Illinois Medical Center (McHenry) | 0003889 | 7375 |
| Northern Illinois Medical Center (Huntley) | 0003890 | 7375 |
| Memorial Medical Center (Woodstock) | 0004606 | 7447 |
| Palos Community Hospital | 0003210 | 7306 |
| Grayslake Freestanding Emergency Center | 22002 | 3918 |
| Grayslake ASTC | 7003156 | n/a |
| Grayslake Endoscopy ASTC | 7003149 | n/a |
| Cadence Ambulatory Surgery Center | 7003173 | n/a |
| The Midland Surgical Center | 7003148 | n/a |
| Palos Health Surgery Center* | 7003224 | n/a |
| River North Same Day Surgery Center | 7002090 | n/a |

*denotes partial ownership > 50%

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

By the signatures on the Certification page of this application, the Applicants attest that no adverse action has been taken against any facility owned and/or operated by Northwestern Memorial HealthCare 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.

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 the signatures on the Certification page of this application, the Applicants authorize HFSRB and DPH to 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/or the records of nationally recognized accreditation organizations.

Criterion 1110.110(b)**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.*

The purpose of this project is to expand oncology and diagnostic imaging services to meet current and projected demand at Northwestern Medicine Cancer Center Warrenville.

2. *Define the planning area or market area.*

The market area for the project is the 10-mile radius of the NM Cancer Center Warrenville which is comprised of the following 33 zip codes: 60134, 60137, 60139, 60148, 60174, 60185, 60187, 60188, 60189, 60190, 60440, 60490, 60502, 60503, 60504, 60505, 60506, 60510, 60515, 60516, 60517, 60519, 60532, 60538, 60539, 60540, 60542, 60555, 60559, 60561, 60563, 60564, 60565. This market area is the source of approximately 98.7% of the center's patients.

3. *Identify the existing problems or issues that need to be addressed.*

Cancer is a leading individual cause of death in DuPage County. Between 2016 and 2018, the annual average age-adjusted cancer mortality rate was 129.1 deaths per 100,000 residents in DuPage County.

Demand for oncology services at the NM Cancer Center Warrenville has grown substantially over the last five years. From CY18 – CY23, infusion hours at the center increased by 44%. Additionally, the healthcare and hospital consulting firm, Sg2, projects continued growth in demand for infusion services in the 10-mile radius of the center over the next ten years. In order to accommodate the current and projected demand for infusion services at the NM Cancer Center Warrenville, additional infusion stations and diagnostic imaging equipment need to be added.

4. *Cite the sources of the documentation.*

Sources of information include:

- Hospital Records
- Sg2 Analysis
- FY21 Central DuPage Hospital Community Health Needs Assessment

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

Increasing capacity at the Northwestern Medicine Cancer Center Warrenville will improve the health of the service area by increasing access to oncology and diagnostic imaging services.

6. *Provide goals for the proposed project.*

The goal of the proposed project is to expand the number of infusion stations, diagnostic imaging equipment and oncology physicians' office space in the NM Cancer Center Warrenville to meet current and projected demand for services.

Criterion 1110.110(d)**ALTERNATIVES**

The proposed project will increase access to oncology care at the NM Cancer Center Warrentville. In the proposed project, additional infusion and diagnostic imaging space will be provided in a 2-story addition to the existing Cancer Center. A free-standing parking garage is also part of the project.

The following alternatives were considered for the project:

1. Relocate patients to NM Cancer Center Delnor
2. Build 1-story addition over parking

Alternative 1: Relocate Patients to Infusion Center at the Delnor Location

NM also offers infusion services NM Cancer Center Delnor, located approximately 15 miles from Warrentville. This location is currently undergoing an expansion project, approved by HFSRB in 2021, to increase the number of infusion stations by 9. However, that expansion will only accommodate NM Cancer Center Delnor volume; additional Warrentville volume was not part of the demand projections for the Delnor location and there is insufficient capacity to accommodate additional demand.

This alternative was rejected because this location does not have the capacity to accommodate the additional Warrentville oncology volume.

Alternative 2: Build a 2-Story Addition for Infusion and Parking Only

The original project scope included only additional infusion space (on floor 2) and parking (on floor 1) of a 2-story addition. While this alternative accommodated the projected demand for infusion services, it did not address the growing need for additional diagnostic imaging space. Similarly, the number of parking spaces provided with just one floor of parking did not meet the demand for parking at this location.

This alternative was rejected because it did not accommodate diagnostic imaging expansion and did not provide adequate parking for the site.

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

Criterion 1110.120

SIZE OF PROJECT

The proposed project is a 2-story medical office building addition constructed with face brick and concrete block with steel joists. The Perimeter will be 625 feet and the story heights will be 15'0". The project also includes a 3-story parking garage.

For areas in which there are no HFSRB size standards, NM's planning team members, architects, and consultants utilized existing functional standards and incorporated experience from other developments in the healthcare system during the past 2+ decades of growth.

Clinical Components

Infusion Center

In the proposed project, the Infusion Center will be relocated to the proposed addition, with a small amount of existing space that will be renovated. The remainder of the current infusion space will be converted to physician office space.

Currently, there are 26 infusion rooms (mix of semi-private and private). There will be 38 private infusion rooms in the proposed project.

Infusion services include intravenous and catheter-based infusion for chemotherapy, targeted therapies, immunotherapy, blood transfusions, and fluids.

Comparison of Space to Standard

The total proposed square footage for the Infusion Center is 13,570 GSF (13,200 new / 370 renovated). There is no State Guideline for Square Footage for infusion services.

Diagnostic Imaging

The proposed project includes an additional Diagnostic Imaging area. This space will include one MRI, one PET/CT, and two imaging consult/exam rooms.

The new imaging space will also include the following components:

- PET/CT control room
- MRI control and equipment room
- IV prep room
- Patient holding area
- Waiting areas
- Patient changing rooms

- Staff and patient toilets
- Clean Supply Room
- Soiled Holding Room

Comparison of Space to Standard

The proposed square footage for the new Diagnostic Imaging area is 5,200 DGSF.

Components and Space Standards used are as follows:

| | |
|--|-------------------|
| New Diagnostic Imaging, as designed | 5,200 DGSF |
| 1 MRI | |
| 1 PET/CT | |
| 2 consult/exam rooms | |
| State Standard for Diagnostic Imaging | 5,200 DGSF |
| MRI: 1,800 dgsf/Unit x 1 = 1,800 | |
| PET/CT: 1,800 dgsf/Unit x 1 = 1,800 | |
| Ambulatory Care: 800 dgsf/room x 2 = 1,600 | |
| Amount of difference | |

The proposed diagnostic imaging space meets the State Guidelines for Square Footage.

Pharmacy

The proposed project increases the pharmacy space in the cancer center. It will be relocated from the existing building to the proposed addition.

The on-site pharmacy eliminates the need for drugs to be couriered to the building which also eliminates unnecessary treatment delays, spoilage, and limited ability to offer clinical trials. The pharmacy also allows a pharmacist to easily counsel patients and families and establish a more personal relationship during infusion treatments.

The additional space is needed to accommodate additional hoods in the chemo hood rooms, additional Pyxis machines in the medication room, additional storage, and an additional work station in the work space. A receiving room will also be added.

Comparison of Space to Standard

The proposed square footage for the Pharmacy is 1,682 GSF. There is no State Guideline for Square Footage for pharmacy.

Laboratory

The proposed project also includes the renovation and expansion of the existing laboratory.

Laboratory testing is necessary and integral to the diagnosis and treatment of cancer patients. Laboratory testing is routinely performed prior to patients receiving chemotherapy to ensure the patient is healthy enough to withstand treatment.

Comparison of Space to Standard

The proposed square footage for the Laboratory is 1,859 GSF. There is no State Guideline for Square Footage for laboratory.

| SIZE OF PROJECT | | | | |
|--------------------|--------------|----------------|------------|---------------|
| DEPARTMENT | PROPOSED GSF | STATE STANDARD | DIFFERENCE | MET STANDARD? |
| Infusion Center | 13,570 | N/A | N/A | N/A |
| Diagnostic Imaging | 5,200 | 5,200 | 0 | Yes |
| Pharmacy | 1,682 | N/A | N/A | N/A |
| Laboratory | 1,859 | N/A | N/A | N/A |

Non-Clinical Components

There are no State Guidelines for the non-clinical components of this project.

Physician Office Space (Medical Oncology)

The proposed project includes physician office space for the Northwestern Medicine Regional Medical Group's (RMG) medical oncology specialists. RMG provides NM healthcare services in the Chicago west and northwest suburbs. Additional space is needed to accommodate the growth in demand for oncology services at the NM Cancer Center Warrenville as detailed in ATTACHMENT-15. The oncology clinic area will provide space for approximately 12 full-time medical oncologists and 15 part-time oncology specialists.

There is 11,105 GSF of renovated Physician Office Space in the proposed project.

Administrative/Storage

Administrative offices, registration, supply storage and staff workspaces are included in the proposed project.

There is 3,245 GSF of new Administrative/Storage space in the proposed project.

Waiting/Public

Additional lobbies, waiting areas and lounge areas are included in the project.

There is 6,965 GSF of new and 624 GSF of renovated waiting/public space in the proposed project.

Staff Support

Staff support areas includes lounges, locker rooms, and toilet rooms dedicated to staff use.

There is 4,429 GSF of staff support space in the proposed project.

MEP Systems/Building Support

The proposed project includes dedicated rooms for mechanical, electrical, technology, and medical gas systems. It also includes a receiving room for deliveries, holding room for soiled linen, and building storage.

The second floor roof includes an open courtyard with landscaping that is surrounded by the infusion rooms. Equipment on the third level rooftop includes air handling units, medical equipment cooling systems, and exhaust fans. The project also includes the relocation of the existing transformer and emergency generator.

There is 8,599 GSF of new and 2,714 of renovated MEP systems/Building Support space in the proposed project.

Parking Garage

The project also includes a 3-story parking garage with 244 parking spaces.

The parking garage in the proposed project is 106,500 GSF.

PROJECT SERVICES UTILIZATION

Infusion

The NM Cancer Center Warrenville is a comprehensive program for medical, surgical, radiation oncology, and supportive services. As part of Northwestern Medicine, the NM Cancer Center Warrenville is affiliated with the Robert H. Lurie Comprehensive Cancer Center of Northwestern University, which is ranked as the #8 top cancer program in the country by U.S. News & World Report, advancing clinical research and innovative cancer treatments.

The center has a state-of-the-art infusion center featuring private chemotherapy rooms, an on-site infusion pharmacy and lab. PET, CT, MRI, ultrasound and x-ray imaging are also on-site. Radiation therapy includes gamma knife radiotherapy and proton beam therapy. Supportive oncology services such as support groups, counseling and wellness are also located on the Warrenville campus. Physicians specialize in specific types of cancers and nurses are certified in chemotherapy/biotherapy. Pharmacists are doctoral prepared and specialize in oncology pharmacy.

From CY18 to CY23, infusion hours at Warrenville increased by 44%, from 35,140 hours to 50,593 hours. Additionally, the healthcare and hospital consulting firm, Sg2, projects continued growth in infusion services in the NM Cancer Center Warrenville's service area. In order to accommodate the growing demand for infusion services at the NM Cancer Center Warrenville, the proposed project will increase the number of infusion stations by 12 stations from 26 to 38.

While the HFSRB does not have a utilization standard for infusion services and similarly, there is no industry standard for the utilization of infusion resources, facility planning firms have used a 65% utilization rate for the planning of infusion centers associated with academic medical centers (AMCs). AMC infusion centers typically have higher patient acuity, higher than average same-day cancellations, and complex multidisciplinary care. The NM Strategy team worked with The Advisory Board to determine the median utilization rate for AMC/NCI-designated cancer centers and found the rate to be 60%.

Infusion hours grew by an average annual increase of 8.8% from FY18 to FY23.

| | Historic Utilization | | | | | |
|---------------------------|----------------------|--------|--------|--------|--------|--------|
| | CY18 | CY19 | CY20 | CY21 | CY22 | CY23 |
| Infusion Visits | 16,318 | 17,658 | 18,499 | 19,611 | 20,851 | 22,565 |
| Infusion Hours | 35,140 | 36,283 | 37,670 | 40,881 | 44,504 | 50,593 |
| # of Stations | 26 | 26 | 26 | 26 | 26 | 26 |
| Annual Hours of Operation | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 |
| Infusion Utilization | 55% | 56% | 59% | 64% | 69% | 79% |

Assuming an average annual increase rate of 3.5%, which is much less than was actually experienced, the infusion stations will be operating at utilization rate of 65% by FY29 (two years after project completion), which is higher than the NM Strategy team/The Advisory Board median utilization rate of 60%.

| | Projected Utilization | | | | | |
|---------------------------|-----------------------|--------|--------|--------|--------|--------|
| | CY24 | CY25 | CY26 | CY27 | CY28 | CY29 |
| Infusion Visits | 23,740 | 24,506 | 25,298 | 26,115 | 26,959 | 27,829 |
| Infusion Hours | 52,227 | 53,914 | 55,656 | 57,453 | 59,309 | 61,225 |
| # of Stations | 26 | 26 | 26 | 38 | 38 | 38 |
| Annual Hours of Operation | 64,220 | 64,220 | 64,220 | 93,860 | 93,860 | 93,860 |
| Infusion Utilization | 81% | 84% | 87% | 61% | 63% | 65% |

There is no State standard for utilization for infusion.

Diagnostic Imaging

MRI

The NM Cancer Center Warrenville currently has one MRI machine. From CY18 to CY23, MRI procedures at Warrenville increased by 34%, from 2,223 procedures to 2,970 procedures.

| | Historic Utilization | | | | | |
|---------------------|----------------------|-------|-------|-------|-------|-------|
| | CY18 | CY19 | CY20 | CY21 | CY22 | CY23 |
| MRI Procedures | 2,223 | 2,576 | 2,418 | 3,193 | 2,964 | 2,970 |
| # of MRIs | 1 | 1 | 1 | 1 | 1 | 1 |
| State Standard | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| # of MRIs Justified | 1 | 2 | 1 | 2 | 2 | 2 |

NM anticipates continued demand for MRI procedures through CY29. Additionally, Sg2 projects continued growth in MRI demand in the Warrenville service area. Assuming an average annual growth rate of 6.7% which is the same as was actually experienced from CY18 – CY23, the NM Cancer Center Warrenville can justify two MRI machines.

| | Projected Utilization | | | | | |
|---------------------|-----------------------|-------|-------|-------|-------|-------|
| | CY24 | CY25 | CY26 | CY27 | CY28 | CY29 |
| MRI Procedures | 3,141 | 3,323 | 3,514 | 3,717 | 3,932 | 4,158 |
| # of MRIs | 1 | 1 | 1 | 1 | 2 | 2 |
| State Standard | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| # of MRIs Justified | 2 | 2 | 2 | 2 | 2 | 2 |

In order to accommodate the current and anticipated demand for MRI procedures at the NM Cancer Center Warrenville, the proposed project includes one additional MRI machine.

PET/CT

The NM Cancer Center Warrenville currently has one PET/CT machine. From CY18 to CY23, PET/CT procedures at Warrenville increased by 92%, from 2,319 procedures to 4,447 procedures.

| | Historic Utilization | | | | | |
|---------------------|----------------------|-------|-------|-------|-------|-------|
| | CY18 | CY19 | CY20 | CY21 | CY22 | CY23 |
| PET/CT Procedures | 2,319 | 2,438 | 2,878 | 3,264 | 3,268 | 4,447 |
| # of PET/CTs | 1 | 1 | 1 | 1 | 1 | 1 |
| State Standard | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 |
| # of PETs Justified | 1 | 1 | 1 | 1 | 1 | 2 |

Consistent with Sg2 projections, NM anticipates continued demand for PET/CT procedures through CY29. Assuming an average annual growth rate of 9.2% which is half of the average annual increase that was experienced from CY18 – CY23, the NM Cancer Center Warrenville can justify two PET/CT machines.

| | Projected Utilization | | | | | |
|---------------------|-----------------------|-------|-------|-------|-------|-------|
| | CY24 | CY25 | CY26 | CY27 | CY28 | CY29 |
| PET/CT Procedures | 4,785 | 5,149 | 5,540 | 5,961 | 6,414 | 6,901 |
| # of PET/CTs | 1 | 1 | 1 | 1 | 2 | 2 |
| State Standard | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 |
| # of PETs Justified | 2 | 2 | 2 | 2 | 2 | 2 |

In order to accommodate the current and anticipated demand for PET/CT procedures at the NM Cancer Center Warrenville, the proposed project includes one additional PET/CT machine.

The proposed diagnostic imaging space includes 2 consult/exams rooms. Given the combined projected diagnostic imaging volume for the MRI and PET/CT machines of over 11,000 procedures in CY29, it is anticipated that the two rooms will exceed the ambulatory care utilization standard of 2,000 visits per room per year.

Pharmacy

The proposed project expands the pharmacy at the NM Cancer Center Warrenville to accommodate the growth in infusion services. There is no State standard for utilization for pharmacy services.

Laboratory

The proposed project includes renovation and expansion of the laboratory at the NM Cancer Center Warrenville. There is no State standard for utilization for laboratory services.

Comparison of Utilization to Standard

| UTILIZATION | | | | |
|--------------------------------------|-----------------------------------|----------------------------------|---------------------------|---------------------------|
| DEPARTMENT | HISTORICAL UTILIZATION | PROJECTED UTILIZATION | STATE STANDARD | MEET STANDARD? |
| | CY22 CY23 | CY28 CY29 | | |
| Infusion Services | 69% 79% | 63% 65% | N/A | N/A |
| Diagnostic Imaging MRI procedures | 2,964 2,970 | 3,932 4,158 | >2,500 | Yes |
| PET/CT procedures | 3,268 4,447 | 6,414 6,901 | >3,600 | Yes |
| Consult/Exams | N/A | 10,346 11,059 | >2,000 | Yes |

UNFINISHED OR SHELL SPACE

Not Applicable – there is no unfinished or shell space planned in the project.

M. Criterion 1110.270 – Clinical Service Areas Other than Categories of Service

| Service | # of Existing Key Rooms | # of Proposed Key Rooms |
|---------------------------|-------------------------|-------------------------|
| Infusion | 26 | 38 |
| Diagnostic Imaging | | |
| MRI | 1 | 2 |
| PET/CT | 1 | 2 |
| Consult/Exam Rooms | 0 | 2 |
| Pharmacy | 1 | 1 |
| Laboratory | 1 | 1 |

Infusion

The NM Cancer Center Warrenville is a comprehensive program for medical, surgical, radiation oncology, and supportive services. As part of Northwestern Medicine, the NM Cancer Center Warrenville is affiliated with the Robert H. Lurie Comprehensive Cancer Center of Northwestern University, which is ranked as the #8 top cancer program in the country by U.S. News & World Report, advancing clinical research and innovative cancer treatments.

The center has a state-of-the-art infusion center featuring private chemotherapy rooms, an on-site infusion pharmacy and lab. PET, CT, MRI, ultrasound and x-ray imaging are also on-site. Radiation therapy includes gamma knife radiotherapy and proton beam therapy. Supportive oncology services such as support groups, counseling and wellness are also located on the Warrenville campus. Physicians specialize in specific types of cancers and nurses are certified in chemotherapy/biotherapy. Pharmacists are doctoral prepared and specialize in oncology pharmacy.

From CY18 to CY23, infusion hours at Warrenville increased by 44%, from 35,140 hours to 50,593 hours. Additionally, the healthcare and hospital consulting firm, Sg2, projects continued growth in demand for infusion services in the NM Cancer Center Warrenville's service area. In order to accommodate the growing demand for infusion services at the NM Cancer Center Warrenville, the proposed project will increase the number of infusion stations by 12 stations from 26 to 38.

While the HFSRB does not have a utilization standard for infusion services and similarly, there is no industry standard for the utilization of infusion resources, facility planning firms have used a 65% utilization rate for the planning of infusion centers

associated with academic medical centers (AMCs). AMC infusion centers typically have higher patient acuity, higher than average same-day cancellations, and complex multidisciplinary care. The NM Strategy team worked with The Advisory Board to determine the median utilization rate for AMC/NCI-designated cancer centers and found the rate to be 60%.

Infusion hours grew by an average annual increase of 8.8% from FY18 to FY23.

| | Historic Utilization | | | | | |
|---------------------------|----------------------|--------|--------|--------|--------|--------|
| | CY18 | CY19 | CY20 | CY21 | CY22 | CY23 |
| Infusion Visits | 16,318 | 17,658 | 18,499 | 19,611 | 20,851 | 22,565 |
| Infusion Hours | 35,140 | 36,283 | 37,670 | 40,881 | 44,504 | 50,593 |
| # of Stations | 26 | 26 | 26 | 26 | 26 | 26 |
| Annual Hours of Operation | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 | 64,220 |
| Infusion Utilization | 55% | 56% | 59% | 64% | 69% | 79% |

Assuming an average annual increase rate of 3.5%, which is much less than was actually experienced, the infusion stations will be operating at utilization rate of 65% by FY29 (two years after project completion), which is higher than the NM Strategy team/The Advisory Board median utilization rate of 60%.

| | Projected Utilization | | | | | |
|---------------------------|-----------------------|--------|--------|--------|--------|--------|
| | CY24 | CY25 | CY26 | CY27 | CY28 | CY29 |
| Infusion Visits | 23,740 | 24,506 | 25,298 | 26,115 | 26,959 | 27,829 |
| Infusion Hours | 52,227 | 53,914 | 55,656 | 57,453 | 59,309 | 61,225 |
| # of Stations | 26 | 26 | 26 | 38 | 38 | 38 |
| Annual Hours of Operation | 64,220 | 64,220 | 64,220 | 93,860 | 93,860 | 93,860 |
| Infusion Utilization | 81% | 84% | 87% | 61% | 63% | 65% |

There is no State standard for utilization for infusion.

Diagnostic Imaging

MRI

The NM Cancer Center Warrenton currently has one MRI machine. From CY18 to CY23, MRI procedures at Warrenton increased by 34%, from 2,223 procedures to 2,970 procedures.

| | Historic Utilization | | | | | |
|---------------------|----------------------|-------|-------|-------|-------|-------|
| | CY18 | CY19 | CY20 | CY21 | CY22 | CY23 |
| MRI Procedures | 2,223 | 2,576 | 2,418 | 3,193 | 2,964 | 2,970 |
| # of MRIs | 1 | 1 | 1 | 1 | 1 | 1 |
| State Standard | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| # of MRIs Justified | 1 | 2 | 1 | 2 | 2 | 2 |

NM anticipates continued demand for MRI procedures through CY29. Additionally, Sg2 projects continued growth in MRI demand in the Warrentville service area. Assuming an average annual growth rate of 6.7% which is the same as was actually experienced from CY18 – CY23, the NM Cancer Center Warrentville can justify two MRI machines.

| | Projected Utilization | | | | | |
|---------------------|-----------------------|-------|-------|-------|-------|-------|
| | CY24 | CY25 | CY26 | CY27 | CY28 | CY29 |
| MRI Procedures | 3,141 | 3,323 | 3,514 | 3,717 | 3,932 | 4,158 |
| # of MRIs | 1 | 1 | 1 | 1 | 2 | 2 |
| State Standard | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| # of MRIs Justified | 2 | 2 | 2 | 2 | 2 | 2 |

In order to accommodate the current and anticipated demand for MRI procedures at the NM Cancer Center Warrentville, the proposed project includes one additional MRI machine.

PET/CT

The NM Cancer Center Warrentville currently has one PET/CT machine. From CY18 to CY23, PET/CT procedures at Warrentville increased by 92%, from 2,319 procedures to 4,447 procedures.

| | Historic Utilization | | | | | |
|---------------------|----------------------|-------|-------|-------|-------|-------|
| | CY18 | CY19 | CY20 | CY21 | CY22 | CY23 |
| PET/CT Procedures | 2,319 | 2,438 | 2,878 | 3,264 | 3,268 | 4,447 |
| # of PET/CTs | 1 | 1 | 1 | 1 | 1 | 1 |
| State Standard | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 |
| # of PETs Justified | 1 | 1 | 1 | 1 | 1 | 2 |

Consistent with Sg2 projections, NM anticipates continued demand for PET/CT procedures through CY29. Assuming an average annual growth rate of 9.2% which is half of the average annual increase that was experienced from CY18 – CY23, the NM Cancer Center Warrentville can justify two PET/CT machines.

| | Projected Utilization | | | | | |
|---------------------|-----------------------|-------|-------|-------|-------|-------|
| | CY24 | CY25 | CY26 | CY27 | CY28 | CY29 |
| PET/CT Procedures | 4,785 | 5,149 | 5,540 | 5,961 | 6,414 | 6,901 |
| # of PET/CTs | 1 | 1 | 1 | 1 | 2 | 2 |
| State Standard | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 |
| # of PETs Justified | 2 | 2 | 2 | 2 | 2 | 2 |

In order to accommodate the current and anticipated demand for PET/CT procedures at the NM Cancer Center Warrentville, the proposed project includes one additional PET/CT machine.

The proposed diagnostic imaging space includes 2 consult/exams rooms. Given the combined projected diagnostic imaging volume for the MRI and PET/CT machines of over 11,000 procedures in CY29, it is anticipated that the two rooms will exceed the ambulatory care utilization standard of 2,000 visits per room per year.

Pharmacy

The proposed project expands the pharmacy at the NM Cancer Center Warrentville to accommodate the growth in infusion services. There is no State standard for utilization for pharmacy services.

Laboratory

The proposed project includes renovation and expansion of the laboratory at the NM Cancer Center Warrentville. There is no State standard for utilization for laboratory services.

SECTION VII. 1120.120 – AVAILABILITY OF FUNDS

Not Applicable – see bond rating documents

SECTION VIII. 1120.130 – FINANCIAL VIABILITY

Not Applicable – see bond rating documents

RatingsDirect®

Illinois Finance Authority Northwestern Memorial HealthCare; CP; System

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Northwestern Memorial HealthCare, Illinois

Illinois Fin Auth (Northwestern Mem HlthCare) SYS

Long Term Rating

AA+/Stable

Current

Credit Highlights

- S&P Global Ratings' long-term rating on Northwestern Memorial HealthCare's (NMHC) debt outstanding is 'AA+' and its short-term rating on NMHC's commercial paper (CP) notes is 'A-1+'.
- S&P Global Ratings' dual ratings on NMHC's bonds are 'AA+/A-1+' and 'AA+/A-1'. The long-term component of the ratings reflects the credit quality of NMHC, the obligor. The short-term component of the ratings reflects the standby bond purchase agreements provided by the various banks.
- The outlook, where applicable, is stable.
- We base the 'A-1+' short-term rating on the CP on NMHC's ability to fund from its own liquidity any CP not successfully remarketed. The taxable CP program has a \$200 million limit, and as of February 2023, NMHC has issued \$77.6 million. NMHC has internally set maturity restrictions of a maximum of \$60 million during a period of five business days.

Security

The revenue bonds and CP are an unsecured general obligation of the NMHC obligated group.

Credit overview

The ratings reflect our view of NMHC's healthy market position as an important provider in the very competitive Chicagoland market, and we believe management will continue to focus on integration as well as aligning services in ambulatory facilities as a growth strategy. NMHC has a prominent position in a competitive market, with a management team that is focused on strategic growth and pioneering efforts that include telehealth and artificial intelligence. The organization also has numerous benefits realized through Northwestern University-related entities, including the Feinberg School of Medicine.

In addition, NMHC has sustained solid operational performance and exceptional balance-sheet metrics during a period of industry challenges, notably, elevated labor costs and inflation. Management has maintained financial discipline while also continuing to execute on the system's growth strategy. The team has a track record of integrating new entities into the system and improving operations within a short time. As a system, NMHC has successfully integrated new members into the organization, and it has reaped the benefits of operating more as a system than a federation of hospitals. NMHC's most recent acquisition was Palos Community Hospital in January 2021, a 425-bed hospital in Palos Heights, which is a strategic growth area for NMHC.

The 'AA+' rating reflects our view of NMHC's:

- Very healthy liquidity position that we expect will be stable, given manageable capital needs;
- Solid financial performance despite industry pressures, aided by management's continued focus on cost containment and execution as well as a favorable payer mix;
- Low debt levels and light debt burden, that along with solid cash flow, support good debt service coverage;
- Outstanding governance and management, including the numerous benefits realized through affiliations with Northwestern University-related entities, such as the Feinberg School of Medicine; and
- Very strong brand name recognition and expanding business position through its acquisition strategy.

Partially offsetting the above strengths, in our view, are NMHC's:

Increasingly competitive service area, as provider consolidation continues in the greater Chicago area;

Less regional and business diversification, along with location in a service area that has only adequate demographic trends including declining population growth and an increasing governmental payer mix; and

Industry pressures including elevated staffing and supply costs along with revenue and reimbursement pressures tied to an aging population and Medicare sequestration.

The analysis and financial figures in this report pertain to the consolidated financials.

Environmental, social, and governance

We view environmental, social, and governance risks as neutral in our credit rating analysis. However, similar to industry peers, NMHC has had to contend with elevated labor costs and inflation that will continue to weigh on operations in the outlook period. We view positively management's focus on innovation, as well as strategic growth, amid an evolving health care market. In addition, the overall financial profile remains extremely strong, and although we expect cost pressures will persist, we note management has a track record of execution.

Outlook

The stable outlook reflects our expectation that the system will maintain its healthy financial profile, as well as its prominent position in the Chicago market. We expect management will continue to execute on the strategy of ambulatory growth and maintaining stable market share, despite a highly competitive market with other academic medical centers and large health systems. Our stable outlook also reflects our view of the system's lack of any significant debt plans.

Downside scenario

Although we do not expect this to occur, if operations attenuate further for a sustained period or unrestricted reserves decline notably, we could revise the outlook to negative or lower the rating. We could also lower the rating if there is a material increase in leverage, a dilutive acquisition, or a sustained decline in NMHC's market position.

Upside scenario

We are unlikely to raise the rating within the outlook period, given S&P Global Ratings' general view of risk in the health care sector and the highly competitive environment, in addition to industry challenges and a continued weakening in the overall payer mix over time.

Credit Opinion**Enterprise Profile: Very Strong****Enterprise**

NMHC operates more than 200 diagnostic and ambulatory sites and 11 hospitals across Chicagoland, including its flagship, Northwestern Memorial Hospital (NMH). NMH is a major academic medical center and is the primary teaching hospital for Northwestern University's Feinberg School of Medicine, providing a range of services.

The system operates in favorable service areas and has created multiple hubs in the region for service delivery and coordination of clinical care.

As of Feb. 28, 2023, NMHC has a total of 2,639 licensed beds (2,578 staffed). NMHC also includes Northwestern Medicine Insurance Company LLC.

Northwestern University is a separate corporation and is not obligated to repay debt service associated with the bonds, but we believe the university's Feinberg School of Medicine is integrally linked with NMHC through a shared strategic plan.

Organic growth as well as growth through strategic acquisitions

NMHC has taken a disciplined approach to growth, having more than doubled in size over the past several years through both organic growth and strategic acquisitions. NMHC has also continued to integrate its physician practice, and this has been instrumental in the implementation of the system's strategic plan. The team's growth strategy is focused on the region and continuing to grow in contiguous markets and servicing its patients.

Before acquiring Palos, NMHC's most recent acquisition was Centegra, which provided the system with a new market segment with an attractive payer mix. Other entities that were acquired include the Lake Forest Hospital, Central DuPage Hospital, Delnor Hospital, Kishwaukee Hospital, Valley West Hospital, and Marianjoy Rehabilitation Hospital and Clinic Inc. All of these entities have added to the overall footprint and, in our opinion, the acquisitions have made strategic sense. We expect management will continue evaluating growth opportunities, and we note that the current growth strategy remains focused on the region, including building out the ambulatory-care footprint.

Utilization remains solid and has recovered since the pandemic

NMHC management reports that overall volumes are healthy and have recovered since the onset of the pandemic. Management has also noted that there is service line growth across the system, including in adult services, particularly those that are aligned with strategic growth. Also, because the NMHC-aligned physicians' patients tend to remain within the system, and NMHC can take advantage of the favorable geographic relationship of the hospitals and health

care sites in the system, it has been able to maintain its business position.

NMHC has a 16.7% market share in its primary service area (a 17-county area), which has increased slightly over the past few years. The market will remain competitive as consolidation occurs.

Management remains proactive and has a track record of execution

NMHC has a strong leadership team that produces strong operations and balance-sheet measures while investing in its facilities. To date, NMHC has had no major missteps in aligning with the facilities that it has acquired over the years, including Lake Forest Hospital, Central DuPage Hospital, Delnor Hospital, Kishwaukee Hospital, Valley West Hospital, Marianjoy, Centegra, and Palos Hospital. NMHC uses an integration team that assesses an acquired entity. The team then prepares a plan to help NMHC and the new entity integrate with little to no disruption.

NMHC remains focused on system integration, as it has grown rapidly over the years.

We note that the board is very engaged and continues to collaborate with the senior management team. There were some changes to the board composition with the affiliation of Centegra and Palos.

Table 1

Northwestern Memorial HealthCare, Illinois--enterprise statistics

| | --Six months ended Feb. 28-- | | --Fiscal year ended Aug. 31-- | |
|----------------------------------|------------------------------|-----------|-------------------------------|-----------|
| | 2023 | 2022 | 2021 | 2020 |
| PSA population | N.A. | 9,595,444 | 9,628,018 | 9,524,699 |
| PSA market share (%) | N.A. | 16.7 | 16.4 | 13.4 |
| Inpatient admissions | 63,679 | 125,297 | 113,887 | 97,460 |
| Equivalent inpatient admissions | 170,712 | 316,411 | 283,806 | 246,576 |
| Emergency visits | 218,248 | 420,268 | 364,050 | 328,385 |
| Inpatient surgeries | 16,267 | 32,499 | 30,887 | 27,618 |
| Outpatient surgeries | 38,103 | 72,176 | 66,871 | 52,866 |
| Medicare case mix index | 1.9680 | 1.9480 | 1.6900 | 1.9135 |
| FTE employees | 31,480 | 30,219 | 29,549 | 26,431 |
| Active physicians | 5,441 | 5,499 | 5,498 | 4,866 |
| Top 10 physicians admissions (%) | N/A | N/A | N/A | N/A |
| Based on net/gross revenues | Net | Net | Net | Net |
| Medicare (%) | 30.7 | 30.1 | 28.9 | 28.1 |
| Medicaid (%) | 10.1 | 10.0 | 9.6 | 5.2 |
| Commercial/Blues (%) | 58.6 | 59.0 | 61.5 | 66.0 |

N/A--Not applicable. N.A.--Not available. Inpatient admissions exclude normal newborn, psychiatric, rehabilitation, and long-term care facility admissions.

Financial Profile: Extremely Strong

Operations remain solid although they have dipped from historical levels due to industry headwinds

In fiscal 2022, NMHC's financial performance was healthy, in our view, despite challenges from the pandemic and higher labor and supply costs. The system was able to post a healthy margin of 2.85% for fiscal 2022 and 3.4% for the

six months ended Feb. 28, 2023. The system also benefited from continued healthy volumes, in addition to cost containment, given the industry headwinds. Management has continued to focus on its efficiency plans in order to offset some slight payer mix degradation, which is exhibited by some increased reliance on supplemental payments from the state compared with several years ago. As the state transitions more Medicaid recipients to managed Medicaid, NMHC is exploring how to best manage this population as related to the payers in the market.

Although most of the support to Northwestern University is included in operating expenses on the audited statements, we also move additional grants and academic support provided in nonoperating income into operating expenses; these amounts were \$69.3 million and \$50.8 million in fiscal 2022 and 2021, respectively, and \$35 million for the interim period ended Feb. 28, 2023.

We believe that NMHC should be able to achieve its fiscal 2023 budget, based on historical performance and management's ability to adjust and respond to changes in the market and the system's operations. We expect the team will continue to make notable progress on integrating both Palos and Centegra operations into the overall system. We believe overall margins will be lower compared with historical margins, given industry headwinds and the continued gradual shift into a higher percentage of Medicare.

With strong operations and investment income, NMHC continues to post what we consider strong maximum annual debt service (MADS) coverage; for fiscal 2022, it reported MADS coverage of 10.8x and lease-adjusted MADS coverage of 7.9x.

Balance sheet remains a key credit strength with robust unrestricted reserves

As of fiscal 2022, NMHC's liquidity was solid, with 433 days' cash on hand, which is down from historical levels but is expected to rebound. In our view, the capital plans are manageable, and we understand they will be funded with operating cash flow. As of Feb. 28, 2023, NMHC's capital expenditures were \$265 million.

Overall unrestricted reserves-to-long-term debt remains very healthy, at 445% in fiscal 2022. The overall asset allocation has a high percentage of alternative investments, at 53%, but liquidity is still good, with the remainder in cash and equivalents (11%), fixed income (13%), equities (21%), and other (1%).

Debt levels remain low, but contingent liabilities are moderate

NMHC has low leverage and debt to capitalization was 15.3% for the interim period ended Feb. 28, 2023. There is about 37.2% contingent debt, due to variable-rate demand debt and private placements; however, unrestricted reserves more than cover any potential acceleration risk. The 2017 bonds were refunded with a direct placement with JPMorgan Bank in December 2022, and we have classified this as contingent given that the covenants differ from those in the master trust indenture. We have included \$77.7 million of drawn CP as long-term debt, given that this continues to be rolled and refinanced existing term debt. We view this as longer term in nature and also have included this in contingent liabilities.

NMHC's debt includes taxable CP authorized up to \$200 million. The internally set restrictions are not legally binding. In the event of a failed rollover, the assets identified in the portfolio would provide sufficient liquidity. The eligible assets include cash, fixed-income instruments, and domestic equities. NMHC has provided us with the operational procedures that, upon a failed remarketing, it would follow to liquidate assets to provide for timely payment of a CP

maturity. NMHC provides monthly self-liquidity.

NMHC historically had a fully funded pension plan and has a moderate amount of operating leases.

Table 2

| | --Six months ended Feb. 28-- | | --Fiscal year ended Aug. 31-- | | --Medians for 'AA+' rated health care systems-- |
|--|---------------------------------|-----------|-------------------------------|-----------|--|
| | 2023 | 2022 | 2021 | 2020 | 2021 |
| Financial performance | | | | | |
| Net patient revenue (\$000s) | 3,931,061 | 7,399,123 | 6,810,600 | 5,570,737 | 4,806,946 |
| Total operating revenue (\$000s) | 4,205,372 | 7,951,046 | 7,352,896 | 6,279,495 | 5,090,381 |
| Total operating expenses (\$000s) | 4,062,456 | 7,724,773 | 6,932,490 | 6,070,449 | 4,620,686 |
| Operating income (\$000s) | 142,916 | 226,273 | 420,406 | 209,046 | 414,846 |
| Operating margin (%) | 3.40 | 2.85 | 5.72 | 3.33 | 6.40 |
| Net nonoperating income (\$000s) | 111,106 | 489,371 | 397,321 | 142,399 | 507,674 |
| Excess income (\$000s) | 254,022 | 715,644 | 817,727 | 351,445 | 888,378 |
| Excess margin (%) | 5.88 | 8.48 | 10.55 | 5.47 | 13.10 |
| Operating EBIDA margin (%) | 9.25 | 9.00 | 12.02 | 10.09 | 12.60 |
| EBIDA margin (%) | 11.59 | 14.28 | 16.53 | 12.08 | 18.20 |
| Net available for debt service (\$000s) | 500,125 | 1,205,028 | 1,280,922 | 775,782 | 1,251,308 |
| Maximum annual debt service (\$000s) | 111,938 | 111,938 | 111,938 | 111,938 | 122,069 |
| Maximum annual debt service coverage (x) | 8.94 | 10.77 | 11.44 | 6.93 | 11.60 |
| Operating lease-adjusted coverage (x) | 6.61 | 7.91 | 8.65 | 5.16 | 9.00 |
| Liquidity and financial flexibility | | | | | |
| Unrestricted reserves (\$000s) | 8,823,060 | 8,649,814 | 9,312,844 | 7,030,452 | 8,274,533 |
| Unrestricted days' cash on hand | 419.0 | 433.3 | 521.0 | 450.2 | 525.1 |
| Unrestricted reserves/total long-term debt (%) | 445.0 | 434.9 | 461.9 | 401.0 | 466.6 |
| Unrestricted reserves/contingent liabilities (%) | 1,194.9 | 1,496.4 | 1,602.3 | 1,125.0 | 1,579.6 |
| Average age of plant (years) | 8.4 | 8.0 | 7.8 | 7.6 | 8.7 |
| Capital expenditures/depreciation and amortization (%) | 121.1 | 126.6 | 120.5 | 104.3 | 105.0 |
| Debt and liabilities | | | | | |
| Total long-term debt (\$000s) | 1,982,817 | 1,988,780 | 2,016,222 | 1,753,211 | 1,896,127 |
| Long-term debt/capitalization (%) | 15.3 | 15.9 | 15.2 | 16.9 | 16.4 |
| Contingent liabilities (\$000s) | 738,402 | 578,057 | 581,212 | 624,948 | 790,133 |
| Contingent liabilities/total long-term debt (%) | 37.2 | 29.1 | 28.8 | 35.6 | 30.3 |
| Debt burden (%) | 1.30 | 1.33 | 1.44 | 1.74 | 1.50 |
| Defined-benefit plan funded status (%) | N.A. | 137.11 | 130.85 | 107.35 | 93.70 |
| Miscellaneous | | | | | |
| Medicare advance payments (\$000s)* | 0 | 972 | 314,509 | 412,000 | MNR |
| Short-term borrowings (\$000s)* | 0 | 0 | 0 | 0 | MNR |

Table 2

Northwestern Memorial HealthCare, Illinois--financial statistics (cont.)

| | --Six months ended Feb. 28-- | | --Fiscal year ended Aug. 31-- | | --Medians for 'AA+' rated health care systems-- |
|-------------------------------------|---------------------------------|---------|-------------------------------|--------|--|
| | 2023 | 2022 | 2021 | 2020 | 2021 |
| CARES Act and other grants (\$000s) | 0 | 51,133 | 93,034 | 53,000 | MNR |
| Risk based capital ratio (%) | N/A | N/A | N/A | N/A | MNR |
| Total net special funding (\$000s) | 34,703 | 138,043 | 93,675 | 46,923 | MNR |

*Excluded from unrestricted reserves, long-term debt, and contingent liabilities. N/A--Not applicable. N.A.--Not available. MNR--Median not reported.

Credit Snapshot

- **Security pledge:** The revenue bonds and CP are an unsecured general obligation of the NMHC obligated group, which consists of NMHC; NMH; NLFH; Central DuPage Hospital (CDH); Delnor-Community Hospital (Delnor); Cadence Physician Group (CPG) d/b/a Northwestern Medicine Regional Medical Group (NMRMG); Northwestern Memorial Foundation; , Northwestern Medical Faculty Foundation d/b/a Northwestern Medical Group (NMG); Kishwaukee Community Hospital; Valley West Community Hospital; Marianjoy Rehabilitation Hospital & Clinic Inc.; Northern Illinois Medical Center; Memorial Medical Center--Woodstock; and Centegra Hospital--Huntley Holdings; Palos Community Hospital, with Computershare Trust Co. N.A., as successor to Wells Fargo Bank, N.A., as master trustee.
- **Organization description:** NMHC operates hospitals in the northern, southern, and western suburbs of Chicago, as well as NMH, its downtown flagship. NMH is a major academic medical center and is the primary teaching hospital for Northwestern University's Feinberg School of Medicine, providing a range of services.
- **Swaps:** The organization has four swap agreements outstanding with a total notional amount of about \$315 million. It had no collateral posted as of August 2022 and a negative mark-to-market of \$50.6 million as of fiscal 2022.

Related Research

- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

This report does not constitute a rating action.

Ratings Detail (As Of June 23, 2023)

Northwestern Mem HlthCare taxable rev bnds ser 2021 dtd 08/11/2021 due 07/15/2051

Long Term Rating

AA+/Stable

Current

Illinois Finance Authority, Illinois

Northwestern Memorial HealthCare, Illinois

Ratings Detail (As Of June 23, 2023) (cont.)

| | | |
|---|-----------------|---------|
| Illinois Finance Authority (Northwestern Memorial HealthCare) (Direct Issue Taxable Commercial Paper) | | |
| <i>Short Term Rating</i> | A-1+ | Current |
| Illinois Finance Authority (Northwestern Mem HlthCare) var rt demand rev rfdg bnds | | |
| <i>Long Term Rating</i> | AA+/A-1+/Stable | Current |
| Illinois Finance Authority (Northwestern Mem HlthCare) var rt demand rev rfdg bnds | | |
| <i>Long Term Rating</i> | AA+/A-1/Stable | Current |
| Illinois Finance Authority (Northwestern Mem HlthCare) var rt demand rev rfdg bnds | | |
| <i>Long Term Rating</i> | AA+/A-1+/Stable | Current |
| Illinois Finance Authority (Northwestern Mem HlthCare) var rt demand rev rfdg bnds (Northwestern Mem HlthCare) ser 2021E dtd 08/14/2021 due 07/15/2054 | | |
| <i>Long Term Rating</i> | AA+/A-1+/Stable | Current |

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CREDIT OPINION

1 June 2023



Send Your Feedback

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Northwestern Memorial HealthCare, IL

Update to credit analysis

Summary

Northwestern Memorial HealthCare's (NMHC) (Aa2, stable) consolidated operating model and financial discipline will allow it to effectively execute strategies, while maintaining a strong financial position despite industry pressures. The completion of large scale strategies well ahead of most peers, a deep analytic approach to management, and a well-defined culture will continue to provide the foundation for unusually consistent margins and an ability to manage operating and strategic risks. Strategies including major facility replacements, the full integration with its faculty practice plan, and single system-wide IT platforms will support growth with limited integration risk, as demonstrated during a period of rapid expansion before and during the pandemic. NMHC's strong brand and affiliation with Northwestern University's Feinberg School of Medicine will underpin further growth. Manageable capital plans will help maintain a very strong investment position. Direct and indirect leverage will remain moderate, particularly since the system has a fully funded pension plan and modest operating lease obligations. Similar to others in the industry, the most significant operating challenge will be managing workforce needs and absorbing higher permanent labor costs. In addition, there will be competition from large healthcare systems and academic medical centers in a region with projected population declines.

Credit strengths

- » Market position will continue to grow, driven by strong brand, favorable locations, large aligned physician network, and affiliation with Northwestern University's Feinberg School of Medicine
- » Centralized operating model and IT systems as well as strong financial discipline will allow efficient execution of growth strategies and drive a continuation of unusually consistent operating performance
- » Very strong cash measures will be maintained as cash flow will support manageable capital spend
- » Long track record of strong operating cash flow margins will be sustained by strong patient demand and ongoing cost management
- » Operating and balance sheet leverage will likely remain moderate; limited indirect debt with fully funded pension plan and modest operating leases

Credit challenges

- » National shortages in clinical staff and commitment to minimize service disruptions will keep labor costs higher than pre-pandemic levels
- » Competition from several large systems and academic medical centers as well as the presence of a major commercial payer raises risk
- » High allocation to alternative investments will drive comparatively low monthly liquidity

Rating outlook

The stable outlook is based on our expectation that NMHC will maintain strong operating cash flow margins by executing growth strategies and exercising financial discipline as it has in the past. The outlook also reflects our view that NMHC will maintain very favorable cash and debt metrics since capital spending will be funded with cash flow.

Factors that could lead to an upgrade

- » Further geographic diversification of cash flow
- » Significant increase in market share
- » Material and sustained improvement in operating margins, along with reduction in leverage

Factors that could lead to a downgrade

- » Sizable increase in leverage and weakening of debt metrics
- » Material and sustained decline in margins or cash measures
- » Meaningful dilution from acquisition or merger

Key indicators

Exhibit 1

Northwestern Memorial HealthCare, IL

| | 2018 | 2019 | 2020 | 2021 | 2022 | FY20 X MAP&ICA | FY21 X MAP&ICA | FY22 X MAP&ICA |
|---|-----------|-----------|-----------|-----------|-----------|----------------|----------------|----------------|
| Operating Revenue (\$'000) | 5,226,663 | 6,052,028 | 6,288,427 | 7,359,368 | 7,985,456 | 6,288,427 | 7,359,368 | 7,985,456 |
| 3 Year Operating Revenue CAGR (%) | 10.4 | 11.6 | 9.2 | 12.1 | 9.7 | 9.2 | 12.1 | 9.7 |
| Operating Cash Flow Margin (%) | 11.3 | 11.1 | 10.2 | 12.1 | 9.4 | 10.2 | 12.1 | 9.4 |
| PM: Medicare (%) | 37.9 | 39.6 | 39.5 | 40.6 | 41.7 | 39.5 | 40.6 | 41.7 |
| PM: Medicaid (%) | 10.8 | 10.4 | 10.8 | 11.2 | 11.3 | 10.8 | 11.2 | 11.3 |
| Days Cash on Hand | 437 | 402 | 477 | 539 | 434 | 447 | 516 | 432 |
| Unrestricted Cash and Investments to Total Debt (%) | 400.4 | 342.1 | 429.2 | 485.3 | 425.4 | 402.7 | 465.0 | 423.2 |
| Total Debt to Cash Flow (x) | 1.6 | 1.7 | 1.7 | 1.4 | 1.7 | 1.7 | 1.4 | 1.7 |

Based on financial statements for Northwestern Memorial HealthCare & Subsidiaries, fiscal year ended August 31

Adjustments: Grants and academic support provided (representing transfers to the school of medicine) reallocated to operating expenses from nonoperating gains (losses)

Investment returns normalized at 5%

Source: Moody's Investors Service

Profile

NMHC includes eleven hospitals and more than 200 diagnostic and ambulatory sites across Chicago, Illinois, and its surrounding counties. The flagship, Northwestern Memorial Hospital (NMH), is a major academic medical center located in the Streeterville

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neighborhood of Chicago and is the primary teaching hospital for Northwestern University's Feinberg School of Medicine (FSM). The combined medical staffs of these NMHC hospitals comprise more than 5,400 physicians, and over 2,000 of them are employed.

Detailed credit considerations

Market position: prominent and growing position in competitive market

NMHC will remain a prominent academic medical center and regional system in a highly competitive market. The system's revenue base of \$8.4 billion (annualized fiscal 2023) will continue to grow following an over 60% increase in five years. Based on management-provided data, the system's market share in most large service lines grew between 2020 and 2022 amid significant volume declines in the region during the pandemic. The system reports strong share across high acuity services. NMHC's merger with Palos Health in 2021 will expand its footprint in the southern Chicago region from NMHC's investments to grow key service lines in this market, such as hearts, neurology, and oncology. Following significant expansion over the last decade, NMHC will focus on further growing ambulatory capabilities. With the centralization of most business functions, NMHC will continue to benefit from the integration and coordination of clinical protocols across the system to improve patient outcomes and experience. An example of this is cardiovascular care. NMHC's Bluhm Cardiovascular Institute manages heart care across all of the system's acute care hospitals, leads physician recruitment efforts, oversees quality and directs program development.

NMHC will continue to align its strategies with Northwestern University's Feinberg School of Medicine (FSM) to further the Northwestern Medicine brand and build clinical and research capabilities. Advances in clinical capabilities will elevate the system's reputation as an academic medical center, as it did during the pandemic when NMHC performed the first double lung transplant to treat a COVID patient. An ongoing joint strategic planning process and oversight structure continues to help coordinate activities of the health system and medical school.

NMHC's market position will continue to benefit from significant growth in and tight integration with a large number of physicians. These include The Northwestern Medical Group (NMG), a multispecialty group practice that serves as the clinical faculty practice plan of FSM, the Northwestern Medicine Regional Medical Group, a multispecialty group practice, and independent physicians. NMHC has seen continued growth in both the multi-specialty and primary practice plans as well as its aligned physicians.

The Chicago market will continue to be competitive following a period of consolidation and amid overall population declines. Based on management-provided data, market share in 2022 was 16.7% for NMHC, 18.5% for Advocate Health Care (part of Advocate Aurora Health), 13.3% for NorthShore – Edward-Elmhurst, and 11.3% for Ascension. In addition, there are several AMCs located in the Chicago market, including the University of Chicago Medical Center and Rush University Medical Center. Competition for physicians will stem from other hospital systems as well as a large independent medical group owned by private investors. On a positive note, the state's strict Certificate of Need process will continue to limit the presence of for-profit hospital companies.

Operating performance, balance sheet and capital plans: strong margins and cash expected to be maintained

NMHC's centralized model and financial discipline will support a continuation of consistently strong operating cash flow margins, as demonstrated throughout the pandemic and in fiscal years 2022 and 2023 despite higher labor costs. The system's ability to continue to generate 9-10% operating cashflow margins achieved in 2022 and through six months of 2023 will be driven by good volume recovery from strong demand and cost management. Efforts around reducing length of stay will help accommodate high demand and further grow volumes, which are mostly above pre-pandemic levels. Centralized management and longstanding deep analytical capabilities will support numerous cost management strategies. Examples of this are savings from the consolidation of pharmacy and lab services and revenue cycle benefits from a single system-wide instance of an electronic medical record. Following a period of growth and integration of mergers, the system will benefit from a recent reduction of corporate services costs. The system also has a single ERP system. Multi-year contracts with the largest payers and the recent extension of the state's supplemental Medicaid program will provide stability.

Elevated labor costs will continue to constrain margins, but the system has been able to absorb significant workforce investments while reducing turnover. NMHC's commitment to providing continuous services during the pandemic and to meet ongoing demand, while avoiding workforce reductions, will necessitate some use of temporary staff but at a declining rate. Targeted salary increases and other strategies, including extensive training programs, will help retain staff.

Liquidity

NMHC will maintain strong cash metrics, with 419 days cash on hand at February 28, 2023, which exceeded FYE 2019. Consistently strong cashflow and moderated capital spending offset the variability in investment returns over the last couple of years. Liquidity will be comparatively lower than peers, with fiscal 2022 monthly liquidity at 48%, due to high asset allocation to alternative investments. However, liquidity needs are well managed and moderate relative to liquid assets.

Reflecting NMHC's approach to capital investments, capital spending will be very manageable and funded with operating cash flow. NMHC plans to continue to spend capital in excess of depreciation as it continues to invest in its facilities. Consistent and long-term investment in the system, as evidenced in a low average age of plant of 8.0 years, will provide flexibility to adjust capital spending if needed. This was highlighted by the reduction of non-essential capital spending during the pandemic.

Debt structure and legal covenants: leverage and debt structure risks will be manageable

NMHC will continue to enjoy moderately low leverage given expectations of steady operating performance and liquidity. Based on fiscal 2022 and excluding the Medicare advance and FICA deferral, cash-to-debt was very strong at 423%. On the same basis, debt-to-cash flow was favorably low at 1.7 times. Leverage metrics for six months of fiscal 2023 are in line with fiscal 2022. We do not anticipate the system will incur incremental debt or higher leverage over the next couple of years, outside of merger-related debt.

NMHC will have ample headroom to covenants given its strong financial position and the alignment of MTI and bank covenants. There is a debt service coverage covenant of 1.0 times. If coverage is under 1.0 times, no consultant is required if the breach is due to a force majeure event. An event of default would occur if coverage is under 1.0 times for two consecutive years and days cash is under 175 days at the end of the second year and the funded indebtedness ratio exceeds 65%.

Legal security

Bonds and commercial paper are unsecured general obligations of the Obligated Group, which includes virtually all of NMHC's assets and revenues. Upon issuance of the Series 2021 bonds, an Amended and Restated Master Indenture became effective. The MTI allows substitution of notes without bondholder approval if certain conditions are met and has no additional indebtedness tests.

Debt structure

Debt structure risks will be manageable given good bank diversification and strong liquidity. NMHC will have approximately 25% bank-related debt, including bonds supported by bank standby bond purchase agreements and private bank placements. The bank counterparties are diversified and expiration or put dates are staggered.

NMHC's self-liquidity obligations will be manageable because of strong liquidity and debt management. The system has \$126 million in weekly variable rate demand bonds (VRDB); there is no outstanding commercial paper (\$200 million authorized). Although not legally restricted in the Issuing and Paying Agent Agreement, NMHC intends to limit maturities to \$60 million within any five business-day period. Based on liquidity at April 30, 2023, NMHC's coverage of self-liquidity obligations was 12.2 times (7.9 times excluding the largest money market fund).

Debt-related derivatives

NMHC's debt-related derivatives will pose minimal credit risk, given typically minimal collateral posting requirements and strong liquidity. At fiscal year end 2022, NMHC had interest rate swaps with a total notional amount of \$316 million and no collateral was posted.

Pensions and OPEB

NMHC's pension plan is over funded. The system will continue to de-risk the plan, such as increasing the asset allocation to fixed income securities.

ESG considerations

Northwestern Memorial HealthCare, IL's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 2
ESG Credit Impact Score

CIS-2
Neutral-to-Low



For an issuer scored CIS-2 (Neutral-to-Low), its ESG attributes are overall considered as having a neutral-to-low impact on the current rating; i.e., the overall influence of these attributes on the rating is non-material.

Source: Moody's Investors Service

Northwestern Memorial HealthCare's neutral ESG CIS reflects low exposure to environmental risks, strong financial strategy and risk management, and average social risks. The latter reflects a strong and growing brand as well as lower than average exposure to governmental payers.

Exhibit 3
ESG Issuer Profile Scores

ENVIRONMENTAL
E-2
Neutral-to-Low

A horizontal bar chart with five colored segments: dark red, red, yellow, blue, and green. A downward-pointing triangle is positioned above the blue segment.

SOCIAL
S-3
Moderately Negative

A horizontal bar chart with five colored segments: dark red, red, yellow, blue, and green. A downward-pointing triangle is positioned above the yellow segment.

GOVERNANCE
G-2
Neutral-to-Low

A horizontal bar chart with five colored segments: dark red, red, yellow, blue, and green. A downward-pointing triangle is positioned above the blue segment.

Source: Moody's Investors Service

Environmental

NMHC does not have significant environmental risks given its locations in the city of Chicago and surrounding counties.

Social

NMHC has moderate social risks that are in line with or better than the industry. NMHC's better than average customer relations score reflects its strong brand, affiliation with Northwestern University's Feinberg School of Medicine and strong growth. Partly offsetting this is competition from large healthcare systems and academic medical centers amid market consolidation and projected population declines. Also, the customer relations score reflects typical challenges with other types of customers, such as insurance companies. There is only modest risk related to demographic and societal trends because NMHC's reliance on governmental payers, both Medicare and Medicaid, is lower than average.

Governance

NMHC's governance characteristics are in line with the sector with the exception of Financial Strategy and Risk Management scored as positive (1). NMHC's single operating model, centralized business functions, and uniform IT platforms (EMR and ERP) will allow it to efficiently achieve further clinical integration and execute growth strategies. The system has a long history of demonstrated discipline and analytic approaches to evaluating strategic alternatives and capital commitments. These capabilities have driven consistent operating and balance sheet strength, including through periods of rapid growth, integration and industry stress. Workforce development and strong succession planning will continue to provide a pipeline of leaders and ensure smooth transitions, such as during the recent appointment of a new CEO.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

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REPORT NUMBER

1369659

CLIENT SERVICES

| | |
|--------------|-----------------|
| Americas | 1-212-553-1653 |
| Asia Pacific | 852-3551-3077 |
| Japan | 81-3-5408-4100 |
| EMEA | 44-20-7772-5454 |

SECTION IX. 1120.140 – ECONOMIC FEASIBILITY**A. Reasonableness of Financing Arrangements**

Not Applicable – see bond rating documents

B. Conditions of Debt Financing

Not Applicable – the proposed project does not involve debt financing

C. Reasonableness of Project and Related Costs

| COST AND GROSS SQUARE FEET BY DEPARTMENT | | | | | | | | | | | | | | | | | | |
|--|------------------|------------------|----------------|-------|-----|---------------|--------|--|----------------------|---------------------|----------------------|--|-----------|--|---------|--|-----------------------|--|
| Department | A | | B | | C | | D | | E | | F | | G | | H | | Total Cost (G + H) | |
| | Cost/Square Foot | | | | GSF | | | | GSF | | | | Const. \$ | | Mod. \$ | | | |
| | New | | Mod. | | New | | Circ.* | | Mod. | | Circ.* | | (A x C) | | (B x E) | | | |
| CLINICAL | | | | | | | | | | | | | | | | | | |
| Infusion Center | \$ 440.00 | \$ 308.00 | 13,200 | 35.0% | | 370 | 0.0% | | \$ 5,808,000 | \$ 113,960 | \$ 5,921,960 | | | | | | | |
| Diagnostic Imaging | \$ 440.00 | \$ 308.00 | 5,200 | 20.0% | | 0 | | | \$ 2,288,000 | \$ - | \$ 2,288,000 | | | | | | | |
| Pharmacy | \$ 440.00 | \$ 308.00 | 1,682 | 0.0% | | 0 | | | \$ 740,080 | \$ - | \$ 740,080 | | | | | | | |
| Laboratory | \$ 440.00 | \$ 308.00 | 0 | | | 1,859 | 0.0% | | \$ - | \$ 572,572 | \$ 572,572 | | | | | | | |
| Clinical Subtotal | \$ 440.00 | \$ 308.00 | 20,082 | | | 2,229 | | | \$ 8,836,080 | \$ 686,532 | \$ 9,522,612 | | | | | | | |
| Clinical Contingency | \$ 44.00 | \$ 30.80 | | | | | | | \$ 883,608 | \$ 68,653 | \$ 952,261 | | | | | | | |
| Clinical Total | \$ 484.00 | \$ 338.80 | 20,082 | | | 2,229 | | | \$ 9,719,688 | \$ 755,185 | \$ 10,474,873 | | | | | | | |
| NON-CLINICAL | | | | | | | | | | | | | | | | | | |
| Physician Office Space | \$ - | \$ 308.00 | 0 | | | 11,105 | 30.0% | | \$ - | \$ 3,420,340 | \$ 3,420,340 | | | | | | | |
| Administrative | \$ 440.00 | \$ - | 3,245 | 20.0% | | 0 | | | \$ 1,427,800 | \$ - | \$ 1,427,800 | | | | | | | |
| Waiting/Public | \$ 440.00 | \$ 308.00 | 6,965 | 15.0% | | 624 | 0.0% | | \$ 3,064,600 | \$ 192,192 | \$ 3,256,792 | | | | | | | |
| Staff Support | \$ 440.00 | \$ - | 4,429 | 10.0% | | 0 | | | \$ 1,948,760 | \$ - | \$ 1,948,760 | | | | | | | |
| MEP Systems/Building Support | \$1,200.00 | \$ 840.00 | 8,599 | 30.0% | | 2,714 | 0.0% | | \$ 10,318,800 | \$ 2,279,760 | \$ 12,598,560 | | | | | | | |
| Parking Garage | \$ 179.02 | \$ - | 106,500 | | | 0 | | | \$ 19,065,408 | \$ - | \$ 19,065,408 | | | | | | | |
| Non-Clinical Subtotal | \$ 276.14 | \$ 407.97 | 129,738 | | | 14,443 | | | \$ 35,825,368 | \$ 5,892,292 | \$ 41,717,660 | | | | | | | |
| Non-Clinical Contingency | \$ 27.61 | \$ 40.80 | | | | | | | \$ 3,582,537 | \$ 589,229 | \$ 4,171,766 | | | | | | | |
| Non-Clinical Total | \$ 303.75 | \$ 448.77 | 129,738 | | | 14,443 | | | \$ 39,407,905 | \$ 6,481,521 | \$ 45,889,426 | | | | | | | |
| TOTALS | \$ 327.91 | \$ 434.06 | 149,820 | | | 16,672 | | | \$ 49,127,593 | \$ 7,236,706 | \$ 56,364,300 | | | | | | | |

D. Projected Operating Costs**Project Direct Operating Expenses – FY29
Infusion, Diagnostic Imaging, Pharmacy, Lab**

| | |
|---------------------------------|----------------|
| Total Direct Operating Costs | \$ 122,700,191 |
| Units of Service – Visits | 38,888 |
| Direct Cost per Unit of Service | \$ 3,155.22 |

E. Total Effect of the Project on Capital Costs**Projected Capital Costs – FY29**

| | |
|--|---------------|
| Equivalent Patient Days (CDH) | 397,828 |
| Total Project Cost | \$ 75,050,300 |
| Useful Life | 25 |
| Total Annual Depreciation | \$ 3,002,012 |
| Depreciation Cost per Equivalent Patient Day | \$ 7.55 |

SECTION X. SAFETY NET IMPACT STATEMENT

Not Applicable – the proposed project is NON-SUBSTANTIVE and does not involve discontinuation.

SECTION X. 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 10 leading charity care providers in Illinois: NMH (No. 6), NM CDH (No. 9) and NM LFH (No. 10). The unreimbursed cost of charity care for NMHC was approximately \$90.8 million in FY22.

NM hospitals are also leading providers of care for patients with Medicaid coverage in Illinois, handling more than 132,000 Medicaid inpatient days, more than 25,000 Medicaid admissions and more than 482,000 outpatient visits in FY21. 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. Several other NMHC hospitals are also the top Medicaid providers in their respective communities. NM CDH is the single-largest Medicaid provider in DuPage County; NM Kishwaukee and NM Valley West are the top Medicaid providers in DeKalb County; and NM, through care provided by NM McHenry, NM Huntley and NM Woodstock, is the largest Medicaid provider in McHenry County. NM LFH continues to experience the highest growth rate in Medicaid days and admissions among Lake County hospitals.

NMHC is committed to benefiting the communities we serve. 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 Medicine Central DuPage Hospital

| | FY20 | FY21 | FY22 |
|----------------------------------|-----------------|-----------------|-----------------|
| Net Patient Revenue | \$1,070,958,096 | \$1,165,049,783 | \$1,195,185,608 |
| Amount of Charity Care (charges) | \$ 131,836,970 | \$ 146,203,371 | \$ 150,630,410 |
| Cost of Charity Care | \$ 12,940,586 | \$ 10,887,323 | \$ 13,714,155 |