ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT
SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Advocate Cardiovascular ASTC and Outpatient Center Naperville
Street Address: 1836 Freedom Drive
City and Zip Code: Naperville, IL 60563
County: DuPage Health Service Area: HSA-7 Health Planning Area: A-05

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

Exact Legal Name: Advocate Health and Hospitals Corporation
Street Address: 2025 Windsor Drive
City and Zip Code: Oak Brook, IL 60523
Name of Registered Agent: CT Corporation System
Registered Agent Street Address: 208 S. LaSalle Street Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604-1101
Name of President: William Santulli
President Street Address: 2025 Windsor Drive
President and Zip Code: Oak Brook, IL 60523
President Telephone Number: (630) 572-9393

Type of Ownership of Applicants

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Emily Jakacki
Title: Vice President of Operations, Ambulatory and Service Lines, Central Chicagoland Region
Company Name: Advocate Aurora Health, Inc
Address: 1775 Dempster Street
Telephone Number: (847) 723-2070
E-mail Address: emily.jakacki@aah.org
Fax Number: (847) 723-2285

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

Name: Myndee Balkan
Title: Health Facility Planning, Director
Company Name: Advocate Aurora Health, Inc
Address:
Telephone Number: (847) 721-0376
E-mail Address: myndee.balkan@aah.org

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

Name: Virginia Friesen
Title: Vice President, Cardiovascular Service Line
Company Name: Advocate Health – Midwest
Address: 750 W Virginia Street, Milwaukee, WI
Telephone Number: 847.334.8508
E-mail Address: virginia.friesen@aah.org

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

Name: Kathleen Magurany
Title: Executive Director, Cardiovascular Service Line, Central Chicagoland Region
Company Name: Advocate Aurora Health, Inc
Address: 1775 Dempster Street
Telephone Number: 773-296-7261
E-mail Address: kathleen.magurany@aah.org

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Exact Legal Name: Advocate Aurora Health Inc.
Street Address: 2025 Windsor Drive
City and Zip Code: Oak Brook, IL 60523
Name of Registered Agent: The Corporation Trust Company
Registered Agent Street Address: Corporation Trust Center 1209 Orange Street
Registered Agent City and Zip Code: Wilmington, DE 19801
Name of President: William Santulli
President Street Address: 2025 Windsor Drive
President and Zip Code: Oak Brook, IL 60523
President Telephone Number: (630) 572-9393

Type of Ownership of Applicants

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Registered Agent City and Zip Code: Chicago, IL 60604-1101
Name of Co-Chief Executive Officer: James H. Skogsbergh
President Street Address: 2025 Windsor Drive
President and Zip Code: Oak Brook, IL 60523
President Telephone Number: (630) 572-9393

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☐	Limited Liability Company	☐	Sole Proprietorship	☐	Other

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Company Name: Advocate Aurora Health, Inc
Address: 1775 Dempster Street
Telephone Number: 773-296-7261
E-mail Address: kathleen.magurany@aah.org

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: Peter Messina
Title: Vice President, Planning, Design & Construction
Company Name: Advocate Aurora Health, Inc
Address: 2025 Windsor Drive, Oak Brook, IL 60523
Telephone Number: (630) 929-5580
E-mail Address: peter.messina@aah.org
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: CHP-HSG Naperville, LLC
Address of Site Owner: CHP-HSG Naperville, LLC c/o Capital Healthcare Properties LLC 225 West Hubbard Street, Suite 401, Chicago, IL 60654
Street Address or Legal Description of the Site: 1836 Freedom Drive Naperville, IL 60563 **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: Advocate Health and Hospitals Corporation
Address: 2025 Windsor Drive, Oak Brook, IL 60523
☒ Non-profit Corporation ☐ Partnership ☐ For-profit Corporation ☐ Governmental ☐ Limited Liability Company ☐ Sole Proprietorship ☐ 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 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.

Advocate Health and Hospitals Corporation ("AHHC") doing business as Advocate Medical Group (AMG), Advocate Aurora Health, Inc. and Advocate Health, Inc. (together, the "applicants") propose to construct a cardiovascular focused ambulatory surgical treatment center (ASTC) and outpatient medical office building at 1836 Freedom Drive, Naperville. The land and building will be leased by AHHC.
AHHC will be the Prime Lessee for 100% of the building from a third-party landlord.

The proposed project will include a newly constructed, two-story building, to include:

- An ambulatory surgery treatment center providing cardiac catheterization services with one procedure room and the prep/post recovery and affiliated services to support.
- Primary care and Cardiovascular specialty care clinician offices for Advocate Medical Group physicians.
- Non-hospital-based outpatient services including cardiac diagnostic services, lab, and imaging.

The total cost of the project is $52,208,999 with an anticipated completion date of May 1, 2026.

The project is classified as substantiative as it proposes to establish a new Ambulatory Surgical Treatment Center and includes the establishment of a new category of service as defined in 20 IL CS 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			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs to Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			

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

Related Project Costs

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

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

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

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

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

Project Status and Completion Schedules

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

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary

☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): May 1, 2026

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]

		Gross Square Feet		**Amount of Proposed Total Gross Square Feet That Is:**			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
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:			**CITY:**		
REPORTING PERIOD DATES:		**From:**			
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					

Not Applicable.

CERTIFICATION

The Application must be signed by the authorized representatives of the
representatives are:

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

**This Application is filed on the behalf of Advocate Health an
accordance with the requirements and procedures of the Illinois H
The undersigned certifies that he or she has the authority to execu
behalf of the applicant entity. The undersigned further certifies t
provided herein, and appended hereto, are complete and corre
knowledge and belief. The undersigned also certifies that the fee r
sent herewith or will be paid upon request.**

SIGNATURE

William Santulli
PRINTED NAME

President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 1st day of February 2024

Signature of Notary

"OFFICIAL SEAL"
MICHAEL E. KERNS
Notary Public, State Of Illinois
My Commission Expires 05/26/2026

SIGNATURE

Dia Nichols
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:
Subscribed and sworn to b
this 1st day of Febru

Signature of Notary

Seal

"OFFICI
MICHAEL
Notary Public
My Commission
Commissio

*Insert the EXACT legal name of the applicant

Commission no. 286005

84240674.2

CERTIFICATION

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

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

This Application is filed on the behalf of Advocate Aurora Health, Inc.* 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

William Santulli
PRINTED NAME

President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 1st day of February 2024

Signature of Notary

Seal "OFFICIAL SEAL" MICHAEL E. KERNS Notary Public, State Of Illinois My Commission Expires 05/26/2026

Commission No. 286069

SIGNATURE

Dia Nichols
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 1st day of February 2024

Signature of Notary

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_____	_____
SIGNATURE	SIGNATURE
_____	William Santulli _____
PRINTED NAME	PRINTED NAME
_____	President – Midwest Region _____
PRINTED TITLE	PRINTED TITLE
Notarization:	Notarization:
Subscribed and sworn to before me	Subscribed and sworn to before me
this _____ day of _____	this 1st day of February 2024
_____	_____
Signature of Notary	Signature of Notary
Seal	Seal

"OFFICIAL SEAL"
MICHAEL E KERNS
Notary Public, State Of Illinois
My Commission Expires 05/26/2026
Commission No. 286069

*Insert the EXACT legal name of the applicant

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SIGNATURE	SIGNATURE
Brett Denton PRINTED NAME	William Santulli PRINTED NAME
Chief Legal Officer PRINTED TITLE	President – Midwest Region PRINTED TITLE
Notarization: Subscribed and sworn to before me this 9th day of February	Notarization: Subscribed and sworn to before me this _____ day of _____
Signature of Notary Seal	Signature of Notary Seal

My Commission Expires: 1/28/28

*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 <u>ATTACHMENT 11</u>, 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.

E. Criterion 1110.225 - Cardiac Catheterization

1. Applicants proposing to establish, expand and/or modernize the Cardiac Catheterization category of service must submit the following information.

2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Rooms	# Proposed Rooms
☒ Cardiac Catheterization	0	1

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

1. Criterion 1110.225(a), Peer Review

Read the criterion and submit a detailed explanation of your peer review program.

2. Criterion 1110. 225(b), Establishment or Expansion of Cardiac Catheterization Service

Read the criterion and, if applicable, submit the following information:

a. A map (on 8 1/2" x 11" paper) showing the location of the other hospitals providing cardiac catheterization services within the planning area.

b. The number of cardiac catheterizations performed for the last 12 months at each of the hospitals shown on the map.

c. Provide the number of patients transferred directly from the applicant's hospital to another facility for cardiac catheterization services in each of the last three years.

3. Criterion 1110.225(c), Unnecessary Duplication of Services

Read the criterion and, if applicable, submit the following information.

a. Copies of the letter sent to all facilities within the planning area that currently provide cardiac catheterization. This letter must contain a description of the proposed project and a request that the other facility quantify the impact of the proposal on its program.

b. Copies of the responses received from the facilities to which the letter was sent.

4. Criterion 1110.225(d), Modernization of Existing Cardiac Catheterization Laboratories

Read the criterion and, if applicable, submit the number of cardiac catheterization procedures performed for the latest 12 months.

5. Criterion 1110.225(e), Support Services

Read the criterion and indicate on a service-by-service basis which of the listed services are available on a 24-hour basis and explain how any services not available on a 24-hour basis will be available when needed.

6. Criterion 1110.225(f), Laboratory Location

Read the criterion and, if applicable, submit line drawings showing the location of the proposed laboratories. If the laboratories are not in proximity, explain why.

7. Criterion 1110.225(g), Staffing

Read the criterion and submit a list of names and qualifications of those who will fill the positions detailed in this criterion. Also, provide staffing schedules to show the coverage required by this criterion.

8. Criterion 1110.225(h), Continuity of Care

Read the criterion and submit a copy of the fully executed written referral agreement(s).

9. Criterion 1110.225(i), Multi-institutional Variance

Read the criterion and, if applicable, submit the following information:

a. A copy of a fully executed affiliation agreement between the two facilities involved.

b. Names and positions of the shared staff at the two facilities.

c. The volume of open-heart surgeries performed for the latest 12-month period at the existing operating program.

d. A cost comparison between the proposed project and expansion at the existing operating program.

e. The number of cardiac catheterization procedures performed in the last 12 months at the operating program.

f. The number of catheterization laboratories at the operating program.

g. The projected cardiac catheterization volume at the proposed facility annually for the next 2 years.

h. The basis for the above projection.

APPEND DOCUMENTATION AS ATTACHMENT 23 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

G. Non-Hospital Based Ambulatory Surgery

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

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

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

APPLICABLE REVIEW CRITERIA	Establish New ASTC or Service	Expand Existing Service
1110.235(c)(2)(B) – Service to GSA Residents	X	X
1110.235(c)(3) – Service Demand – Establishment of an ASTC or Additional ASTC Service	X	
1110.235(c)(4) – Service Demand – Expansion of Existing ASTC Service		X
1110.235(c)(5) – Treatment Room Need Assessment	X	X
1110.235(c)(6) – Service Accessibility	X	
1110.235(c)(7)(A) – Unnecessary Duplication/Maldistribution	X	
1110.235(c)(7)(B) – Maldistribution	X	
1110.235(c)(7)(C) – Impact to Area Providers	X	
1110.235(c)(8) – Staffing	X	X
1110.235(c)(9) – Charge Commitment	X	X
1110.235(c)(10) – Assurances	X	X

APPEND DOCUMENTATION AS ATTACHMENT 25, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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
☒ **Cardiac Diagnostics**		
☒ **Imaging**		
☒ **Lab**		

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
1APPEND 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]:**

$26,953,237	a)	Cash and Securities − statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion.
_____	b)	Pledges − for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
	c)	Gifts and Bequests − verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts.
$25,255,761	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: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated. 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate. 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc. 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment. 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations − a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent.
_____	f)	Grants − a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt.
_____	g)	All Other Funds and Sources − verification of the amount and type of any other funds that will be used for the project.
$52,208,999		**TOTAL FUNDS AVAILABLE**

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

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

Variance

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

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

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

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

A. Reasonableness of Financing Arrangements

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

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

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

   A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts 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	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
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)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

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

SECTION X. CHARITY CARE INFORMATION

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

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

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

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

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

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

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

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

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

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

1. Applicant: _____
(Name) (Address)

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

2. Project Location: _____
(Address) (City) (State)

_____
(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  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

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

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

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?

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:_____

_____
(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:

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Type of Ownership of Applicants

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

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

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

Certificates of Good Standing for the applicants are provided as Attachment #1

Provided for Attachment #1:

Advocate Health and Hospitals Corporation
- IL Certificate of Good Standing

Advocate Aurora Health, Inc.
- IL Certificate of Good Standing
- DE Certificate of Good Standing

Advocate Health, Inc.
- IL Certificate of Good Standing
- DE Certificate of Good Standing

#24-008

File Number 1004-695-5

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, **Alexi Giannoulias,** *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*

ADVOCATE HEALTH AND HOSPITALS CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 12, 1906, 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* 3RD *day of* MARCH *A.D.* 2023 .

Authentication #: 2306203384 verifiable until 03/03/2024
Authenticate at: https://www.ilsos.gov

SECRETARY OF STATE

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT "ADVOCATE AURORA HEALTH, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE NOT HAVING BEEN CANCELLED OR DISSOLVED SO FAR AS THE RECORDS OF THIS OFFICE SHOW AND IS DULY AUTHORIZED TO TRANSACT BUSINESS.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION IS AN EXEMPT CORPORATION.

THE FOLLOWING DOCUMENTS HAVE BEEN FILED:

CERTIFICATE OF INCORPORATION, FILED THE FOURTH DAY OF DECEMBER, A.D. 2017, AT 2:46 O`CLOCK P.M.

RESTATED CERTIFICATE, FILED THE SECOND DAY OF APRIL, A.D. 2018, AT 5:52 O`CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID CORPORATION, "ADVOCATE AURORA HEALTH, INC.".

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

Jeffrey W. Bullock, Secretary of State

6645600 8310

SR# 20232951526

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 203713809

Date: 07-10-23

Delaware

The First State

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "ADVOCATE AURORA HEALTH, INC." WAS INCORPORATED ON THE FOURTH DAY OF DECEMBER, A.D. 2017.

Jeffrey W. Bullock, Secretary of State

6645600 8310

SR# 20232951526

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 203713809

Date: 07-10-23

#24-008

File Number 7155-851-7

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulias, *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*

ADVOCATE AURORA HEALTH, INC., INCORPORATED IN DELAWARE AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON APRIL 03, 2018, 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 A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS 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* 10TH *day of* JULY *A.D.* 2023 .

Authentication #: 2319100664 verifiable until 07/10/2024
Authenticate at: https://www.ilsos.gov

Alexi Giannoulias
SECRETARY OF STATE

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ADVOCATE HEALTH, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-THIRD DAY OF MARCH, A.D. 2023.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION IS AN EXEMPT CORPORATION.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "ADVOCATE HEALTH, INC." WAS INCORPORATED ON THE NINTH DAY OF MAY, A.D. 2022.

Jeffrey W. Bullock, Secretary of State

6784998 8300C

SR# 20231117363

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202988197

Date: 03-23-23

#24-008

File Number 7376-313-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, **Alexi Giannoulias**, *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*

ADVOCATE HEALTH, INC., INCORPORATED IN DELAWARE AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON JUNE 28, 2022, 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 A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS 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* 3RD *day of* MARCH *A.D.* 2023 .

Authentication #: 2306203418 verifiable until 03/03/2024
Authenticate at: https://www.ilsos.gov

Alexi Giannoulias
SECRETARY OF STATE

Site Ownership
[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group
Address of Site Owner: 2025 Windsor Drive, Oak Brook, IL 60523
Street Address or Legal Description of the Site: 1836 Freedom Drive, Naperville, IL 60563 **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.

A copy of the lease is provided in the Appendix as Attachment 2, Exhibit 1.

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

Exact Legal Name: **Advocate Health and Hospitals Corporation**
Address: **3075 Highland Parkway, Suite 600, Downers Grove, IL 60515**

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

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

Certificates of Good Standing for the applicants are provided as Attachment #3

Provided for Attachment #3:

Advocate Health and Hospitals Corporation
IL Certificate of Good Standing
Advocate Aurora Health, Inc.
IL Certificate of Good Standing
DE Certificate of Good Standing
Advocate Health, Inc.
IL Certificate of Good Standing
DE Certificate of Good Standing

#24-008

File Number 1004-695-5

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, **Alexi Giannoulias**, *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*

ADVOCATE HEALTH AND HOSPITALS CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 12, 1906, 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* 3RD *day of* MARCH *A.D.* 2023 .

Authentication #: 2306203384 verifiable until 03/03/2024
Authenticate at: https://www.ilsos.gov

SECRETARY OF STATE

Delaware

The First State

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Jeffrey W. Bullock, Secretary of State

6645600 8310

SR# 20232951526

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 203713809

Date: 07-10-23

Delaware

The First State

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "ADVOCATE AURORA HEALTH, INC." WAS INCORPORATED ON THE FOURTH DAY OF DECEMBER, A.D. 2017.

Jeffrey W. Bullock, Secretary of State

6645600 8310

SR# 20232951526

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 203713809

Date: 07-10-23

#24-008

File Number 7155-851-7

STATE OF ILLINOIS

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Authentication #: 2319100664 verifiable until 07/10/2024
Authenticate at: https://www.ilsos.gov

Alexi Giannoulias
SECRETARY OF STATE

Delaware

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Jeffrey W. Bullock, Secretary of State

6784998 8300C

SR# 20231117363

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202988197

Date: 03-23-23

#24-008

File Number 7376-313-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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Authentication #: 2306203418 verifiable until 03/03/2024
Authenticate at: https://www.ilsos.gov

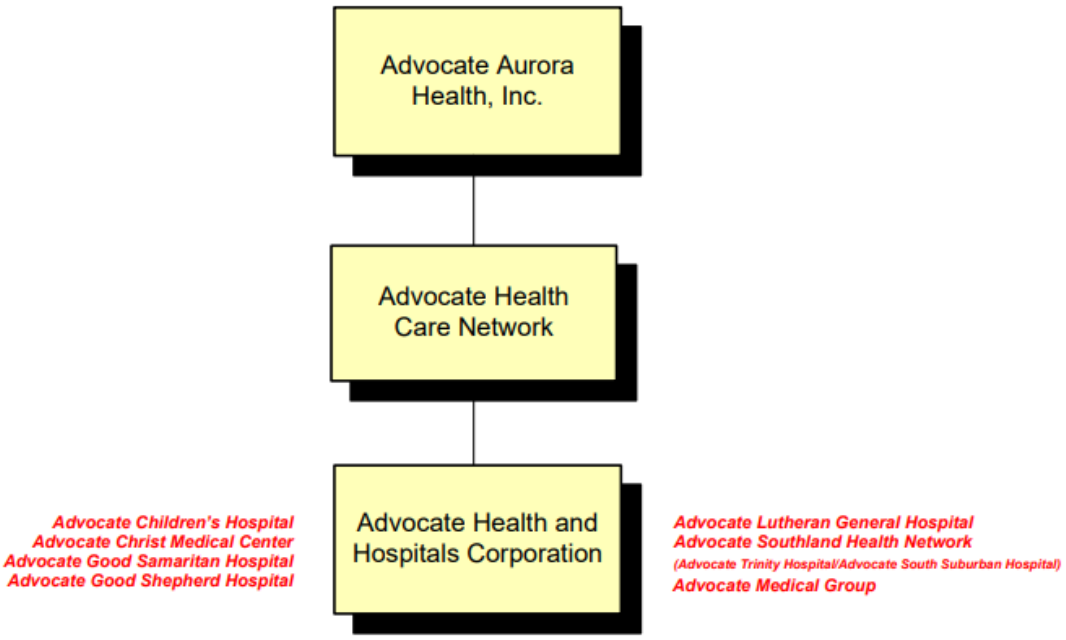
SECRETARY OF STATE

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.

See Attachment #4, Exhibit 1.

#24-008

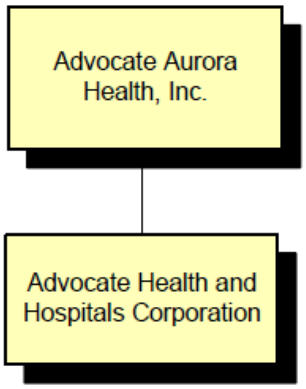


= Not for Profit

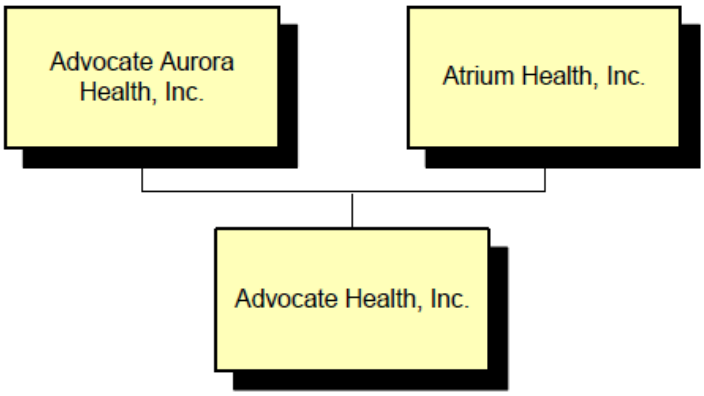
Red = Operating Divisions

100% Ownership Unless Otherwise Noted.

November 9, 2022



*Note because Advocate Health, Inc. has certain governance, management and operation oversight of Advocate Aurora Health, Inc. through a Joint Operating Agreement structure, it is also included as a co-applicant. Advocate Aurora Health, Inc. and Atrium Health, Inc. are the Corporate Members of Advocate Health, Inc.



- Not for Profit

100% Ownership Unless Otherwise Noted.

January 25, 2023

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.

By their signatures on the certifications, the Applicants certify that the site for the proposed project is located in an area of minimal flood hazard, as shown in the interactive map for Panel 17031C0729J from the FEMA Flood Map Service Center.

See Attachment #5, Exhibit 1

National Flood Hazard Layer FIRMette

FEMA

88°7'46"W 41°48'28"N

88°7'8"W 41°48'1"N

0 250 500 1,000 1,500 2,000 Feet

1:6,000

Basemap Imagery Source: USGS National Map 2023

Legend

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

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

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

OTHER AREAS
- NO SCREEN Area of Minimal Flood Hazard *Zone X*
- Effective LOMRs
- Area of Undetermined Flood Hazard *Zone D*

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

OTHER FEATURES
- 20.2 / 17.5 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

MAP PANELS
- Digital Data Available
- No Digital Data Available
- Unmapped

N

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 10/30/2023 at 12:38 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.

#24-008

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.

The location of the project is 1835 Freedom Drive, Naperville, IL. The attached letter submitted to the Illinois Historic Preservation Agency is provided.

See Attachment #6, Exhibit 1.

POLSINELLI

150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606 • (312) 819-1900

February 13, 2024

Anne M. Cooper
(312) 873-3606
(312) 276-4317 Fax
acooper@polsinelli.com

Via Email

Carey Mayer
Deputy State Historic Preservation Officer
Illinois State Historic Preservation Office
Attn: Review & Compliance
1 Old State Capitol Plaza
Springfield, Illinois 62701

Re: Advocate Outpatient Center - Naperville

Dear Ms. Meyer:

This office represents Advocate Health and Hospitals Corporation and Advocate Medical Group (collectively, "Advocate"). Pursuant to Section 4 of the Illinois State Agency Historic Resources Preservation Act, Advocate seeks a formal determination from the Illinois Historic Preservation Agency as to whether Advocate's proposed project to construct an outpatient medical office building at 1836 Freedom Drive, Naperville, Illinois 60563 (the "Proposed Project") affects historic resources.

1. Project Description

Advocate seeks a certificate of need from the Illinois Health Facilities and Services Review Board to establish an outpatient medical office building at 1836 Freedom Drive in Naperville, Illinois. The project will include the renovation of an existing single-story building, which will house primary care and specialty care clinician offices for Advocate Medical Group. The project's total square footage will be approximately 40,000 square feet.

2. Topographical or Metropolitan Map

A metropolitan map showing the location of the Proposed Project is attached at Attachment 1.

POLSINELLI

3. Historic Architectural Resources Geographic Information System

A map from the Historic Architectural Resources Geographic Information System is attached at Attachment 2. The property is not listed on the (i) National Register, (ii) within a local historic district, or (iii) within a local landmark.

4. Photographs of Site

Photographs of the site of the retail center where the medical office building will be located are attached at Attachment 3.

5. Address for Building/Structure

The Proposed Project will be located at 1836 Freedom Drive in Naperville, Illinois.

Thank you for your time and consideration of our request for Historic Preservation Determination. If you have any questions or need any additional information, please feel free to contact me at 312-873-3606 or acooper@polsinelli.com

Sincerely,

A. M. Cooper

Anne M. Cooper

Attachments

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	$248,998	$164,002	$413,000
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts	$15,718,362	$6,448,276	$22,206,638
Modernization Contracts			
Contingencies	$722,010	$475,548	$1,197,558
Architectural/Engineering Fees	$995,341	$655,576	$1,650,917
Consulting and Other Fees	$671,572	$442,328	$1,113,900
Movable or Other Equipment (not in construction contracts)	$7,328,984	$388,401	$7,717,385
Bond Issuance Expense (project related)	$187,985	$123,815	$311,800
Net Interest Expense During Construction (project related)	$556,502	$366,537	$923,039
Fair Market Value of Leased Space or Equipment	$8,312,822	$5,475,202	$13,788,024
Other Costs to Be Capitalized	$1,740,419	$1,146,319	$2,886,738
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	$36,279,234	$15,889,765	$52,208,999
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities			$26,953,237
Pledges			
Gifts and Bequests			
Bond Issues (project related)			$25,255,761
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			$52,208,999

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

Itemization of Project Costs

Items	
Preplanning Costs	$413,000
Concept and Programming	$238,000
Pre-Construction Services	$175,000
New Construction Contracts	$22,206,638
Contingencies	$1,197,558
Architectural/Engineering Fees	$1,650,917
Consulting and Other Fees	$1,113,900
CON and Regulatory fees and Legal	$208,000
Lease Due Diligence	$29,300
Commissioning	$75,000
Permits /Testing/Utility fees	$440,000
Project Management	$240,000
Medical equip, furniture, structural, shielding consultants	$121,600
Movable and Other Equipment: (not in construction contracts)	$7,717,385
Major Medical	$6,959,400
Minor Medical	$757,985
Fair Market Value Lease Space:	$13,788,024
Bond Issuance Expense	$311,800
Net Interest Expense During Construction	$923,039
Other Costs to be Capitalized	$2,886,738
Furnishings	$767,500
Signage	$165,000
Owner Project Contingency	$201,000
IS/Telecommunications	$1,753,238
TOTAL	$52,208,999

Naperville ASTC Cath Lab Equipment	
	Quantity
ASTC Cath Lab	
Alcove, Apron Rack	**2**
Apron	1
Lead	1
Rack	1
Apron, Wall Mount	1
Control Room	**4**
Bin	1
Shredding, Secure	1
Ultrasound, Imaging	1
Vascular Access	1
Waste Can	2
Open Top	2
Procedure Room	**55**
Allowance	1
Miscellaneous	1
Analyzer, Lab	3
Blood Gas, Point-of-Care	1
Coagulation, Portable	1
Glucose, Point-of-Care	1
Board	1
Patient Transfer Device	1
Bracket	1
Patient Transfer Device, Wall Mount	1
Cabinet, Warming	1
Single, Counter	1
Cart, Procedure	1
Resuscitation	1
Cart, Supply	5
Enclosed	5
Cart, Utility	2
Stainless	2
Defibrillator	1
Monitor, w/Pacing	1
Dispenser	4
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	3
Dispenser, Glove	3
Triple Box	3
Disposal, Sharps	1
Wall Mount	1
Doppler	1
Vascular	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Electrosurgical Unit	1
Bipolar/Monopolar	1
Flowmeter	3
Air	1
Oxygen	2
Hamper	2
Linen	2
Injector, Contrast Media	1
Table mount	1
Light, Surgical	1
Single, Ceiling, w/Rad Shield	1
Monitor, Radiation	1
General (Dosimetry)	1
Pump	2
Balloon, Intra-Aortic	1
Heart / Lung, Allowance	1
Pump, Infusion	4
Controller, Modular	2
Single	2
Pump, Suction/Aspirator	1
General, Portable	1
Refrigerator	1
Laboratory, Undercounter	1
Regulator	1
Suction, Intermittent/Continuous	1
Shield	1
Lead, Mobile	1
Stand, IV	2
Chrome	2
Stand, Mayo	1
Foot-Operated	1
Stool	2
Exam, w/Backrest	1
Step, w/Handrail	1
Table, Instrument	1
72 inch	1
Thermometer	1
Temporal Artery, Wall Mount	1
Ultrasound, Imaging	1
Multipurpose, Portable	1
Waste Can	1
Open Top	1
Waste Disposal	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Pharmaceutical, Mobile	1
X-Ray Unit, Interventional	1
Angio / Cardiac (Single Plane)	1
Scrub Sink Alcove	**9**
Carrier, Chair	1
Scrub Sink	1
Dispenser	6
Hand Sanitizer, Wall Mount	2
Paper Towel, Surface Mount	2
Soap, Wall Mount	2
Sink	1
Scrub, 1-Bay, Stainless Steel	1
Waste Can	1
Open Top	1
Shared Supply	**3**
Cart, Supply	3
Enclosed	3
ASTC - Prep/Recovery	**156**
Alcove - Equipment	**5**
Cart, Supply	1
Chrome, 36 inch	1
Doppler	1
Vascular	1
Lift, Patient	1
Stand Assist	1
Sphygmomanometer	1
Aneroid, Mobile	1
Stand, IV	1
Chrome	1
Alcove - Printer	**3**
Bin	1
Shredding, Secure	1
Waste Can	2
Open Top	1
Recycle	1
Alcove, Wheelchair	**5**
Scale, Clinical	1
Adult, Digital, Floor	1
Wheelchair	4
Adult, Bariatric	1
Adult, Standard	3
Clean Storage	**8**
Cabinet, Warming	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Dual, Mobile	1
Cart, Supply	4
Stainless, 60 inch	4
Dispenser	1
Hand Sanitizer, Wall Mount	1
Stool	1
Step, w/Handrail	1
Waste Can	1
Open Top	1
Control Desk	**1**
Waste Can	1
Open Top	1
Emergency Equipment Alcove	**3**
Cart, Procedure	1
Resuscitation	1
Defibrillator	1
Monitor, w/Pacing	1
Pump, Suction/Aspirator	1
General, Portable	1
Medication	**9**
Dispenser	4
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Wall Mount	1
Mat, Floor	1
Anti-Fatigue	1
Refrigerator	1
Laboratory, Undercounter	1
Waste Can	1
Step-On	1
Nourishment	**8**
Coffee Maker	1
Thermal Pot	1
Dispenser	3
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Ice Machine	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Dispenser, Nugget, Countertop	1
Refrigerator	1
Domestic with Freezer	1
Waste Can	2
Open Top	1
Recycle	1
Nurse Station	**6**
Analyzer, Lab	1
Glucose, Point-of-Care	1
Bin	1
Shredding, Secure	1
Monitor, Central Station, Telemetry	1
General	1
Warmer	1
Cleansing Bath	1
Waste Can	2
Open Top	1
Recycle	1
Patient Toilet	**4**
Dispenser	3
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Toilet Paper, Surface Mount	1
Waste Can	1
Step-On	1
Prep/Recovery Room	**44**
Bracket	2
Monitor, Wall	2
Cart, Supply	2
Drawers	2
Dispenser	8
Disinfectant Wipes, Wall Mount	2
Hand Sanitizer, Wall Mount	2
Paper Towel, Surface Mount	2
Soap, Wall Mount	2
Dispenser, Glove	2
Triple Box	2
Disposal, Sharps	2
Wall Mount	2
Flowmeter	2
Oxygen	2
Hamper	2
Linen	2

Naperville ASTC Cath Lab Equipment	
	Quantity
Monitor, Physiologic	4
Bedside	2
Transport	2
Pump, Infusion	6
Controller, Modular	2
Single	4
Regulator	4
Suction, Intermittent/Continuous	4
Stand, Mayo	2
Foot-Operated	2
Stretcher	2
Procedure / Recovery	2
Table, Overbed	2
General	2
Thermometer	2
Temporal Artery, Wall Mount	2
Waste Can	2
Step-On	2
Soiled Utility	**8**
Cart / Truck	2
Linen, Bulk	1
Soiled Utility	1
Dispenser	3
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Waste Can	2
Bio-Hazardous	1
Step-On	1
Staff Toilet	**8**
Dispenser	6
Paper Towel, Surface Mount	2
Soap, Wall Mount	2
Toilet Paper, Surface Mount	2
Waste Can	2
Step-On	2
Universal Room	**44**
Bracket	2
Monitor, Wall	2
Cart, Supply	2
Drawers	2

Naperville ASTC Cath Lab Equipment	
	Quantity
Dispenser	8
Disinfectant Wipes, Wall Mount	2
Hand Sanitizer, Wall Mount	2
Paper Towel, Surface Mount	2
Soap, Wall Mount	2
Dispenser, Glove	2
Triple Box	2
Disposal, Sharps	2
Wall Mount	2
Flowmeter	2
Oxygen	2
Hamper	2
Linen	2
Monitor, Physiologic	4
Bedside	2
Transport	2
Pump, Infusion	6
Controller, Modular	2
Single	4
Regulator	4
Suction, Intermittent/Continuous	4
Stand, Mayo	2
Foot-Operated	2
Stretcher	2
Procedure / Recovery	2
Table, Overbed	2
General	2
Thermometer	2
Temporal Artery, Wall Mount	2
Waste Can	2
Step-On	2
ASTC - Support	**48**
Clean Storage	**3**
Cart, Supply	3
Stainless, 60 inch	3
EVS	**6**
Cart, Supply	1
Stainless, 60 inch	1
Dispenser	2
Cleaning Solution	1
Hand Sanitizer, Wall Mount	1
Dispenser, Glove	1
Triple Box	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Rack	1
Mops / Brooms	1
Waste Can	1
32-40 Gallon	1
Locker Room, Female, Toilet	**5**
Dispenser	3
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Toilet Paper, Surface Mount	1
Hamper	1
Linen	1
Waste Can	1
Step-On	1
Locker Room, Male, Toilet	**5**
Dispenser	3
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Toilet Paper, Surface Mount	1
Hamper	1
Linen	1
Waste Can	1
Step-On	1
Physician Dictation	**3**
Dispenser	1
Hand Sanitizer, Wall Mount	1
Waste Can	2
Open Top	1
Recycle	1
Soiled Hold(ASTC)	**11**
Dispenser	2
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Rack	2
Dunnage, 48 in.	2
Waste Can	6
Bio-Hazardous	5
Step-On	1
Soiled Utility	**10**
Cart / Truck	4
Linen, Bulk	2
Soiled Utility	2

Naperville ASTC Cath Lab Equipment	
	Quantity
Dispenser	3
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Waste Can	2
Bio-Hazardous	1
Step-On	1
Staff Lounge	**1**
Waste Can	1
Open Top	1
Touchdown	**4**
Dispenser	2
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Waste Can	2
Open Top	1
Recycle	1
ASTC Public Services	**10**
Family Toilet	**4**
Dispenser	3
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Toilet Paper, Surface Mount	1
Waste Can	1
Step-On	1
Waiting	**6**
Dispenser	2
Hand Sanitizer, Wall Mount	2
Waste Can	4
Open Top	4
Clinic Pod - Cardiology	**200**
Alcove - Equipment	**16**
Cart, Cylinder	2
D&E, Single	2
Cart, Procedure	1
Resuscitation	1
Defibrillator	1
Monitor, w/Pacing	1
Doppler	2
Vascular	2
Electrocardiograph (ECG)	2

Naperville ASTC Cath Lab Equipment	
	Quantity
Interpretive	2
Monitor, Physiologic	6
Vital Signs, w/Stand	6
Sphygmomanometer	2
Aneroid, Mobile	2
Alcove -Wheelchair Scale	**6**
Dispenser	2
Hand Sanitizer, Wall Mount	2
Scale, Clinical	2
Adult, Wheelchair	2
Stadiometer	2
Wall Mount	2
Device Exam Room	**8**
Cart, Procedure	1
General	1
Dispenser	4
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Disposal, Sharps	1
Wall Mount	1
Stool	1
Exam, w/Backrest	1
Waste Can	1
Step-On	1
Exam Room	**90**
Dispenser	36
Disinfectant Wipes, Wall Mount	9
Hand Sanitizer, Wall Mount	9
Paper Towel, Surface Mount	9
Soap, Wall Mount	9
Disposal, Sharps	9
Wall Mount	9
Oto/Ophthalmoscope Set	9
Desktop	9
Scale, Clinical	9
Adult, Digital, Floor	9
Stool	9
Exam, w/Backrest	9
Table, Exam/Treatment	9
Manual Adjust, Electric	9
Waste Can	9

Naperville ASTC Cath Lab Equipment	
	Quantity
Step-On	9
Exam Room-Power Table	**30**
Dispenser	12
Disinfectant Wipes, Wall Mount	3
Hand Sanitizer, Wall Mount	3
Paper Towel, Surface Mount	3
Soap, Wall Mount	3
Disposal, Sharps	3
Wall Mount	3
Oto/Ophthalmoscope Set	3
Desktop	3
Scale, Clinical	3
Adult, Digital, Floor	3
Stool	3
Exam, w/Backrest	3
Table, Exam/Treatment	3
Powered	3
Waste Can	3
Step-On	3
Patient Toilet	**8**
Dispenser	6
Paper Towel, Surface Mount	2
Soap, Wall Mount	2
Toilet Paper, Surface Mount	2
Waste Can	2
Step-On	2
POC	**14**
Analyzer, Lab	4
Coagulation, Portable	1
Glucose, Point-of-Care	1
Immunoassay, Countertop	1
Urinalysis, Semi-Automated	1
Dispenser	4
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Wall Mount	1
Freezer	1
Laboratory, Undercounter	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Microscope	1
Binocular	1
Refrigerator	1
Laboratory, Undercounter	1
Waste Can	1
Step-On	1
Reading Room	**2**
Dispenser	1
Hand Sanitizer, Wall Mount	1
Waste Can	1
Open Top	1
Team Workspace	**22**
Bin	2
Shredding, Secure	2
Box	1
Medication, Emergency	1
Cabinet, Storage, Clinical	1
Defibrillator	1
Defibrillator	1
Monitor, Automatic, Advisory	1
Dispenser, Water	1
Filtered	1
Waste Can	16
Open Top	8
Recycle	8
Touchdown	**4**
Dispenser	2
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Waste Can	2
Open Top	1
Recycle	1
Clinic Pod -Primary Care	**224**
Alcove - Equipment	**16**
Cart, Cylinder	2
D&E, Single	2
Cart, Equipment	1
Infant Scale	1
Electrocardiograph (ECG)	1
Interpretive	1
Light, Exam/Procedure	3
Single, Mobile, Gooseneck Arm	3
Monitor, Physiologic	6

Naperville ASTC Cath Lab Equipment	
	Quantity
Vital Signs, w/Stand	6
Scale, Clinical	1
Infant/Pediatric, Digital	1
Sphygmomanometer	2
Aneroid, Mobile	2
Alcove - Wheelchair Scale	**3**
Dispenser	1
Hand Sanitizer, Wall Mount	1
Scale, Clinical	1
Adult, Wheelchair	1
Stadiometer	1
Wall Mount	1
Exam Room	**60**
Dispenser	24
Disinfectant Wipes, Wall Mount	6
Hand Sanitizer, Wall Mount	6
Paper Towel, Surface Mount	6
Soap, Wall Mount	6
Disposal, Sharps	6
Wall Mount	6
Oto/Ophthalmoscope Set	6
Desktop	6
Scale, Clinical	6
Adult, Digital, Floor	6
Stool	6
Exam, w/Backrest	6
Table, Exam/Treatment	6
Manual Adjust, Electric	6
Waste Can	6
Step-On	6
Exam Room-Power Table	**60**
Dispenser	24
Disinfectant Wipes, Wall Mount	6
Hand Sanitizer, Wall Mount	6
Paper Towel, Surface Mount	6
Soap, Wall Mount	6
Disposal, Sharps	6
Wall Mount	6
Oto/Ophthalmoscope Set	6
Desktop	6
Scale, Clinical	6
Adult, Digital, Floor	6
Stool	6

Naperville ASTC Cath Lab Equipment	
	Quantity
Exam, w/Backrest	6
Table, Exam/Treatment	6
Powered	6
Waste Can	6
Step-On	6
Medication Room	**12**
Dispenser	4
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Wall Mount	1
Freezer	1
Laboratory, Undercounter	1
Mat, Floor	2
Anti-Fatigue	2
Refrigerator	2
Laboratory, 1 door	1
Laboratory, Undercounter	1
Waste Can	1
Step-On	1
Patient Toilet	**8**
Dispenser	6
Paper Towel, Surface Mount	2
Soap, Wall Mount	2
Toilet Paper, Surface Mount	2
Waste Can	2
Step-On	2
POC	**20**
Analyzer, Lab	7
Blood Lead	1
Coagulation, Portable	1
Glucose, Point-of-Care	2
Immunoassay, Countertop	2
Urinalysis, Semi-Automated	1
Dispenser	5
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	2
Paper Towel, Surface Mount	1
Soap, Wall Mount	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Wall Mount	1
Freezer	1
Laboratory, Undercounter	1
Hemoglobinometer	1
General	1
Microscope	1
Binocular	1
Refrigerator	1
Laboratory, Undercounter	1
Waste Can	2
Bio-Hazardous	1
Step-On	1
Procedure Room	**20**
Cart, Equipment	1
Electrosurgical Unit	1
Cart, Supply	1
Drawers	1
Dispenser	5
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Otoscope Tips, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Disposal, Sharps	1
Wall Mount	1
Electrosurgical Unit	1
Bipolar/Monopolar, Wall	1
Light, Exam/Procedure	1
Single, Ceiling	1
Monitor, Physiologic	1
Vital Signs, w/Stand	1
Oto/Ophthalmoscope Set	1
Desktop	1
Scale, Clinical	1
Adult, Digital, Floor	1
Smoke Evacuation	1
Surgical	1
Stand, IV	1
Stainless Steel	1
Stand, Mayo	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Foot-Operated	1
Stool	1
Exam, w/Backrest	1
Table, Exam/Treatment	1
Powered	1
Waste Can	2
Bio-Hazardous	1
Step-On	1
Team Workspace	**21**
Bin	1
Shredding, Secure	1
Box	1
Medication, Emergency	1
Cabinet, Storage, Clinical	1
Defibrillator	1
Defibrillator	1
Monitor, Automatic, Advisory	1
Dispenser, Water	1
Filtered	1
Waste Can	16
Open Top	8
Recycle	8
Touchdown	**4**
Dispenser	2
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Waste Can	2
Open Top	1
Recycle	1
Clinic Shared Support	**36**
Central Supply	**16**
Cabinet, Storage, Clinical	1
Gas Cylinder	1
Cart, Cylinder	2
D&E, Single	2
Cart, Supply	9
Stainless, 60 inch	9
Cart, Utility	1
Polymer	1
Dispenser	1
Hand Sanitizer, Wall Mount	1
Stool	1
Step, w/Handrail	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Waste Can	1
Open Top	1
EVS	**10**
Cart, Supply	2
Stainless, 60 inch	2
Dispenser	2
Hand Sanitizer, Wall Mount	2
Dispenser, Glove	2
Triple Box	2
Rack	2
Mops / Brooms	2
Waste Can	2
32-40 Gallon	2
Soiled Holding	**10**
Cart / Truck	2
Linen, Bulk	1
Soiled Utility	1
Dispenser	2
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Waste Can	5
32-40 Gallon	1
Bio-Hazardous	4
Lab	**60**
Alcove-Glucola	**1**
Refrigerator	1
Undercounter	1
Blood Draw - Open Bay	**26**
Cart, Procedure	2
General	2
Chair, Clinical	2
Blood Draw, Electric	2
Dispenser	10
Disinfectant Wipes, Wall Mount	2
Hand Sanitizer, Wall Mount	4
Paper Towel, Surface Mount	2
Soap, Wall Mount	2
Dispenser, Glove	2
Triple Box	2
Disposal, Sharps	2
Wall Mount	2

Naperville ASTC Cath Lab Equipment	
	Quantity
Rack	2
Test Tube, Wall Mount	2
Stool	2
Exam, w/Backrest	2
Waste Can	4
Bio-Hazardous	2
Step-On	2
Blood Draw - Private Bay	**17**
Cart, Procedure	1
General	1
Chair, Clinical	2
Blood Draw, Electric	1
Blood Draw, Reclining	1
Dispenser	5
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	2
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	2
Wall Mount	2
Phlebotomy Station	1
Infant, Freestanding	1
Rack	1
Test Tube, Wall Mount	1
Stool	1
Exam, w/Backrest	1
Waste Can	3
Bio-Hazardous	1
Step-On	2
Lab Processing	**12**
Bin	2
Supply	2
Centrifuge	2
General Purpose, Countertop	2
Dispenser	4
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	2
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Refrigerator	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Pharmaceutical, w/Freezer	1
Waste Can	2
Bio-Hazardous	1
Open Top	1
Patient Toilet	**4**
Dispenser	3
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Toilet Paper, Surface Mount	1
Waste Can	1
Step-On	1
NonInvasive Services	**216**
Cardiologist Reading/Work Room	**3**
Dispenser	1
Hand Sanitizer, Wall Mount	1
Waste Can	2
Open Top	1
Recycle	1
Clean Supply	**9**
Cart, Supply	5
Stainless, 60 inch	5
Dispenser	1
Hand Sanitizer, Wall Mount	1
Refrigerator	1
Laboratory, Undercounter	1
Stool	1
Step, w/Handrail	1
Waste Can	1
Open Top	1
CT Control Room	**2**
Cabinet, Warming	1
Single, Counter	1
Waste Can	1
Open Top	1
CT Gowning	**6**
Dispenser	2
Hand Sanitizer, Wall Mount	2
Hamper	2
Linen	2
Waste Can	2
Step-On	2
CT Scan Room	**38**
Analyzer, Lab	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Blood Gas, Point-of-Care	1
Apron	2
Lead	1
Lead, Allowance	1
Board	1
Patient Transfer Device	1
Bracket	1
Patient Transfer Device, Wall Mount	1
Cart, Procedure	1
General	1
Cart, Supply	3
Enclosed	3
CT Scanner	1
Multi-Slice, 64-320 Slice	1
Dispenser	4
Disinfectant Wipes, Wall Mount	1
Emesis Bag, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	4
Floor Bin	1
Floor Cart	1
Wall Mount	2
Flowmeter	2
Air	1
Oxygen	1
Hamper	1
Linen	1
Injector, Contrast Media	1
Ceiling Mount	1
Monitor, Physiologic	1
Vital Signs, w/Stand	1
Rack	1
Apron, Wall Mount	1
Refrigerator	1
Laboratory, Undercounter	1
Regulator	1
Suction, Intermittent/Continuous	1
Stand, IV	2
Chrome	2
Stand, Mayo	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Foot-Operated	1
Stool	2
Exam, Cushion-Seat	1
Step, w/Handrail	1
Warmer	1
Contrast Media	1
Waste Can	2
Open Top	1
Step-On	1
Waste Disposal	3
Pharmaceutical, Container	3
CT Screening	**5**
Chair, Clinical	1
Recliner, Treatment	1
Dispenser	1
Hand Sanitizer, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Stand, Mayo	1
Foot-Operated	1
Waste Can	1
Step-On	1
Echo Room	**15**
Dispenser	4
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Wall Mount	1
Hamper	1
Linen	1
Mixer	1
Vortex	1
Monitor, Physiologic	1
Vital Signs, w/Stand	1
Stool	1
Step, w/Handrail	1
Table, Imaging	1
Ultrasound	1
Ultrasound, Imaging	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Cardiac / Echo	1
Warmer	1
Gel/Wax/Lotion	1
Waste Can	2
Open Top	1
Step-On	1
Emergency Equipment Alcove	**3**
Cart, Procedure	1
Resuscitation	1
Defibrillator	1
Monitor, w/Pacing	1
Pump, Suction/Aspirator	1
General, Portable	1
Fast Track	**22**
Dispenser	8
Disinfectant Wipes, Wall Mount	2
Hand Sanitizer, Wall Mount	2
Paper Towel, Surface Mount	2
Soap, Wall Mount	2
Dispenser, Glove	2
Triple Box	2
Disposal, Sharps	2
Wall Mount	2
Hamper	2
Linen	2
Monitor, Physiologic	2
Vital Signs, w/Stand	2
Stool	2
Exam, w/Backrest	2
Table, Exam/Treatment	2
Powered	2
Waste Can	2
Step-On	2
Holter/EKG Room	**10**
Dispenser	4
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Wall Mount	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Electrocardiograph (ECG)	1
Interpretive	1
Stool	1
Exam, w/Backrest	1
Table, Exam/Treatment	1
Powered	1
Waste Can	1
Step-On	1
NM Control Room	**3**
Dispenser	1
Hand Sanitizer, Wall Mount	1
Waste Can	2
Open Top	1
Recycle	1
NM Hot Lab	**15**
Cabinet, Storage, Clinical	1
Lead Lined	1
Dispenser	3
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Lead Lined	1
Dose Calibrator	1
w/ Well Counter	1
Meter	1
Survey	1
Shield	5
Lead, Syringe	3
Lead, Syringe Carrier	1
Lead, Table Top L-block	1
Waste Can	2
Lead-lined	1
Step-On	1
NM Injection/Holding Room	**11**
Chair, Clinical	1
Recliner, Treatment	1
Dispenser	4
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Wall Mount	1
Sphygmomanometer	1
Aneroid, Mobile	1
Stand, Mayo	1
Foot-Operated	1
Stool	1
Exam, w/Backrest	1
Waste Can	1
Step-On	1
NM Patient Toilet	**4**
Dispenser	3
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Toilet Paper, Surface Mount	1
Waste Can	1
Step-On	1
NM Waiting	**2**
Waste Can	2
Open Top	2
Nuclear SPECT Scanner	**8**
Camera, Gamma	1
SPECT	1
Dispenser	3
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Wall Mount	1
Waste Can	2
Lead-lined	1
Open Top	1
Nuclear Stress Treadmill Room	**10**
Chair, Clinical	1
Recliner, Treatment	1
Dispenser	4
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Wall Mount	1
Sphygmomanometer	1
Aneroid, Mobile	1
Stress Test System	1
w/ Treadmill	1
Waste Can	1
Open Top	1
Patient Toilet	**4**
Dispenser	3
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Toilet Paper, Surface Mount	1
Waste Can	1
Step-On	1
Stress/Echo	**17**
Dispenser	4
Disinfectant Wipes, Wall Mount	1
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Wall Mount	1
Hamper	1
Linen	1
Mixer	1
Vortex	1
Monitor, Physiologic	1
Vital Signs, w/Stand	1
Sphygmomanometer	1
Aneroid, Mobile	1
Stool	1
Step, w/Handrail	1
Stress Test System	1
w/ Treadmill	1
Table, Imaging	1
Ultrasound	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Ultrasound, Imaging	1
Cardiac / Echo	1
Warmer	1
Gel/Wax/Lotion	1
Waste Can	2
Open Top	1
Step-On	1
Touchdown	**2**
Dispenser	1
Hand Sanitizer, Wall Mount	1
Waste Can	1
Open Top	1
Vascular Lab	**12**
Dispenser	3
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1
Wall Mount	1
Stand, Mayo	1
Foot-Operated	1
Stool	1
Step, w/Handrail	1
Table, Imaging	1
Ultrasound	1
Ultrasound, Imaging	1
Multipurpose	1
Vascular Diagnostic System	1
Non-Invasive	1
Warmer	1
Gel/Wax/Lotion	1
Waste Can	1
Step-On	1
Vein Procedure Room	**15**
Dispenser	3
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Glove	1
Triple Box	1
Disposal, Sharps	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Wall Mount	1
Doppler	1
Vascular	1
Laser	1
Aesthetic, Diode	1
Light, Exam/Procedure	1
Single, Ceiling	1
Stand, Mayo	1
Foot-Operated	1
Stool	1
Step, w/Handrail	1
Table, Imaging	1
Ultrasound	1
Ultrasound, Imaging	1
Multipurpose	1
Vascular Diagnostic System	1
Non-Invasive	1
Warmer	1
Gel/Wax/Lotion	1
Waste Can	1
Step-On	1
Public Services	**28**
Alcove - Wheelchair	**4**
Wheelchair	4
Adult, Bariatric	1
Adult, Standard	3
Family Toilet	**4**
Dispenser	3
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Toilet Paper, Surface Mount	1
Waste Can	1
Step-On	1
Public Toilet	**4**
Dispenser	3
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Toilet Paper, Surface Mount	1
Waste Can	1
Step-On	1
Reception	**5**
Bin	1
Shredding, Secure	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Waste Can	4
Open Top	4
Waiting	**11**
Coffee Maker	1
Thermal Pot	1
Dispenser	2
Hand Sanitizer, Wall Mount	2
Dispenser, Water	2
Filtered	2
Stand, Equipment	2
Hand Sanitizer	2
Waste Can	4
Open Top	4
Staff Support	**42**
Conference Room	**3**
Dispenser	1
Hand Sanitizer, Wall Mount	1
Waste Can	2
Open Top	1
Recycle	1
Office Manager	**3**
Dispenser	1
Hand Sanitizer, Wall Mount	1
Waste Can	2
Open Top	1
Recycle	1
Office RN/Cath Scheduler	**3**
Dispenser	1
Hand Sanitizer, Wall Mount	1
Waste Can	2
Open Top	1
Recycle	1
Office SPVS/COORD	**3**
Dispenser	1
Hand Sanitizer, Wall Mount	1
Waste Can	2
Open Top	1
Recycle	1
Office/Supervisor	**3**
Dispenser	1
Hand Sanitizer, Wall Mount	1
Waste Can	2
Open Top	1

Naperville ASTC Cath Lab Equipment	
	Quantity
Recycle	1
Phone Room	**4**
Waste Can	4
Open Top	2
Recycle	2
Respite Room	**4**
Dispenser	3
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Waste Can	1
Open Top	1
Staff Lounge	**11**
Coffee Maker	1
Pour-Over, Airpot	1
Dispenser	3
Hand Sanitizer, Wall Mount	1
Paper Towel, Surface Mount	1
Soap, Wall Mount	1
Dispenser, Water	1
Filtered	1
Oven	2
Domestic, Microwave, Countertop	2
Refrigerator	2
Domestic with Freezer	2
Waste Can	2
20-31 Gallon	1
Recycle	1
Staff Toilet	**8**
Dispenser	6
Paper Towel, Surface Mount	2
Soap, Wall Mount	2
Toilet Paper, Surface Mount	2
Waste Can	2
Step-On	2
Staff Toilet	**8**
Dispenser	6
Paper Towel, Surface Mount	2
Soap, Wall Mount	2
Toilet Paper, Surface Mount	2
Waste Can	2
Step-On	2
Grand Total	**1,101**

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): **May 1, 2026**
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.

The following CON/COE applications have received permits from the HFSRB and are in process of development. These projects are expected to be completed on time and within budget without any changes in scope.

Advocate Christ Medical Center	#14-057
Advocate Condell Medical Center	#20-004
Advocate Illinois Masonic Medical Center	#22-009
Advocate Outpatient Center - South Elgin	#22-050
Advocate Outpatient Center - Chicago Webster	#23-002
Advocate Outpatient Center – Lakemoor	#23-010
Advocate Christ Medical Center	#23-021
Advocate ASTC - Chicago Webster	#23-007
Advocate Outpatient Center – Hoffman Estates	#23-028

Cost Space Requirements

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

		Building Gross Square Feet		Proposed Total Building Gross Square Feet			
Dept. / Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL Reviewable and Non-Reviewable							
ASTC (1 OR room)	$5,145,107	0	2,682	2,682			
PACU/Prep/Recovery (4 rooms)	$5,978,999	0	4,607	4,607			
Imaging – CT (1 Unit)	$4,219,235	0	1,330	1,330			
Imaging – Nuclear Medicine (1 Unit)	$2,629,332	0	1,585	1,585			
Imaging – Vascular US (1 Unit)	$584,740	0	301	301			
Imaging – Vein US (1 Unit)	$723,299	0	339	339			
Imaging – Echo US (1 Unit)	$604,558	0	275	275			
Imaging – Stress/Echo US (1 Unit)	$774,449	0	384	384			
Physician Clinic Exam/Treatment Rooms (26 Rooms)	$13,547,214	0	12,894	12,894			
Fast Track (2 rooms)	$861,472	0	826	826			
Holter (1 room)	$487,643	0	427	427			
Well Lab (1 private room, 2 open bays)	$926,948	0	821	821			
Total Clinical	**$36,482,995**	0	26,471	26,471			
NON-CLINICAL Non-Reviewable							
Public, Circulation, Staff Support, Building Support	$15,726,005	0	17,435	17,435	0	0	0
Total Non-Clinical Non-Reviewable	$15,726,005	0	17,435	17,435	0	0	0
TOTAL	**$52,208,999**	0	**43,906**	**43,906**	0	0	0

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

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 <u>ATTACHMENT 11</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

1. **For the following questions, please a listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.**

   Attachment 11, Exhibit 1, is the listing of all Illinois licensed health care facilities owned by the applicants.

2. **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.**

   By the signatures on the Certification pages of this application, the applicants attest there has been no "adverse action" (as that term is defined in Section 1130.140 of the Illinois Health Facilities and Services Review Board (HFSRB) rules) against any Illinois health care facility owned and/or operated by the applicants, during the three-year period immediately prior to the filing of this application.

3. **Authorization permitting HFSRB and DPH access to any documents necessary.**

   The applicants hereby authorize the HFSRB and the Illinois Department of Public Health to access information that may be required in order to verify any documentation or information submitted in response to the requirements of this subsection, or to obtain any documentation or information which the HFSRB or Illinois Department of Public Health find pertinent to this subsection.

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

   All licensure and accreditation information required with this Attachment 11 is attached and the applicants are not relying on a previously filed application.

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

Illinois Hospitals owned and operated by the applicants.

Facility	Location	License No.	DNV Accreditation No.
Advocate Christ Medical Center	4440 West 95th St, Oak Lawn, IL 60453	315	PRJC-435588-2012-MSL-USA
Advocate Condell Medical Center	801 South Milwaukee Ave, Libertyville, IL 60048	5579	PRJC-492361-2013- AST-USA
Advocate Good Samaritan Hospital	3815 Highland Ave, Downers Grove, IL 60515	3384	PRJC-369029-2012-MSL-USA
Advocate Good Shepherd Hospital	450 West Highway 22, Barrington, IL 60010	3475	PRJC-369027-2012-MSL-USA
Advocate Illinois Masonic Medical Center	836 West Wellington Ave, Chicago, IL 60657	5165	PRJC-529782-2015-AST-USA
Advocate Lutheran General Hospital	1775 Dempster St, Park Ridge, IL 60068	4796	PRJC-369033-2012-MSL-USA
Advocate Sherman Hospital	1425 North Randall Rd, Elgin, IL 60123	5884	PRJC-496379-2013-MSL-USA
Advocate South Suburban Hospital	17800 South Kedzie Ave, Hazel Crest, IL 60429	4697	PRJC-409982-2012-MSL-USA
Advocate Trinity Hospital	2320 East 93rd St, Chicago, IL 60617	4176	PRJC-408213-2012-MSL-USA

Additionally, AHHC has ownership interest of 50% or more in the following licensed health care facilities

Facility	Location	License No.	Joint Commission Accreditation No/ Accreditation Association for Ambulatory Health Care, Inc.
Dreyer Ambulatory Surgery Center	1220 N. Highland Ave, Aurora, IL	7001779	AAAHC

#24-008

File Number 1004-695-5

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, **Alexi Giannoulias**, *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*

ADVOCATE HEALTH AND HOSPITALS CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 12, 1906, 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* 3RD *day of* MARCH *A.D.* 2023 .

Authentication #: 2306203384 verifiable until 03/03/2024
Authenticate at: https://www.ilsos.gov

SECRETARY OF STATE

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT "ADVOCATE AURORA HEALTH, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE NOT HAVING BEEN CANCELLED OR DISSOLVED SO FAR AS THE RECORDS OF THIS OFFICE SHOW AND IS DULY AUTHORIZED TO TRANSACT BUSINESS.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION IS AN EXEMPT CORPORATION.

THE FOLLOWING DOCUMENTS HAVE BEEN FILED:

CERTIFICATE OF INCORPORATION, FILED THE FOURTH DAY OF DECEMBER, A.D. 2017, AT 2:46 O`CLOCK P.M.

RESTATED CERTIFICATE, FILED THE SECOND DAY OF APRIL, A.D. 2018, AT 5:52 O`CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID CORPORATION, "ADVOCATE AURORA HEALTH, INC.".

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

Jeffrey W. Bullock, Secretary of State

6645600 8310

SR# 20232951526

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 203713809

Date: 07-10-23

Delaware

The First State

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "ADVOCATE AURORA HEALTH, INC." WAS INCORPORATED ON THE FOURTH DAY OF DECEMBER, A.D. 2017.

Jeffrey W. Bullock, Secretary of State

6645600 8310

SR# 20232951526

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 203713809

Date: 07-10-23

#24-008

File Number 7155-851-7

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulias, *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*

ADVOCATE AURORA HEALTH, INC., INCORPORATED IN DELAWARE AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON APRIL 03, 2018, 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 A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS 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* 10TH *day of* JULY *A.D.* 2023 .

Authentication #: 2319100664 verifiable until 07/10/2024
Authenticate at: https://www.ilsos.gov

Alexi Giannoulias
SECRETARY OF STATE

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ADVOCATE HEALTH, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-THIRD DAY OF MARCH, A.D. 2023.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION IS AN EXEMPT CORPORATION.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "ADVOCATE HEALTH, INC." WAS INCORPORATED ON THE NINTH DAY OF MAY, A.D. 2022.

Jeffrey W. Bullock, Secretary of State

6784998 8300C

SR# 20231117363

Authentication: 202988197

Date: 03-23-23

You may verify this certificate online at corp.delaware.gov/authver.shtml

#24-008

File Number 7376-313-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, **Alexi Giannoulias,** *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*

ADVOCATE HEALTH, INC., INCORPORATED IN DELAWARE AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON JUNE 28, 2022, 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 A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS 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* 3RD *day of* MARCH *A.D.* 2023 .

Authentication #: 2306203418 verifiable until 03/03/2024
Authenticate at: https://www.ilsos.gov

SECRETARY OF STATE

Criterion 1110.110(b) & (d)

PURPOSE OF PROJECT

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

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

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

10. Cite the sources of the documentation.

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

12. 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.

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 provide enhanced access and lower cost of care to patients by developing a Cardiovascular ASTC that establishes an onsite cardiac cath lab that will provide invasive cardiovascular and other vascular procedures. This would include non-emergency diagnostic cardiac catheterization procedures, and non-complex elective procedures to open blocked arteries, known as percutaneous coronary intervention, or PCI. This cath lab will also include implementation/explant of cardiac devices such as pacemakers, and insertion of a catheter to measure pressures in the heart used for heart failure patients (swan ganz catheter). We will strictly follow CMS guidelines to which types of procedures can safely be performed in this ATSC setting.

This project will include primary care and cardiology physician offices, imaging, cardiac diagnostic testing, and procedural capabilities all in one convenient location, close to where Advocate Health patients live and work. The proposed project will meet the current and future needs of the applicants' patients and community for access to high-quality, cost efficient, primary, and cardiovascular care by co-locating these Advocate Medical Group physicians and outpatient services.

The project is to develop a facility that will allow procedures that are appropriate for an ASTC to be performed in a setting that is demonstrated to be less costly and more convenient for patients and their families.

The benefits of establishment of an ambulatory cardiac catheterization service in an ASTC facility include:

A. Increased access to Cardiovascular services

These Advocate Medical Group services will be in partnership with Advocate Good Samaritan Hospital to increase access to Cardiovascular services to provide a full continuum of care to patients living in the DuPage and western suburbs.

Advocate Good Samaritan Hospital is a leader in Cardiovascular services offering comprehensive CV services within the community and surrounding suburbs. Good Samaritan has received National recognition as a top Cardiology Hospital in the World and recognized by Health Grades as one of America's 100 Best Hospitals for Cardiac Care and Coronary Intervention for the last 3 years. This recognition demonstrates the high quality and clinical outcomes provided by Advocate and the physicians that provide care to this service area.

Cardiovascular services have significantly increased at Good Samaritan Hospital, including the growing volume of more complex, higher acuity Cardiovascular procedures being performed in the Cardiac Cath lab. This includes valve replacement and complex ablation procedures that require multiple resources such as anesthesia, open heart surgeons and cardiac imaging (echo) during the procedure. These higher acuity procedures are longer in duration, resulting in access challenges for the daily schedule. Performing lower acuity, low risk procedures in an ATSC would increase access for the higher acuity procedures in the cath lab by shifting these low-risk cases to the ATSC, at a lower cost to the patient. It would then open capacity at the hospital to accommodate the growing volume of structural heart and EP procedures. This project will increase capacity needed due to the high utilization of the cardiac catheterization labs at Advocate Good Samaritan Hospital.

B. Increased access to Cardiology providers and timely services/preventative services

The Advocate Medical Cardiology Group has increased and has developed processes for improved navigation for patients to schedule testing and clinic visits quickly. EMR enhancements have allowed AMG providers to see patient referrals on the same day and view all orders to cardiology and cardiology testing. Historically the patient would need to get a paper or electronic order and try to navigate through a complex system themselves to get scheduled with a provider or schedule for testing. These EMR enhancements allow the clinicians to navigate patient care and to increase the number of patients in the clinics, testing and downstream cath/EP procedures. This has resulted in more timely care and enhanced experience for our patients.

The Fast Track Program is one example of providing cardiac evaluation and clinical services for low-risk chest pain patients in this outpatient location. These patients will be evaluated by an advanced clinical provider and receive the necessary cardiac diagnostic and ancillary testing as part of this visit and receive results before they leave.

The Heart Scan CT screening has been an effective tool to identify cardiac disease early before a debilitating cardiac event. Patients needing follow up testing and procedures can be seen quickly. They may be referred to a Cardiologist for evaluation, outpatient cardiology diagnostic or imaging services, or the Fast track Program. This is a type of patient that might get an elective cath procedure in the ATSC.

C. Higher satisfaction for patients and providers

An ASTC/Cardiac cath service in an ambulatory location translates to higher patient and physician satisfaction for the appropriate patients in a care delivery setting that is accessible and convenient. These factors combine to provide better continuity of care in a high-quality lower cost setting and improve timely access to outpatient care.

This facility will provide patients who reside in the DuPage area and recognize Advocate Health as their preferred provider for healthcare services, access to an ASTC facility for their CV procedures. This facility would allow patients to maintain their current healthcare relationships which focuses on meeting their needs while staying close to home.

This ASTC will provide an ambulatory healthcare setting that treats low risk patients that need elective cardiac cath and vascular procedures, such as noncomplex angiograms, intervention, and workup for structural heart procedures and elective surgeries. The ATSC will provide patients a more time efficient and comforting experience than a hospital setting due to not having their procedures delayed in order to provide emergent and urgent procedures. Because of the shift in low acuity elective procedures, this will also allow for improved access in the hospital for more lengthy, high acuity procedures requiring multiple resources such as anesthesia and surgeons.

This facility will also be in the same building with Advocate Medical Group (AMG) primary care providers and Cardiologists in the Medical Office building. The proposed Medical Office building components will include physician clinic space, cardiac diagnostics, lab, and imaging. This will increase the satisfaction of these physicians by creating a more efficient operating model that streamlines processes and eliminates scheduling delays due to emergency or trauma patients. Patients will have coordinated care starting with primary care and referral to a cardiology specialist who can test and treat in the same environment.

D. Cost Savings: ASTCs can generate significant savings for patients, employers, and payers

With the addition of cardiac diagnostics and interventions to CMS's ambulatory surgery center (ASC) reimbursement list in recent years, cardiovascular programs can now provide cardiovascular procedures across multiple sites on the care continuum, such as an ASTC or office-based lab (OBL) in a lower cost setting to patients.
Changes in payer support, technological advances and care redesign enable care to shift procedures to the ambulatory setting and deliver care in lower-acuity and lower-cost settings for appropriate patients.

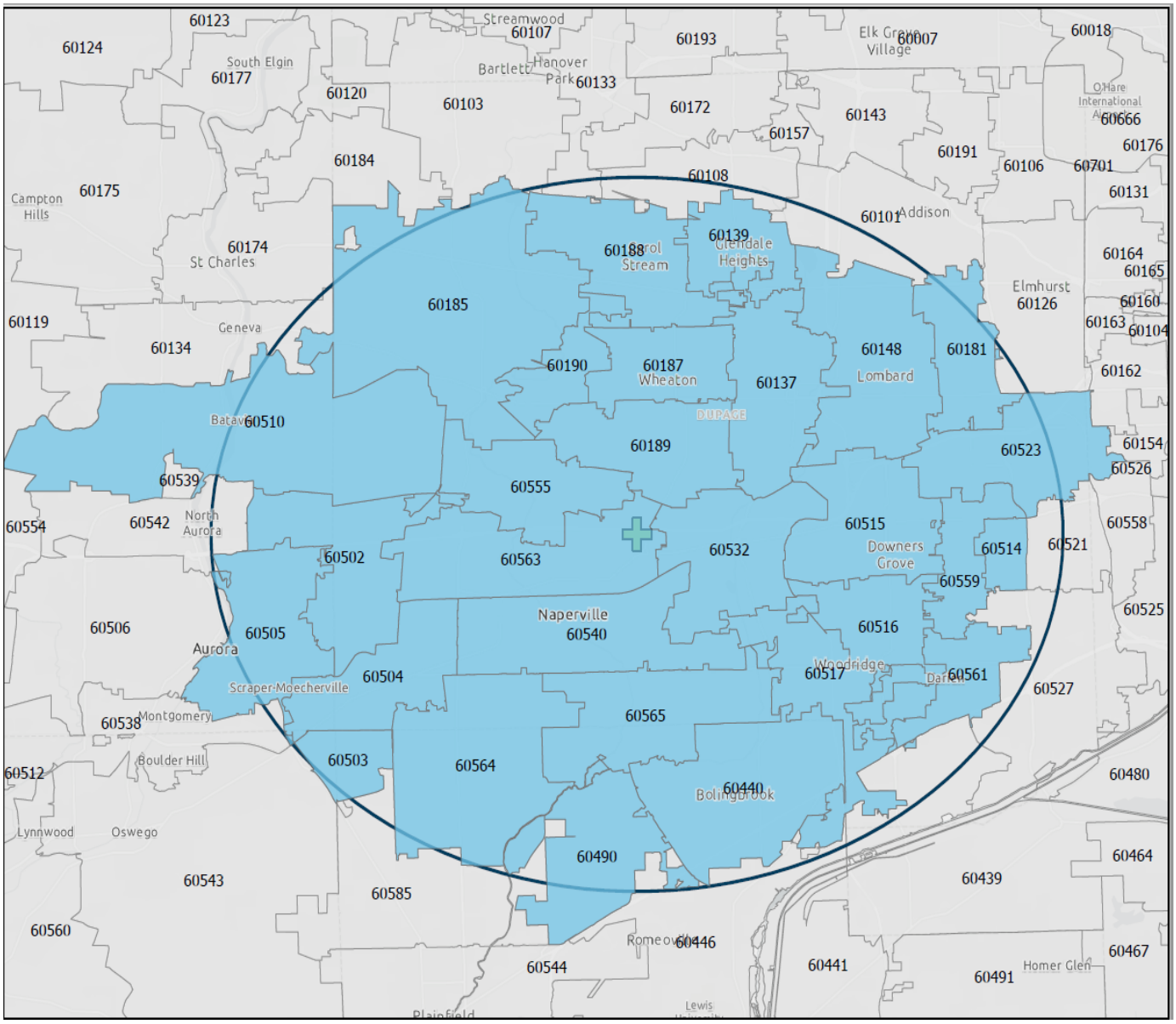
2. ***Define the planning area or market area.***

The project is planned to serve the residents of the Western Suburbs. The primary market area is defined by a ten-mile radius of the surgery center location as shown in the map below.

One hundred percent (100%) of the committed cardiovascular catheterization/surgical cases for this proposed project are currently being performed in the operating rooms at Advocate hospitals. Only procedures from within the defined market area zip codes were used to develop these estimates.

In accordance with 77 Illinois Admin Code Section 1110.235© (2)(8), we have included a list of all zip code areas in the GSA that are located within a 10-mile radius of the proposed site of the ASTC.

#24-008


60123
60124
Streamwood
60107
60193
Elk Grove Village
60007
60018
South Elgin
60177
Bartlett
Hanover Park
60133
60120
60103
60172
60143
60157
60191
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60701
60176
60184
60108
60175
Campton Hills
60101
Addison
60131
60174
St Charles
60188
Carol Stream
60139
Glendale Heights
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Elmhurst
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Geneva
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Wheaton
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Lombard
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DUPAGE
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North Aurora
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Downers Grove
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Aurora
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Woodridge
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Scraper-Moecherville
Montgomery
60538
60565
60503
60564
60440
60480
60512
Boulder Hill
Lynnwood
Oswego
60490
60464
60543
60585
60439
60560
Romeoville
60446
60544
60441
60467
Homer Glen
60491
Plainfield
Lewis

Zipcode	Town	2022 Population	2027 Population
60137	Glen Ellyn	38,593	38,155
60139	Glendale Heights	32,728	32,224
60148	Lombard	53,527	53,372
60181	Villa Park	29,668	29,618
60185	West Chicago	34,843	34,300
60187	Wheaton	30,084	29,874
60188	Carol Stream	43,452	42,604
60189	Wheaton	29,854	29,456
60190	Winfield	11,151	11,305
60440	Bolingbrook	51,291	51,334
60490	Bolingbrook	21,863	21,707
60502	Aurora	23,541	23,679
60503	Aurora	16,906	17,089
60504	Aurora	38,434	38,174
60505	Aurora	56,550	54,903
60510	Batavia	28,253	27,959
60514	Clarendon Hills	10,565	10,389
60515	Downers Grove	29,719	29,345
60516	Downers Grove	29,092	28,726
60517	Woodridge	32,606	32,056
60523	Oak Brook	10,040	10,106
60532	Lisle	28,529	28,320
60540	Naperville	44,128	43,585
60555	Warrenville	14,861	15,348
60559	Westmont	24,048	24,076
60561	Darien	22,615	22,115
60563	Naperville	38,498	39,177
60564	Naperville	47,067	47,342
60565	Naperville	39,857	39,209
	TOTAL	**912,363**	**905,547**

Although the total population in the broader service area is anticipated to be consistent over the next 5 years, the growth in the 65+ population is projected to increase by over 15% from 139,566 to 160,685; an increase of 21,000 older residents.

Age Group		2022	2027
0-19		237,819	227,627
20-44		299,266	298,555
45-64		235,717	218,691
65+		139,566	160,685
TOTAL		912,363	905,547

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

A. Increased Cardiovascular Disease

Cardiovascular disease remains the leading cause of disease and death across the globe according to the CDC. Access to health care, both preventive care and treatment, is crucial for cardiovascular health. Research shows that by improving health care access to and affordability of cardiovascular treatment and decrease barriers to care, population-level cardiovascular disease (CVD) risk may be reduced. (Source: AHA)

The Advisory Board, a national consulting firm, had outlined that the prevalence of cardiovascular disease and related comorbidities is already high and will continue to increase over the next decade. This is driven by a growing and aging population that is amassing more chronic conditions.

- In 2010, the estimated US population diagnosed with atrial fibrillation was 5.2M, and by 2030, that number is expected to more than double to an estimated 12.1M.
- There is a projected 54% increase in adult diabetes from 2017 to 2045.
- There is a projected 20% increase in the number of individuals who will have a stroke from 2012-2030.
- This amounts to heart disease remaining the leading cause of death in the US, with 239.8 deaths per 100k people attributed to CV disease in 2020.
- The total number of CV-attributable deaths continues to grow as the size of the older population grows, but this is an age-adjusted rate. It had been decreasing each year until 2020, when it increased by 4.6%. That increase was fueled by COVID-19, both directly (as the virus attacked circulatory systems) and indirectly (as people with CV risk factors avoided care in the early days of the pandemic).

Sg2, consulting firm, stated that the growth of cardiovascular disease is fueled by not only the aging of the population, but also a concerning rise in disease onset and acute events in patients younger than 45 with hypertension impacting nearly 50% of the population. The aging population, along with sedentary lifestyles, obesity and diabetes and increased comorbidity, continues to drive an increase in cardiovascular disease.

Forecasted growth and shifts in the way care is delivered requires a new approach. Sg2 projected that nationally, the need for outpatient cardiovascular services will increase by 22% over the next 5 years, peripheral vascular disease by 27% and diseases of the venous system by 24%. Demand for endovascular procedures is expected to grow by 30%, with over half of these procedures expected to be performed in office-based settings. The demand for cardiovascular imaging is also projected to grow CT by 11%, Nuclear Medicine by 31% and outpatient cardiac diagnostics such as Echo by 31%.

The Advocate DuPage market has identified health equity needs for the South Asian community and currently provide outreach for education and preventative case for this patient population.

Research has shown:

- South Asians develop coronary artery disease, on average, up to 10 years earlier than the general population.
- 25% of heart attacks occur under the age of 40 for young South Asians, and 50% occur under age 50.
- There is a 40% higher chance of mortality from heart attacks among South Asians than the average population.
- According to a WHO report, by 2020, South Asians will comprise 25% of the world's population, but will suffer over 50% of the world's cardiovascular deaths.

With over 50,000 adult South Asians in the DuPage market, there are plans to expand Advocate's South Asian Cardiac clinics, to support the primary care and cardiology patients at this location for easier access.

The patients referred to and using this facility are those that currently receive hospital-based cardiac catheterization or surgical care at Advocate Good Samaritan Hospital. Internal analysis identified that a percentage of patients would be well served with an ambulatory surgery center option.

This project offers convenient, lower cost ambulatory options in a market that has historically focused on hospital-only care allowing Advocate Health to improve access to and affordability of healthcare across populations. Creating new, lower-cost, convenient access for elective Cardiac cath and vascular procedures is especially important in improving access for Advocate patients in this service area.

B. Meet the community need for access to non-hospital care

Advances in technology, safety and early diagnosis for low-risk procedures will continue to create opportunities to shift more care to the outpatient setting. With medical advances such as the shift in access to the radial artery from femoral artery, patients no longer need to lay flat for many hours post procedure. Radial access also decreases complications such as bleeding.

The physicians that will practice at the ASTC are significant providers who perform a high volume of procedural cases for people that live in this community and the patients have a long-established pattern of coming to Advocate Health for their comprehensive care. This ambulatory cardiac cath service will allow these patients who need elective procedures to choose this location without disrupting continuity of their care.

C. ASTC Charity Care Plan

This proposed ASTC/Cardiac Cath service will follow the Advocate Health charity care policy and provide services to Medicaid and charity care patients of all ages.

AAH's proposed, non-profit ASTC will follow the same charity care policies as Advocate Illinois hospitals committed to serving the entire market's needs.

4. Cite the sources of the documentation.

Information used in this application included reports submitted to the State and various credentialing organizations, AAH Strategic and business plans, analysis done by external planners, architects, and engineers. Physician experts were consulted as well as independent professionals in relevant disciplines.

- Sg2 - Impact of Change data, market estimates and publications - 2023
- Advisory Board
- Advocate Aurora internal patient care statistics and business planning
- Illinois Department of Public Health Hospital Licensing Code
- Illinois Health Facilities and Services Review Board (HFSRB) Administrative Rules
- Illinois Health Facilities and Services Review Board (HFSRB) Ambulatory Surgical Treatment Center Facility Data Profiles – 2022
- IHA Compdata
- Esri Population 2023 and the US Census Bureau
- American College of Cardiology
- Insurance documents

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

The primary purpose of this project is to meet the current and future needs of this community by offering a high quality, cost effective elective outpatient cardiac catheterization and vascular procedures for the appropriate patients and create additional access at Advocate Good Samaritan Hospital for high acuity and complex cardiovascular cases.

The addition of the ASTC/Cardiac Cath will further support the initiatives of the Cardiovascular Institute at Advocate Good Samaritan Hospital. The program highlights are provided in Attachment 12, Exhibit 1. This Includes programs such as prevention, access, screening, diagnosis, treatment, and chronic disease management for conditions like hypertension, heart valve disease, coronary artery disease, arrhythmias, lipids, cardiometabolic disease, and heart failure.

The proposed ASTC will implement a charity care policy to mirror the charity care policies of AAH. This includes seeing Medicare, Medicaid, and charity care patients. This proposed ASTC continues building the necessary future infrastructure for care coordination and aims to improve access to low-cost options for Advocate patients and physicians in this community.

6. Provide goals for the proposed project.

The proposed Project allows for Advocate Medical Group to continue providing quality health care to residents in its geographic area. The goals for this project include:

- Improving access to care in a non-hospital setting for cardiac catheterization procedures for existing Advocate patients. Cardiac cath utilization in the ASTC is projected to reach 249 cases equaling 300 procedures by the second year of operation.
- Providing increased access to Primary Care and Cardiology Advocate Medical Group clinical providers. This will include ancillary services that are needed as part of the patient's clinic visit allowing for collaboration and referrals between providers and testing completed at one location.
- Offering a lower cost setting for patients in the community needing access to outpatient CV testing, screenings, and health care.
- Creating a fast-track cardiac service for patients with non-life-threatening heart conditions such as palpitations, chest pain, hypertension, and indigestion or patients with a family history.
- Occupancy of the new facility to be completed by May 1, 2026

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.

The proposed project is being developed to increase access to outpatient Cardiovascular services for Advocate Health patients living in the DuPage service area by establishing a cardiovascular ambulatory surgical treatment center for this region. Additionally, the project is designed to increase access and coordination of primary and cardiology clinical care and outpatient cardiology diagnostic services.

The applicants considered a number of alternatives to improve outpatient cardiovascular services to support the needs of this community. The following options were evaluated in the development of this ambulatory surgery center and other clinical services to determine the location, size, and scope needed for the residents of this service area.

Alternative #1: Maintain current services: (Cost: $0)

Maintaining current services is not an option as it does not keep pace with the changes needed in health care to meet community demand for improved access, lower costs, and patient experience in a lower acuity environment. Maintaining current services would not provide the access needed with growing demand for care in the acute care setting resulting in capacity issues and need to shift to lower acuity care to ambulatory settings. Population trends in the community demonstrate aging population as well as increases in co-morbidities with cardio-metabolic disease including hypertension, diabetes, hyperlipidemia, and recently long COVID disease. This option would negatively impact the ability to continue to provide the access needed for Cardiovascular services in this community. These needs cannot be met if the status quo is maintained.

Alternative #2: Utilizing other health care facilities to serve the population (Cost: $ No construction cost but would experience loss of patients and lack of continuity of care.)

As one of the highest quality programs in this region, Advocate Good Samaritan is viewed as a significant resource for Cardiovascular services in this region.

Other health care facilities are also facing capacity issues and transfer to another site of care when hospitals are at capacity can create delays in care. Delays in care adversely impacts heart-health outcomes. Many of the residents have an existing relationship with Advocate providers and are looking for a high quality, cost appropriate setting for outpatient procedures. The physicians seeing these patients are principally located nearby and are on staff at Advocate Good Samaritan Hospital. Patients in this community have a long-established relationship with these physicians for their comprehensive care and requiring use of other facilities could result in delays in access to care, repeat tests and disrupt continuity of care.

Alternative #3: Develop a Project of lesser scope and cost (Cost: $36,000,000)

This option to develop an ASTC in a facility where the Cardiology physicians that will have clinic offices and the outpatient cardiac diagnostics at this location will enhance the continuity of care of preventative and diagnostic services needed by these patients. To develop these clinic offices and outpatient services at another location would not provide the continuum of care and would be more costly to develop another location in the future.

A Project of lessor scope such as developing just the ASTC without the diagnostic cardiac services and the clinic services would not support the needs of the community or achieve the goal to provide a coordinated patient experience at lower cost. This site will support the full continuum of ambulatory cardiac care including clinic office visits, non-invasive and low risk invasive cardiac diagnostic testing and treatment in the ASTC. This is a unique opportunity to develop a new care model to better serve our patients on an ambulatory basis. The project scope, inclusive of a shift of lower acuity cases to the ASTC with a cardiac catheterization lab supports patients in the community who need early access for acute and complex care at the hospital by increasing hospital capacity.

Alternative #4: Acquire or joint venture with an existing ASTC (Cost: Unknown)

Although a JV might lower the upfront investment cost to Advocate Health Care, there are no surgery centers in this service area that have expressed interest in being acquired or have the ability to support a cardiac catheterization lab within the ASTC. Additionally, the financial and quality policies of Advocate Health Care would be a requirement of any facility owned by Advocate and must align with the high patient outcome metrics and standards.

Alternative #5: Establish an outpatient Cardiac Cath service in a Ambulatory Surgery Treatment Center including Outpatient Cardiology diagnostic services and Physician clinics (Cost: $52,208,999) - Project selected

This option was selected as it provides an outpatient location for appropriate elective cardiac catheterization and vascular surgical procedures for Advocate patients in the service area. This project will achieve the key reasons for developing this ambulatory surgery treatment center at this location that include:

- Provides patients access to a high-quality, lower cost care in an appropriate setting for outpatient procedures while maintaining current health care relationships in their service area. This will increase access and patient satisfaction, focusing on the needs of the patient.
- Increases physician satisfaction with an efficient operating model, streamlines processes and improves scheduling without trauma or emergency patients.
- Capital costs are lower to build an ASTC compared with expanding the hospital cardiac catheterization and operating room suite. This will increase capacity at the hospital to provide increased access for the higher acuity, complex cases.
- Offers outpatient cardiovascular diagnostic services at the same location. These medical office building services provide clinics and ancillary services increasing continuity of care and access to high quality medical services in the service area.

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

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

5. 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.**

6. 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?**

The project proposes to establish an ASTC with 1 Cardiac Cath procedure room. The project will include 4 recovery stations to support the operating/procedure room.
As outlined in Section 1110 of the Administrative Code, the state standard for operating rooms in an ASTC is 2,075-2,750 gross square feet per operating room.

The gross square footage of the proposed ASTC/procedure room meet the state standards as outlined below.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
Clinical/Reviewable				
ASTC (1 OR room)	2,682	2,075-2750 dgsf/ Operating Room	68	Yes
PACU/Prep/Recovery (4 rooms)	4,607		NA	
Imaging – CT (1 Unit)	1,330	1,800 dgft/unit	470	Yes
Imaging – Nuclear Medicine (1 Unit)	1,585	1,600 dgft/unit	15	Yes
Imaging – Vascular US (1 Unit)	301	900 dgsf/unit	699	Yes
Imaging - Vein US (1 Unit)	339	900 dgsf/unit	561	Yes
Imaging - Echo US (1 Unit)	275	900 dgsf/unit	625	Yes

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
Imaging – Stress/Echo US (1 Unit)	384	900 dgsf/unit	516	Yes
Physician Clinic Exam/Treatment (26 Rooms)	12,894	NA	-	NA
Fast Track Cardiology Clinic (2 rooms)	826	NA	-	NA
Holter (1 room)	427	NA	-	NA
Well Lab (1 private room, 2 open bays)	821	NA	-	NA
TOTAL CLINICAL	26,471			
Non-Clinical/ Non-Reviewable				
Public, Circulation, Staff Support, Building Support	17,435	NA	-	NA
TOTAL NON-CLINICAL	17,435			

Clinical Components

ASTC

The proposed square footage of 2,682 DGSF for the OR room, and 4,607 DGSF for PACU/prep/recovery are below the State guidelines for ASTC service areas and the necessary support space for these services.

ASTC Operating Rooms

The proposed project includes Operating Rooms (1 Room) and support spaces with 2,682 DGSF.

PACU/Prep/Recovery

The 4 prep and recovery rooms in the proposed project includes PACU (1 Room) and Prep/Recovery Phase 2 (3 Rooms), and support spaces with 4,607 DGSF

Outpatient Imaging Services

The proposed project includes diagnostic imaging services that will be available to clinic patients and those receiving care at the Fast Track Cardiology Clinic service.

The Imaging Center will include the following types of diagnostic imaging equipment:

- 1 CT scan unit
- 1 Nuclear Medicine unit
- 1 Vascular Ultrasound unit
- 1 Vein Ultrasound unit
- 1 Echo Ultrasound unit
- 1 Echo/Stress Ultrasound unit

The proposed square footage of 1,330 DGSF for CT, 1,585 DGSF for Nuclear Medicine, 275 DGSF for Echo Ultrasound, 384 for Stress/Echo Ultrasound, 301 DGSF for Vascular Ultrasound, and 339 DFSF for Vein Ultrasound are below the State guidelines for imaging equipment and the necessary support space for these services.

Physician Office Space and Other Cardiology Diagnostic Services

The proposed project includes physician offices for Advocate Medical Group (AMG) physicians. Physicians in the following specialties will be included in the proposed project: Primary care (13 rms), and Cardiology (13 rms). This physician office space is being developed to include new providers and relocate many of the primary care and specialty physicians from current offices located close to this project.

There will be 3 rooms in this project for Cardiology Diagnostic services. This space will include the Fast Track Cardiology Clinic and Holter service to patients as part of their examinations. The space was developed based on AAH guidelines for primary and specialty provider offices to include 12,894 DGSF for the exam rooms and 1,253 DGSF for the Cardiology Diagnostic services.

There are no State Guidelines for square footage of the examination rooms for these type of clinic services.

Well-Patient Laboratory (Blood Draw)
The Well Lab will include 1 private bay and 2 open bays for well-patient blood draw with 821 DGSF.

There are no State Guidelines for square footage for Laboratory Blood Draw.

Non-Clinical Components

The Non-clinical components of the project total 17,435 DGSF of space.
This includes staff support space, storage, public waiting, circulation, building support, lobby.

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

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.

The clinical services in the proposed project will be provided by Advocate Medical Group (AMG) and will not be hospital-based services.
The includes the following services for which the Illinois Health Facilities and Services Review Board has established standards:

ASTC

- 1 Cath/ASTC room
- 4 PACU/prep/recovery rooms

Diagnostic Imaging

- 1 CT scan unit
- 1 Nuclear Medicine unit
- 1 Vascular Ultrasound unit
- 1 Vein Ultrasound unit
- 1 Echo Ultrasound unit
- 1 Echo/Stress Ultrasound unit

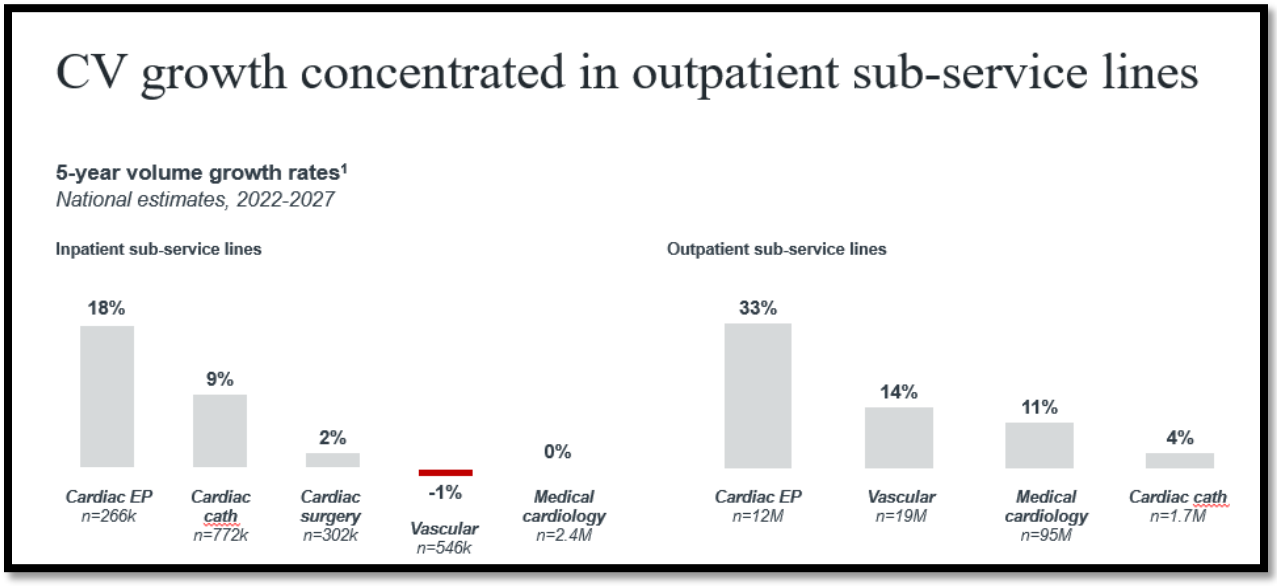
ASTC/Cardiac Cath

A total of 207 outpatient cardiac cath/surgical cases or 311 surgical hours have been committed to this ASTC in year 1 by physicians on the medical staff at Advocate Good Samaritan Hospital.
The projected utilization is outlined for years 1 and 2 in the chart below.

The 311 Surgical hours for year 1 are based on the physician case referrals to the ASTC and support the need for 1 operating room in the project.
The referral letters from the physicians that will be performing outpatient cardiac cath/surgical procedures at this location are include in Attachment 25, Exhibit 1.

DEPT./SERVICE	PROJECTED UTILIZATION (PATIENT DAYS) (TREATMENTS)		STATE STANDARD	MEET STANDARD?
	Year 1	Year 2		
Operating Rooms (1 rm)	207 Cardiac Cath cases	249 Cardiac Cath cases		
	250 Procedures	300 Procedures		
	311 hours	374 hours	1,500 hrs per operating/procedure rm	Yes

As a newly established ASTC, there is no historic utilization for the facility. The projections for Operating Room in year 2 were based on the historical growth for outpatient Cardiac Cath and other Cardiovascular procedures at Good Samaritan Hospital, the Sg2 Impact of change for this service area and the outpatient growth forecasts from the Advisory Board. Growth across the cardiovascular service line is due to an aging and sicker patient population as well as ongoing cardiovascular complications from long COVID disease.



Source: Advisory Board 2023

The procedures that will be performed in this ASTC will be outpatient cardiac cath and other Cardiovascular/cardiology procedures CMS approved to be performed in an ASTC setting/site of care. Based on the projected utilization in year 2, the surgical and procedural hours support the need for 1 operating room.

Outpatient Imaging Services

Outpatient imaging projections are based on the historic utilization and forecasted growth in the service area. The utilization at the site is projected to grow as it provides accessible diagnostic services to residents in the area.

DEPT./SERVICE	PROJECTED UTILIZATION (TREATMENTS/VISITS)		STATE STANDARD	MEET STANDARD?
	Year 1	Year 2		
CT Scan	2,032	2,235	7,000/unit	Yes
Nuclear Medicine	828	910	2,000/unit	Yes
Vascular US	720	900	3,100/unit	Yes
Vein Treatment US	200	300	3,100/unit	Yes
Echo US	1,723	1,895	3,100/unit	Yes
Stress/Echo US	442	486	3,100/unit	Yes

- CT scans and Nuclear Medicine visits are imaging services that are ordered by both Primary care physicians and Cardiologists.
- Vascular ultrasound is an imaging test providers use to evaluate blood flow in arteries and veins of the arms, neck, and legs.
- The vein visits are clinic visits using the Ultrasound as part of the visit with the vascular provider to shrink varicose veins.
- Echo visits include testing with ultrasound of the heart. This ultrasound looks at the chambers, valves, and nearby blood vessels of the heart.
- A stress echocardiogram is a test done to assess how well the heart works under stress. Equipment used are cardiac ultrasound (echo) with a treadmill. If patient is unable to use a treadmill, medication will be given in lieu of exercise.

Based on the projected utilization in year 2, the standards have been met for all of the Imaging modalities as these are represent the clinical reviewable services in the project.

Other Outpatient Diagnostic Services and Physician Clinic office Visits

There are other clinical services which will be provided at the site that do have a state utilization standard. Provided below are the projected utilization based on the number of providers in the building and the need in the service area.

	UTILIZATION - Visits	
DEPT./SERVICE	**PROJECTED UTILIZATION**	
	Year 1	Year 2
Physician Office visits -PCP	15,956	17,889
Physician Office visits - Cardiology	4,326	5,829
Fast Track Cardiology Clinic	150	180
Holter/Event Monitor	150	180
Well-Patient Lab	14,160	14,160

- The Fast-Track Cardiology clinic service as outlined in Attachment 31, will be a “one stop shop” providing evaluation and clinical services for low-risk chest pain patients in an outpatient location. These patients will be evaluated by an advanced clinical provider and receive the necessary cardiac diagnostic and ancillary testing as part of this visit and receive results before they leave.
- Holter exams include the implementation and education to provide this wearable device monitoring heart rhythm. The patient wears for 24-30 days.

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.

Not Applicable – no shell space.

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.

Not Applicable – no shell space.

E. Criterion 1110.225 - Cardiac Catheterization

1. Applicants proposing to establish, expand and/or modernize the Cardiac Catheterization category of service must submit the following information.

2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Rooms	# Proposed Rooms
☐ Cardiac Catheterization	0	1

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

1. Criterion 1110.225(a), Peer Review

Read the criterion and submit a detailed explanation of your peer review program.

2. Criterion 1110. 225(b), Establishment or Expansion of Cardiac Catheterization Service

Read the criterion and, if applicable, submit the following information:

a. A map (on 8 1/2" x 11" paper) showing the location of the other hospitals providing cardiac catheterization services within the planning area.

b. The number of cardiac catheterizations performed for the last 12 months at each of the hospitals shown on the map.

c. Provide the number of patients transferred directly from the applicant's hospital to another facility for cardiac catheterization services in each of the last three years.

3. Criterion 1110.225(c), Unnecessary Duplication of Services

Read the criterion and, if applicable, submit the following information.

a. Copies of the letter sent to all facilities within the planning area that currently provide cardiac catheterization. This letter must contain a description of the proposed project and a request that the other facility quantify the impact of the proposal on its program.

b. Copies of the responses received from the facilities to which the letter was sent.

4. Criterion 1110.225(d), Modernization of Existing Cardiac Catheterization Laboratories

Read the criterion and, if applicable, submit the number of cardiac catheterization procedures performed for the latest 12 months.

5. Criterion 1110.225(e), Support Services

Read the criterion and indicate on a service-by-service basis which of the listed services are available on a 24-hour basis and explain how any services not available on a 24-hour basis will be available when needed.

6. Criterion 1110.225(f), Laboratory Location

Read the criterion and, if applicable, submit line drawings showing the location of the proposed laboratories. If the laboratories are not in proximity, explain why.

7. Criterion 1110.225(g), Staffing

Read the criterion and submit a list of names and qualifications of those who will fill the positions detailed in this criterion. Also, provide staffing schedules to show the coverage required by this criterion.

8. Criterion 1110.225(h), Continuity of Care

Read the criterion and submit a copy of the fully executed written referral agreement(s).

9. **Criterion 1110.225(i), Multi-institutional Variance**

Read the criterion and, if applicable, submit the following information:

a. A copy of a fully executed affiliation agreement between the two facilities involved.

b. Names and positions of the shared staff at the two facilities.

c. The volume of open-heart surgeries performed for the latest 12-month period at the existing operating program.

d. A cost comparison between the proposed project and expansion at the existing operating program.

e. The number of cardiac catheterization procedures performed in the last 12 months at the operating program.

f. The number of catheterization laboratories at the operating program.

g. The projected cardiac catheterization volume at the proposed facility annually for the next 2 years.

h. The basis for the above projection.

APPEND DOCUMENTATION AS ATTACHMENT 22 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The proposed project will include the establishment of a Cardiac Catheterization service to be located in the ASTC.

1. Criterion 1110.225(a), Peer Review

Read the criterion and submit a detailed explanation of your peer review program.

As a leader in cardiovascular services, Advocate Good Samaritan Hospital has a well-established peer review process as part of the Cardiology Institute. The ATSC will follow the same culture of safety developed at Advocate Good Samaritan Hospital and across all of Advocate Health. Complications will be reported through the Origami system in addition to any concerns from staff, physicians, or any staff member. Once in Origami, this starts the process of addressing the concern and sending cases for peer review.

The peer review process at the Naperville ASTC will follow the Advocate Cardiovascular Services Peer Review Committee structure. The process will be associated with the existing cardiac catheterization process at Advocate Good Samaritan Hospital.

The peer review process, Cardiology Quality Committee (CQC) is a representative physician group that meets regularly for case review as outlined by Advocate Good Samaritan CQC. Membership includes physicians, patient safety nurses, risk manager, Chief Medical Officer, and content experts.

Cases are referred for review based on, but not limited to, patient safety reporting, guideline non-compliance, CMS Quality Measures non-compliance (including other department defined indicators), National Cardiovascular Data Registry (NCDR) definition, external referral (i.e. Quality Improvement Organization QIO), patient/family concerns, site leadership concerns, and/or nurse/physician referral. Safety event reporting is electronically stored, and case review is used for process improvements and Physician Practice Evaluation and privileging. This group also regularly reviews data to identify troublesome trends needing more intense evaluation.

The determination of the location of where the cases will be performed will be based on the CMS ASC cardiology approved procedure list, clinical assessment, and physician judgement.

2. Criterion 1110. 225(b), Establishment or Expansion of Cardiac Catheterization Service

Read the criterion and, if applicable, submit the following information:

a. A map (on 8 1/2" x 11" paper) showing the location of the other hospitals providing cardiac catheterization services within the planning area.

b. The number of cardiac catheterizations performed for the last 12 months at each of the hospitals shown on the map.

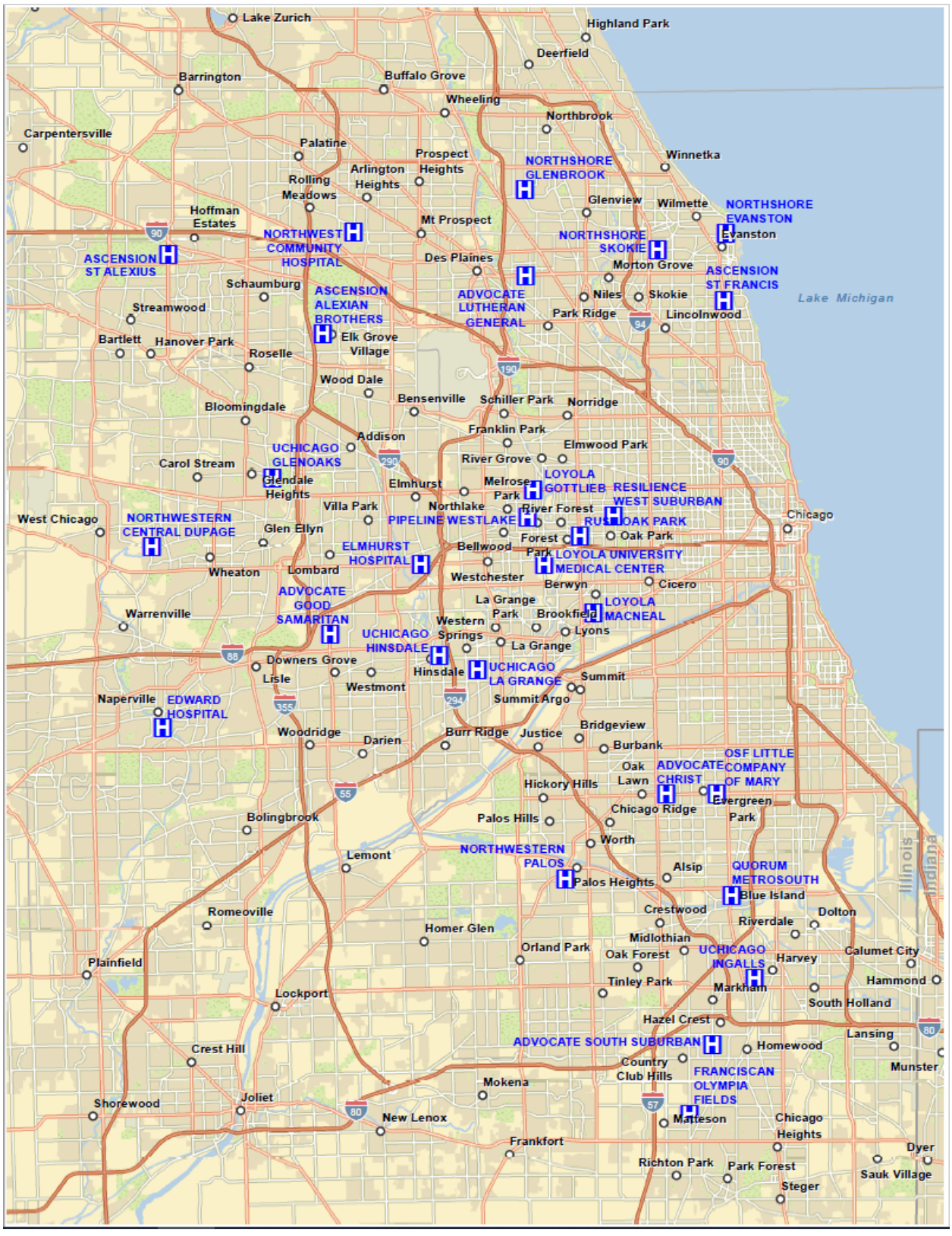
c. Provide the number of patients transferred directly from the applicant's hospital to another facility for cardiac catheterization services in each of the last three years.

The ASTC providing cardiac catheterization services will be located in Naperville in HSA Health Service Area VII. The map and chart below outline all hospitals providing cardiac catheterization in the planning area. The number of cardiac catheterization procedures performed are included.

Hospital	City	Health Service Area	Hospital Planning Area	County	Cardiac Catheterization 2022 Procedures
Advocate Christ Medical Center	Oak Lawn	7	A-04	Cook	6,045
Evanston Hospital	Evanston	7	A-08	Cook	3,584
Advent Health Hinsdale	Hinsdale	7	A-05	DuPage	1,112
Ingalls Memorial Hospital	Harvey	7	A-04	Cook	671
Northwest Community Hospital	Arlington Heights	7	A-07	Cook	1,417
Rush Oak Park Hospital, Inc.	Oak Park	7	A-06	Cook	475
Alexian Brothers Medical Center	Elk Grove Village	7	A-07	Cook	3,022
Palos Community Hospital	Palos Heights	7	A-04	Cook	2,002
Advocate Good Samaritan Hospital	Downers Grove	7	A-05	DuPage	3,204
NorthShore Glenbrook Hospital	Glenview	7	A-08	Cook	118
AdventHealth Glen Oaks	Glendale Heights	7	A-05	DuPage	355
Edward Hospital	Naperville	7	A-05	DuPage	4,825
Advocate South Suburban Hospital	Hazel Crest	7	A-04	Cook	1,540
Advocate Lutheran General Hospital	Park Ridge	7	A-07	Cook	3,972
Saint Alexius Medical Center	Hoffman Estates	7	A-07	Cook	1,153
Franciscan Health- Olympia Fields	Olympia Fields	7	A-04	Cook	800
Northwestern Central DuPage Hospital	Winfield	7	A-05	DuPage	2,795
Elmhurst Hospital	Elmhurst	7	A-05	DuPage	4,447
Loyola Health System at Gottlieb	Melrose Park	7	A-06	Cook	412
AdventHealth La Grange	La Grange	7	A-04	Cook	206
Presence Saint Francis Hospital	Evanston	7	A-08	Cook	524
MacNeal Hospital	Berwyn	7	A-06	Cook	1,466
West Suburban Medical Center	Oak Park	7	A-06	Cook	614
OSF Little Company of Mary Medical Center	Evergreen Park	7	A-04	Cook	1,153

There is only one hospital in the HSA VII Cardiac Catheterization Planning Area that operated at less than 200 cardiac cath procedures in 2022, due to the hospital not operating this service during construction.

As the proposed project is not a hospital-based facility, there are no patients transferred.



3. **Criterion 1110.225(c), Unnecessary Duplication of Services**

Read the criterion and, if applicable, submit the following information.

a. Copies of the letter sent to all facilities within the planning area that currently provide cardiac catheterization. This letter must contain a description of the proposed project and a request that the other facility quantify the impact of the proposal on its program.

b. Copies of the responses received from the facilities to which the letter was sent.

The primary purpose of this project is to increase access and provide an ambulatory option for elective cardiac catheterization and vascular procedures. As Cardiovascular services have increased at Good Samaritan Hospital, there is a growing volume of more complex, higher acuity CV procedures, requiring much longer case times being performed in the Cardiac Cath labs. This has created a need to expand capacity for elective, lower acuity cardiac catheterization and vascular procedures so that they can be done on a timely basis.

The number of cardiac catheterization procedures performed at Advocate Good Samaritan Hospital in 2022 was 3,204 procedures, averaging over 800 procedures per lab and the number of cases and the length of procedure time for many of the high acuity cases has increased. The Hospital is operating above 750 cath procedures annually per room and utilization is projected to continue to increase.

Good Sam Cath lab volumes have experienced over 16% growth from 2022-2023. Many of these cases are ablations, complex PCIs, and structural heart cases including transcatheter valve repairs and replacements than can take several hours to complete and need multiple resources. The longer the case, the more challenging it is to add additional outpatient elective cases. In addition, approximately 40% of our business are very sick inpatients. These patients may require devices such as balloon pumps and cardiac assist devices to help their weakened heart pump.

This new ASTC with cardiac cath lab will provide an alternative site of care that will improve patient experience for appropriate patients to receive these procedures and increase capacity for urgent and emergent case at the hospital.

As outlined, all of the cardiac cath procedures that will be performed at this facility have historically been performed at Advocate Good Samaritan Hospital. Based on the planned cases that will be performed at this new facility, this is not anticipated to reduce volume at existing facilities.

Attachment 23, Exhibit 1 provides the copies of the request for impact statements sent to all cardiac catheterization programs in the Planning Area HSA VII.

5. Criterion 1110.225(e), Support Services

Read the criterion and indicate on a service-by-service basis which of the listed services are available on a 24-hour basis and explain how any services not available on a 24-hour basis will be available when needed.

The required support service will be developed at this location and will be offered Monday-Friday during normal business hours. The ATSC will operate Monday-Friday, have onsite point of care testing and partner with Good Samaritan Hospital for 24/7 support related to the required support services outlined below. Nuclear medicine and echocardiography services will be provided during normal business hours. Emergent needs will be provided by Advocate Good Samaritan Hospital.

A) Nuclear medicine laboratory
B) Echocardiography Services
C) Echocardiography lab and services, including stress testing and continuous cardiogram monitoring.
D) Pulmonary Function Unit. NA
E) Blood bank NA
F) Hematology laboratory/coagulation laboratory
G) Microbiology laboratory
H) Blood Gas laboratory
I) Clinical pathology laboratory with facilities for blood chemistry NA

6. Criterion 1110.225(f), Laboratory Location

Read the criterion and, if applicable, submit line drawings showing the location of the proposed laboratories. If the laboratories are not in proximity, explain why.

This Cardiac catheterization lab will include 1 Lab. All support services will be in close proximity to the Lab.

7. Criterion 1110.225(g), Staffing

Read the criterion and submit a list of names and qualifications of those who will fill the positions detailed in this criterion. Also, provide staffing schedules to show the coverage required by this criterion.

The Cardiac catheterization service will include the following required personnel.

1) Lab director board-certified in internal medicine, pediatrics, or radiology with subspecialty training in cardiology or cardiovascular radiology.

There will be a lab director board certified in Cardiology.

2) A physician with training in cardiology and/or radiology present during examination with extra physician backup personnel available.

A physician board certified in Cardiology, invasive non-interventional Cardiology, Advanced Heart Failure, Electrophysiology, or Vascular surgery will be present during examination and procedures with skilled personnel available. An interventional cardiologist is credentialled in and can also perform peripheral procedures. In addition to board certified Interventionalists/EP physicians, there will be a minimum of 3 staff trained in cath/EP procedures that will support cases in the ATSC/Cath

lab. This will include RNs and Radiologic Technologist (RT) that have experience working in the cath lab and will be deemed competent in their roles.

Staff will cross cover with the hospital to maintain their skillset and attend educational lectures and in-services. The training and competencies will replicate those for the hospital cath team for the procedures that they will support to have consistency in training. This will allow utilization of hospital staff to provide consistent quality care should there be staffing challenges.
The roles of this 3-person team are circulator, scrub, and monitor/record services. All will be ACLS certified. There will be additional RNs to support the prep and hold space and recovery.

3) Nurse specially trained in critical care of cardiac patients, knowledge of cardiovascular medication, and understanding of catheterization equipment.

RNs will be licensed by State of Illinois and competent in cardiac cath procedures.

4) Radiologic technologist highly skilled in conventional radiographic techniques and angiographic principles, knowledgeable in every aspect of catheterization instrumentation, and with thorough knowledge of the anatomy and physiology of the cardiovascular system.

Radiologic technologists will be licensed in Radiography by IEMA (Illinois Emergency Management Agency and Office of Homeland Security), registered ARRT (American Registry Radiologic Technologist) and competent in cardiac cath and vascular procedures.

5) Cardiopulmonary technician for patient observation, handling blood samples and performing blood gas evaluation calculations.

Radiologic technologists and RNs will be competent and perform onsite point of care testing with the support of ACL and competency in partnership with Good Samaritan Hospital.

6) Monitoring and recording technician for monitoring physiologic data and alerting physician to any changes.

RNs and Radiologic technologists will have training and competency in hemodynamic monitoring. Both RTs and RNs will be ACLS certified.

7) Electronic radiologic repair technician to perform systematic tests and routine maintenance; must be immediately available in the event of equipment failure during a procedure.

Clinical engineering is available through Advocate Good Samaritan Hospital.

8) Darkroom technician well trained in photographic processing and in the operation of automatic processors used for both sheet and cine film.

This position is no longer needed as all images are recorded electronically.

8. Criterion 1110.225(h), Continuity of Care

Read the criterion and submit a copy of the fully executed written referral agreement(s).

The ASTC has a written transfer agreement with Advocate Good Samaritan Hospital for the transfer of seriously ill patients including Open Heart Surgery to ensure continuity of care. The transfer agreement is Attachment 25, Exhibit 4.

9. Criterion 1110.225(i), Multi-institutional Variance

Read the criterion and, if applicable, submit the following information:

a. A copy of a fully executed affiliation agreement between the two facilities involved.

b. Names and positions of the shared staff at the two facilities.

c. The volume of open-heart surgeries performed for the latest 12-month period at the existing operating program.

d. A cost comparison between the proposed project and expansion at the existing operating program.

e. The number of cardiac catheterization procedures performed in the last 12 months at the operating program.

f. The number of catheterization laboratories at the operating program.

g. The projected cardiac catheterization volume at the proposed facility annually for the next 2 years.

h. The basis for the above projection.

a. The ASTC will be affiliated with the existing Advocate Good Samaritan Hospital cardiac program. The hospital program includes a highly utilized cardiac catheterization and Open-Heart Surgery program. All physicians on staff at the ASTC will also be on staff at Good Samaritan Hospital. The affiliation and transfer agreement is provided in Attachment 25, Exhibit 4.

b. Physicians and other clinical staff will be providing patient care at both the Hospital and ASTC cath services.

c. For the most recent 12-month period, in 2023 there were 281 Open Heart Surgery cases at Advocate Good Samaritan Hospital.

d. Attachment 25, Exhibit 6 provides a cost comparison of charges that outlines that the ASTC service will be more cost effective as compared with the existing hospital program. This would allow the low-risk procedures to shift to a lower-cost outpatient setting that's specifically designed for these procedures.

e. The number of cardiac catheterization procedures performed at Advocate Good Samaritan Hospital in 2022 was 3,204 procedures. The Hospital is operating above 750 cath procedures annually per room and cardiac cath utilization has increased by over 16% from 2022-2023. This is expected to continue to increase due to the population trends in the service area. The proposed ASTC/cath lab at the hospital is expected to maintain utilization above the state standard of 750 procedures annually.

Advocate Good Samaritan Hospital	**State Standard**	**2021**	**2022**	**2023**	**% Change 2022-2023**
Open Heart Surgery Cases	200 cases annually	246	254	281	10.6%
Cardiac Cath Procedures	200 procedures annually	2,716	3,204	3,736	16.6%

f. There are 4 Cardiac Cath laboratories at Advocate Good Samaritan Hospital. Two are Cath and 1 is dedicated to EP and 1 is a hybrid lab to accommodate high risk and acuity structural heart procedures.

g. The projected cardiac cath volume at the proposed ASTC facility is provided below. These will be patients living in the service area that are currently receiving care at Advocate Good Samaritan Hospital. In year 2, the number of procedures will be greater than the minimum state standard of 200 cardiac catheterization procedures performed annually within two years of initiation.

ASTC Cardiac Cath	**PROJECTED UTILIZATION**	
	Year 1	Year 2
Cases	207	249
Procedures	250	300

h. These projections are outlined in the attached physician referral letters provided in Attachment 25, Exhibit 1.

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Moody Chisholm
Advocate Christ Medical Center
4440 West 95th Street, Suite 1300-P
Oak Lawn, IL 60453

Re: Request for Impact Statement

Dear Mr. Chisholm:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Douglas Silverstein
Evanston Hospital
2650 Ridge Ave.
Evanston, IL 60201

Re: Request for Impact Statement

Dear Mr. Silverstein:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Adam Maycock
UChicago Medicine Advent Health Hinsdale
120 North Oak Street
Hinsdale, IL 60521

Re: Request for Impact Statement

Dear Mr. Maycock:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Michael Antoniades
UChicago Medicine Ingalls Memorial Hospital
1 Ingalls Dr.
Harvey, IL 60426

Re: Request for Impact Statement

Dear Mr. Antoniades:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Michael Hartke
Northwest Community Hospital
800 W Central Rd
Arlington Heights, IL 60005

Re: Request for Impact Statement

Dear Mr. Hartke:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Dino P. Rumoro, D.O.
Rush Oak Park Hospital
520 South Maple Avenue
Oak Park, IL 60304

Re: Request for Impact Statement

Dear Dr. Rumoro:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Dan Doherty
Ascension Alexian Brothers
800 Biesterfield Road
Elk Grove Village, IL 60007

Re: Request for Impact Statement

Dear Mr. Doherty:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

David Manchester
Northwestern Medicine Palos Community Hospital
12251 South 80th Avenue
Palos Heights, IL 60463

Re: Request for Impact Statement

Dear Mr. Manchester:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Maria Knecht
NorthShore Glenbrook Hospital
2180 Pfingsten Road
Glenview, IL 60026

Re: Request for Impact Statement

Dear Ms. Knecht:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Vladimir Radivojevic
UChicago Medicine AdventHealth GlenOaks
701 Winthrop Avenue
Glendale Heights, IL 60139

Re: Request for Impact Statement

Dear Mr. Radivojevic:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Yvette Saba
Edward Hospital
801 South Washington Street
Naperville, IL 60540

Re: Request for Impact Statement

Dear Ms. Saba:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Dr. Michelle Blakely
Advocate South Suburban Hospital
17800 Kedzie Avenue
Hazel Crest, IL 60429

Re: Request for Impact Statement

Dear Dr. Blakely:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Dia Nichols
Advocate Lutheran General Hospital
1775 Dempster Street
Park Ridge, IL 60068

Re: Request for Impact Statement

Dear Mr. Nichols:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Ms. Roxann Barber
Ascension Saint Alexius
1555 Barrington Road
Hoffman Estates, IL 60169

Re: Request for Impact Statement

Dear Ms. Barber:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Raymond Grady
Franciscan Health Olympia Fields
20201 South Crawford Avenue
Olympia Fields, IL 60461

Re: Request for Impact Statement

Dear Mr. Grady:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Kenneth Hedley
Northwestern Central DuPage Hospital
25 North Winfield Road
Winfield, IL 60190

Re: Request for Impact Statement

Dear Mr. Hedley:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Kimberley Darey, M.D.
Elmhurst Memorial Hospital
155 East Brush Hill Road
Elmhurst, IL 60126

Re: Request for Impact Statement

Dear Dr. Darey:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Elizabeth E. Early
Gottlieb Memorial Hospital
701 West North Avenue
Melrose Park, IL 60160

Re: Request for Impact Statement

Dear Ms. Early:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Adam Maycock
UChicago Medicine AdventHealth LaGrange
5101 Willow Springs Road
LaGrange, IL 60525

Re: Request for Impact Statement

Dear Mr. Maycock:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Eric Rhodes
Ascension Saint Francis
355 Ridge Avenue
Evanston, IL 60202

Re: Request for Impact Statement

Dear Mr. Rhodes:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Pierre Monice
MacNeal Hospital
3429 South Oak Park Avenue
Berwyn, IL 60402

Re: Request for Impact Statement

Dear Mr. Monice:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Manoj Prasad
West Suburban Medical Center
3 Erie Street
Oak Park, IL 60302

Re: Request for Impact Statement

Dear Mr. Prasad:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

March 1, 2024

Via Certified Mail

Kathleen Kinsella
OSF Little Company of Mary
2800 West 95th Street
Evergreen Park, IL 60805

Re: Request for Impact Statement

Dear Ms. Kinsella:

This letter is to inform you that Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group is submitting a Certificate of Need application with the Illinois Health Facilities and Services Review Board to establish a cardiac catheterization lab as part of an ambulatory surgical treatment center in Naperville, Illinois.

This proposed ambulatory cardiac cath service will be to increase access for Advocate Medical Group cardiology patients. The establishment of this cardiac cath lab will not affect other programs in the geographic area, as this is projected to be approximately 207 Cardiac Cath cases, and these will be patients currently receiving care at Advocate Good Samaritan Hospital.

Pursuant to Section 1110.225 of the HFSRB rules in the CON application, we are to notify all providers of cardiac cath services in the Health Service Area 7 and ask you to respond to us and quantify if you anticipate any impact to your hospital. Given Advocate Good Samaritan Hospital's historic utilization and that these will be patients of Advocate Medical Group, we do not anticipate that this will adversely impact your hospital's program.

Please direct any response or questions to me at allison.wyler@aah.org. Thank you for your consideration of this request.

Sincerely,

Allison Wyler
President
Central Chicagoland Area
Advocate Health Care

G. Non-Hospital Based Ambulatory Surgery

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

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

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

APPLICABLE REVIEW CRITERIA	**Establish New ASTC or Service**	**Expand Existing Service**
1110.235(c)(2)(B) – Service to GSA Residents	X	X
1110.235(c)(3) – Service Demand – Establishment of an ASTC or Additional ASTC Service	X	
1110.235(c)(4) – Service Demand – Expansion of Existing ASTC Service Patient		X
1110.235(c)(5) – Treatment Room Need Assessment	X	X
1110.235(c)(6) – Service Accessibility	X	
1110.235(c)(7)(A) – Unnecessary Duplication/Maldistribution	X	
1110.235(c)(7)(B) – Maldistribution	X	
1110.235(c)(7)(C) – Impact to Area Providers	X	
110.235(c)(8) – Staffing	X	X
1110.235(c)(9) – Charge Commitment	X	X
1110.235(c)(10) – Assurances	X	X

APPEND DOCUMENTATION AS <u>ATTACHMENT 25,</u> IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The proposed project is for the establishment of a non-hospital based ambulatory surgical treatment center with a focus on Cardiac catheterization and outpatient vascular surgical procedures. The proposed ASTC will be located in this Medical Office building project that includes Primary care and Cardiovascular clinician offices with non-hospital-based outpatient services including cardio-diagnostic testing.

The location of this project is designed to serve the Naperville and surrounding communities and the Advocate Good Samaritan Hospital patient population. The patient base will be those patients currently receiving low-risk cardiac cath and outpatient [peripheral] endovascular surgical care and treatment at Advocate Good Samaritan Hospital and other Advocate hospitals.

The proposed ASTC will be multi-specialty, offering the following specialties:

- Cardiovascular
- General Surgery (including Vascular) – limited to [peripheral] endovascular surgery procedures

Criterion 1110.235(c)(2)(B) – Service to GSA Residents

The ASTC is located in Naperville and pursuant to Section 1110.510 (d), the Naperville ASTC/Cath Lab's service area (GSA) is defined by a radius of 10 miles surrounding the project. The zip codes that comprise the service area (those within a 10-mile radius) includes a population of 905,000 residents. The population by zip code and town name are provided in Attachment 12.

Eleven physicians have committed to referring their appropriate outpatient peripheral endovascular and cardiac catheterization cases to the proposed project from current patients that they have performed cases at Advocate Good Samaritan Hospital that live in the defined service area.

The referral letters from the physicians that will be performing cardiac catheterization and outpatient surgical procedures at this location are include in Attachment 25, Exhibit 1.

Attachment 25, Exhibit 2 shows ALL of the outpatient cardiac cath/surgical cases performed by these physicians at Advocate Good Samaritan Hospital including those outside of the Naperville ASTC's 10-mile radius. As shown, 518 or 50% of their total patients over the last 12 months (Nov 2022-Oct 2023) were patients that live in the zip code of this geographic service area. (GSA).

Attachment 25 Exhibit 2 - Surgical Cases

Physician Referrals to ASTC				
PHYSICIAN	**Specialty**	**Total OP Cases by Physician**	**OP Cases in Service Area**	**% in Service Area**
Dr. Dominick Bufalino	Interventional Cardiology	138	79	57%
Dr. Ramesh Kashinath	Interventional Cardiology	11	2	18%
Dr. Ankhush Goel	Interventional Cardiology	67	20	30%
Dr. Li Shien Low	Interventional Cardiology	71	12	17%
Dr. Owasis Malick	Cardiology/Heart Failure	21	15	71%
Dr. Justin Mao	Electrophysiology	285	135	47%
Dr. Manan Naik	Interventional Cardiology	68	44	65%
Dr. Michael Nuyles	Interventional Cardiology	74	16	22%
Dr. Mahesh Raju	Interventional Cardiology	118	79	67%
Dr. Ali Valika	Cardiology/Heart Failure	53	28	53%
Dr. Joseph Venturini	Interventional Cardiology	130	88	68%
TOTAL		1,036	518	50%

Criterion 1110.235(c)(3) – Service Demand – Establishment of an ASTC or Additional ASTC Service

Eleven physicians have been committed to perform 207 outpatient cardiac cath/surgical cases (250 procedures) of 311 hours of outpatient surgery in the proposed ASTC in year 1.

The chart in Attachment 25, Exhibit 3 summarizes the cases provided in the referral letters. Provided is the total number of cases performed by physician in the last 12 months (Nov 2022- Oct 2023) at Advocate Good Samaritan Hospital and the number projected to be performed at the ASTC.

As outlined, the cases and hours for these cardiac catheterization and outpatient surgical cases support the need for the one OR in the proposed ASTC project.

Attachment 25 Exhibit 3 - Surgical Cases

Physician Referrals to ASTC			
PHYSICIAN	**Specialty**	**Total OP Cases by Physician**	**PROJECTED ASTC Cases Year 1**
Dr. Dominick Bufalino	Interventional Cardiology	138	32
Dr. Ramesh Kashinath	Interventional Cardiology	11	1
Dr. Ankhush Goel	Interventional Cardiology	67	8
Dr. Li Shien Low	Interventional Cardiology	71	5
Dr. Owasis Malick	Cardiology/Heart Failure	21	6
Dr. Justin Mao	Electrophysiology	285	54
Dr. Manan Naik	Interventional Cardiology	68	18
Dr. Michael Nuyles	Interventional Cardiology	74	6
Dr. Mahesh Raju	Interventional Cardiology	118	32
Dr. Ali Valika	Cardiology/Heart Failure	53	11
Dr. Joseph Venturini	Interventional Cardiology	130	35
TOTAL		1,036	207

Criterion 1110.235(c)(5) – Treatment Room Need Assessment

In the attached referral letters, 11 physicians have been committed to performing 207 outpatient cardiac cath/surgical cases in the proposed ASTC in year 1, increasing to 249 cases (300 procedures) in year 2. These cardiac cath and surgical cases were performed at Advocate Good Samaritan Hospital.

The projected utilization is outlined for years 1 and 2 in the chart below. The projections for the Operating Room in year 2 were based on the historical growth for outpatient cardiac cath hours, procedures at Advocate Good Samaritan Hospital and the Sg2's Impact of change projections for this service area.

The State Board standard is 1,500 hours per procedure room. The estimated average length of time per procedure will be 1.5 hours per case including set up and clean up time. The projected hours are included for year 1 and year 2. These hours support the need to establish a Surgery center with one cardiac catheterization lab.

DEPT./SERVICE	**PROJECTED UTILIZATION (PATIENT DAYS) (TREATMENTS)**		**STATE STANDARD**	**MEET STANDARD?**
	Year 1	Year 2		
Operating Rooms (1 rm)	207 cases	249 cases		
	311 hours	374 hours	1,500 hrs per operating/procedure rm	Yes

Based on the State's utilization standard of 1,500 hours per operating room per year, the referral hours justify the 1 Operating room in the project.

Criterion 1110.235(c)(6) – Service Accessibility

The planned ASTC/ Cardiac Cath service will improve access to cardiovascular services for residents of the defined geographic service area. The proposed project will be owned by AHHC d/b/a AMG and is a cooperative project developed to support the patients and physicians at Advocate Good Samaritan Hospital for patients living in the service area. The AMG cardiology group has grown to increase access in this region, and volumes have increased significantly over the last few years.

Advocate Good Samaritan Hospital currently operates 4 cardiac/EP highly utilized cardiac cath labs. One of these labs is dedicated to EP procedures which are long procedures that require specialty equipment to accommodate routine to the most complex ablation procedures.

Advocate Good Samaritan's Cath lab volumes grown by over 16% in 2023. Many of these cases are ablations, complex PCIs and structural cases than can take several hours to complete and need multiple resources. The longer the case, the more challenging it is to add additional outpatient elective cases. In addition, approximately 40% of our business are very sick inpatients. These patients

may require devices such as balloon pumps and cardiac assist devices to help their weakened heart pump. The types of procedures that will remain at the hospital's cath lab include:

- Emergent cases, All
- Inpatient cases
- Complex PCI
- Ablations
- LAAO
- TAVR,
- Diagnostic cath that are clinically deemed to be performed at hospital versus ASTC,
- Structural cases
- Complex EP device implant/explants
- AAA
- TCAR
- EVAR

Establishing the additional needed capacity in an outpatient ASTC supports the shifting trends due to provider and patient demand, changes in medical technology and financial and operational benefits. It also increases access at the hospital for these lengthy, high acuity procedures that require multiple resources and planning. In addition to the cath team, at the hospital, this includes the anesthesiologist, surgeons, perfusionist and OR staff.

For this reason, a shift in low acuity elective outpatient, CMS approved cases will open access for more complex cases at Good Samaritan Hospital. Patients are very apprehensive when having to go through these procedures. The less wait time and quicker access to care will enhance the patient experience and treat the disease processes quickly, potentially avoiding a catastrophic medical event for the patient.

Provided as Attachment 25, Exhibit 4 is a transfer agreement between the Advocate Naperville ASTC and Advocate Good Samaritan Hospital in the event it is determined to be medically appropriate and needed to transfer to the patient to a higher level of care.

Attachment 25, Exhibit 5 provides the statement that Advocate Medical Group agrees not to increase surgical/treatment room capacity until the ASTC project's surgical and procedure rooms are operating at or above the utilization outline in t 77 Ill. Admin. Code 1100 for at least 12 consecutive months.

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

December 11, 2023

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Advocate Health and Hospitals Corporation Ambulatory Surgery Center – Naperville
Freedom Dr

Dear Mr. Kniery:

This letter is to provide the Illinois Health Facilities and Services Review Board the documentation required in the Certificate of Need application that Advocate Good Samaritan Hospital will not increase its surgical/treatment room capacity until the proposed project's surgical/treatment room is operating at or above the utilization rate specified in 77 Ill. Adm. Code 1100 for a period of at least 12 consecutive months.

Respectfully,

Dia Nichols
President
Advocate Health Care

Subscribed and sworn to me
This 11th day of December, 2023

Joselyn W. DeLeon
Notary Public

OFFICIAL SEAL
JOSELYN W DELEON
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 09/14/2026

Criterion 1110.235(c)(7)(a) – Unnecessary Duplication/Maldistribution

The 2022 total population for the service area is provided below.

Age Group		2022	2027
0-19		237,819	227,627
20-44		299,266	298,555
45-64		235,717	218,691
65+		139,566	160,685
TOTAL		912,363	905,547

Although the area is anticipated to be consistent over the next 5 years, the growth in the 65+ population is projected to increase by over 15% from 139,566 to 160,685; an increase of 21,000 older residents. The population in the Service Area has sufficient population to utilize the surgical treatment room proposed by the project.

There are 17 ASTCs within the 10- mile radius of the Naperville proposed ASTC. Outlined below are the facility name, location and types of clinical services performed at each facility.

This ASTC is unique as none of these ASTCs include cardiac catheterization procedures or cardiovascular services. Additionally, this will be co-located in the medical office building that included patients' primary and cardiology physicians and other ambulatory cardiology services as part to the continuum of care.

Many of the ASTCs outlined, have limited ownership and medical credentialling that prevent the Advocate physicians that plan to use this proposed ASTC from performing procedures. This ASTC allows patients to receive comprehensive preventative and therapeutic healthcare in an outpatient setting that allows them to remain with their trusted providers – who do not have access to other ASTCs in the market.

Unlike other ASTC in this service area, this proposed ASTC will follow the Advocate Aurora charity care policy and provide services to Medicaid and charity care patients.

This ASTC will improve access to residents living in this services area for these procedures.

	ASTCs in Geographic Service Area	Address	City	Zip Code	HSA	Specialties Reported	ORs 2022	Proc Rms 2022	Hours Reported 2022
1	DMG Surgical Center	2725 Technology Drive	Lombard	60148	7	Gen Surg, OB/Gyn, Ophth, Ortho, Otola, Pain, Plastic, Pod, Urology; GI proc	8	3	14,035+ 2,808
2	Loyola Ambulatory Surgery Ctr	1 South 224 Summit Avenue, Suite 201	Oak Brook Terrace	60181	7	Gen Surg, Neuro, Ortho, Otola, Pain, Pod	3	0	948
3	DuPage Eye Surgery Center	2015 North Main Street	Wheaton	60187	7	Ophth	4	2	3063+ 430
4	Rush Copley Surgicenter LLC dba Castle Surgicenter	2111 Ogden Avenue	Aurora	60504	8	Ortho, Pain, Pod	2	0	1,040
5	Midwest Center for Day Surgery	3811 Highland Avenue	Downers Grove	60515	7	GI, Neuro, Ophth, Otola, Pain, Plastic, Pod	5	1	4,238
6	Ambulatory Surgicenter of Downers Grove	4333 Main Street	Downers Grove	60515	7	OB/Gyn	3	1	2,285
7	The Oak Brook Surgical Centre, Inc.	2425 W. 22nd Street, Suite 101	Oak Brook	60523	7	Gen Surg, OB/Gyn, Ortho, Pain, Plastics, Pod, Urol	5	0	1,498+1,104
8	Rush Oak Brook Surgery Center	2011 York Road, Suite 3000	Oak Brook	60523	7	Gen Surg, Neuro, Ortho, Otola, Pain, Plastics, Pod	6	2	8,573+ 424
9	Midwest Endoscopy Center	1243 Rickert Drive	Naperville	60540	7	GI proc	0	3	5,478
10	Naperville Surgical Centre	1263 Rickert Drive	Naperville	60540	7	GI, Gen Surg, Neuro, Ob/Gyn, Ophth, Ortho, Otola, Plastic, Pod, Urol	4	0	NA
11	Naperville Fertility Center	3 N. Washington Street	Naperville	60540	7	OB/Gyn	1	0	1,507
12	Northwestern Medicine Surgery Center	27650 Ferry Road, Suite 140	Warrenville	60555	7	Ortho, Pain, Pod	4	0	5,420
13	Chicago Prostate Surgery Ctr	815 Pasquinelli Drive	Westmont	60559	7	Ortho, Pod	4	0	5,533
14	Westmont Surgery Center DBA Salt Creek Surgery Ctr	530 N Cass Avenue	Westmont	60559	7	Ortho, Pain, Pod; GI proc	4	0	8,498
15	Chicago Vascular ASC	700 Pasquinelli Drive	Westmont	60559	7	Vasc Proc	0	3	4,748
16	The Center for Surgery	475 E. Diehl Road	Naperville	60563	7	GI, Gen Surg, Ophth, Otola, Pain, Plastic, Pod, Urol	8	3	NA
17	DMG Pain Mgmt Surgery Ctr	2940 Rollingridge Road, Suite 200	Naperville	60564	9	Pain	0	2	2,173

Criterion 1110.235(c)(7)(b) – Unnecessary Duplication/Maldistribution

As outlined in the referral letters, all cases included are patients who live in the service area and are current Advocate hospital patients. Therefore, this should not diminish the patient case volume at other non-Advocate ASTC or hospitals and not result in maldistribution of services.

Criterion 1110.235(c)(7)(b) – Impact to Area Providers

This ASTC is not anticipated to have an adverse impact or lower the utilization of other area providers below utilization standards. As outlined in the physician referral letters, it is anticipated that these procedures will be those that had been performed at Advocate Good Samaritan Hospital and Advocate hospitals.

Criterion 1110.235(c)(8) – Staffing

Staff
Staffing the proposed ASTC will be accomplished through various means. The employees will be team members of Advocate Healthcare. Advocate has a long history of staffing its procedural areas and uses a variety of tools to recruit staff. The Advocate system uses a web-based program for developing and maintaining a pipeline of candidates for various roles along with traditional campus and in-person recruiting efforts. These same recruiting tools will be used to staff the proposed surgery center, as well as offering positions to existing team members at other sites. This type of surgery center typically employs approximately 15 full-time team members in a variety of clinical and non-clinical roles including a lead administrator and nursing to lead this local site staffing effort. The surgery center typically operates Monday - Friday during normal business hours, making it an attractive workplace.

Medical Director
The ASTC will follow conditions for coverage established by the Centers for Medicare and Medicaid services. A medical director will represent the clinical and medical needs of the Facility. The Medical Director will also represent the views of the Medical Staff and be responsible for communicating concerns, conclusions, recommendations, and decisions of the Medical Staff to the Governing Body.

In addition, the Medical Director shall review and make recommendations on policies affecting the direct delivery of patient care, quality and the purchase of equipment needed to maintain and improve upon the delivery of patient care at the Facility.

Criterion 1110.235(c)(9) – Charge Commitment

A charge commitment letter and a list of the proposed charges for the procedures to be performed at the ASTC are provided in Attachment 25, Exhibit 6. These charges will be lower than the hospital charges for comparable procedures.

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

December 21,2023

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Advocate Health and Hospitals Corporation Ambulatory Surgery Center – Naperville Freedom Drive

Dear Mr. Kniery:

This letter is to certify that the proposed charges for the Advocate Ambulatory Surgery Center-Naperville Freedom Drive will be less than the current Advocate Good Samaritan Hospital charges for similar procedures. A listing of the ASTC's proposed charges and a comparison to those most frequently done at the hospital is included in the CON application.
This also certified that the Advocate Ambulatory Surgery Center-Naperville Freedom Drive charges will remain unchanged for a period of two years.

Respectfully,

Kevin Fitch
Group Vice President of Finance

Subscribed and sworn to me
This 21st day of December, 2023

Anna Zaborowski
Notary Public

OFFICIAL SEAL
ANNA ZABOROWSKI
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 4/21/25

Comparison of Advocate Ambulatory Surgery Center Naperville fees

CPT	CPT Description	CMC Projected 2023 Claims	2025'Proposed ASC Fee	Hospital 2025 Average
93451	RIGHT HEART CATH	6,060	6,491	-6.6%
93454	CORONARY ARTERY ANGIO S&I	6,060	15,422	-60.7%
93455	CORONARY ART/GRFT ANGIO S&I	6,060	18,639	-67.5%
93456	R HRT CORONARY ARTERY ANGIO	6,060	9,937	-39.0%
93458	L HRT ARTERY/VENTRICLE ANGIO	6,060	16,070	-62.3%
93459	L HRT ART/GRFT ANGIO	6,060	18,860	-67.9%
93460	R&L HRT ART/VENTRICLE ANGIO	6,060	12,521	-51.6%
37221	ILIAC REVASC W/STENT	26,850	34,645	-22.5%
37224	FEM/POPL REVAS W/TLA	13,140	16,360	-19.7%
37225	FEM/POPL REVAS W/ATHER	28,710	66,774	-57.0%
37229	TIB/PER REVASC W/ATHER	45,240	75,241	-39.9%
33285	INSJ SUBQ CAR RHYTHM MNTR	28,680	31,194	-8.1%
33208	INSRT HEART PM ATRIAL & VENT	31,420	37,610	-16.5%
33228	REMV&REPLC PM GEN DUAL LEAD	30,710	34,413	-10.8%
33229	REMV&REPLC PM GEN MULT LEADS	48,210	63,966	-24.6%
33289	TCAT IMPL WRLS P-ART PRS SNR	72,800	149,334	-51.3%
C9600	PERC DRUG-EL COR STENT SING	26,400	48,174	-45.2%
37241	VASC EMBOLIZE/OCCLUDE VENOUS	23,960	49,404	-51.5%
37242	VASC EMBOLIZE/OCCLUDE ARTERY	27,340	50,245	-45.6%
37243	VASC EMBOLIZE/OCCLUDE ORGAN	18,630	58,727	-68.3%
36247	INS CATH ABD/L-EXT ART 3RD	3,700	12,355	-70.1%
36561	INSERT TUNNELED CV CATH	5,880	12,843	-54.2%
37227	FEM/POPL REVASC STNT & ATHER	47,970	53,749	-10.8%

Criterion 1110.235(c)(10) – Assurances

By their signatures, the applicants attest that a peer review process will be implemented that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services, and if outcomes do not meet or exceed those standards, a quality improvement plan will be initiated.

A letter is included in Attachment 25, Exhibit 7 that defines the expectation that the volume of cases will be sufficient to meet or exceed the utilization standards in the second year of operation. The volume of cases that the physicians are committing to bring to the ASTC, based on their historical utilization experience, will meet the standards in the first year of operation.

#24-008

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December 11, 2023

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Advocate Health and Hospitals Corporation Ambulatory Surgery Center – Naperville Freedom Dr

Dear Mr. Kniery:

This letter is to provide the Illinois Health Facilities and Services Review Board the assurance required with the Certificate of Need application for an ambulatory surgery treatment center.

Based on the information at this time, it is my understanding that by the second year of operation after project completion, the Advocate Ambulatory Surgery Center-Naperville Freedom Drive reasonably expects to achieve and maintain the utilization standards for ambulatory surgery treatment centers, as specified in 77 Ill. Administrative Code 1100.640.

Respectfully,

Dia Nichols
President
Advocate Health Care

Subscribed and sworn to me
This 11th day of December, 2023

Joselyn W. DeLeon
Notary Public

OFFICIAL SEAL
JOSELYN W DELEON
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 09/14/2026

#24-008

Advocate Medical Group
3075 Highland Parkway, Suite 600 || Downers Grove, IL 60515 || T 847.699.4307 || amgdoctors.com

December 15, 2023

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

Dear Mr. Kniery,

I am a physician specializing in interventional cardiology. I am writing in support of the establishment of the proposed ambulatory surgery treatment center (ASTC) on Freedom Dr. in Naperville, IL. In the recent 12 months (Nov 22 – Oct 23), I performed 11 outpatient cases at Advocate Good Samaritan Hospital. Of those, 18% of patients were within the geographic service for this proposed center. The table attached to this letter shows the specific patient origin for the outpatient cases I have performed.

I expect to refer at least 1 patient to the proposed ASTC, all from my volume of work currently referred to Advocate Good Samaritan Hospital.

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

Sincerely,

Ramesh Kashinath, MD
AMG Interventional Cardiology
82 Miller Drive, Suite 102
North Aurora, IL 60542

Subscribed and sworn before me this 21ST day of DECEMBER, 2023.

Anna Zaborowski
Notary Public

OFFICIAL SEAL
ANNA ZABOROWSKI
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 4/21/25

CON Application for proposed Ambulatory Surgery Treatment Center on Freedom Dr. in Naperville IL
Referring Physician: Dr. Ramesh Kashinath

Outpatient Surgical patients seen at Good Samaritan Hospital in recent 12-month period are shown in the table below:

Timeframe: Nov 22 – Oct 23 (Rolling 12 months)

Zip Codes within 10-mile radius	% of OP Cases in Reporting Period
60505	18.18%
Total	**18.18%**

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December 15, 2023

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

Dear Mr. Kniery,

I am a physician specializing in interventional cardiology. I am writing in support of the establishment of the proposed ambulatory surgery treatment center (ASTC) on Freedom Dr. in Naperville, IL. In the recent 12 months (Nov 22 – Oct 23), I performed 67 outpatient cases at Advocate Good Samaritan Hospital. Of those, 30% of patients were within the geographic service for this proposed center. The table attached to this letter shows the specific patient origin for the outpatient cases I have performed.

I expect to refer at least 8 patients to the proposed ASTC, all from my volume of work currently referred to Advocate Good Samaritan Hospital.

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

Sincerely,

Ankush Goel, MD
AMG Interventional Cardiology
82 Miller Drive, Suite 102
North Aurora, IL 60542

Subscribed and sworn before me this 21ST day of DECEMBER, 2023.

Anna Zaborowski
Notary Public

OFFICIAL SEAL
ANNA ZABOROWSKI
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 4/21/25

CON Application for proposed Ambulatory Surgery Treatment Center on Freedom Dr. in Naperville IL

Referring Physician: Dr. Ankush Goel

Outpatient Surgical patients seen at Good Samaritan Hospital in recent 12-month period are shown in the table below:

Timeframe: Nov 22 – Oct 23 (Rolling 12 months)

Zip Codes within 10-mile radius	% of OP Cases in Reporting Period
60505	10.45%
60510	7.46%
60502	5.97%
60503	2.99%
60540	1.49%
60504	1.49%
Total	**29.85%**

#24-008

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December 15, 2023

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

Dear Mr. Kniery,

I am a physician specializing in interventional cardiology. I am writing in support of the establishment of the proposed ambulatory surgery treatment center (ASTC) on Freedom Dr. in Naperville, IL. In the recent 12 months (Nov 22 – Oct 23), I performed 138 outpatient cases at Advocate Good Samaritan Hospital. Of those, 57% of patients were within the geographic service for this proposed center. The table attached to this letter shows the specific patient origin for the outpatient cases I have performed.

I expect to refer at least 32 patients to the proposed ASTC, all from my volume of work currently referred to Advocate Good Samaritan Hospital.

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

Sincerely,

Dominick Bufalino, MD
AMG Interventional Cardiology
3825 Highland Avenue
Tower 2 – 4th Floor
Downers Grove, IL 60515

Subscribed and sworn before me this 19TH day of DECEMBER, 2023.

Anna Zaborowski
Notary Public

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My Commission Expires 4/21/25

CON Application for proposed Ambulatory Surgery Treatment Center on Freedom Dr. in Naperville IL

Referring Physician: Dr. Dominick Bufalino

Outpatient Surgical patients seen at Good Samaritan Hospital in recent 12-month period are shown in the table below:

Timeframe: Nov 22 – Oct 23 (Rolling 12 months)

Zip Codes within 10-mile radius	% of OP Cases in Reporting Period
60516	5.80%
60563	5.07%
60137	5.07%
60148	4.35%
60532	3.62%
60561	3.62%
60515	3.62%
60565	2.90%
60559	2.90%
60540	2.17%
60517	2.17%
60188	2.17%
60490	2.17%
60181	2.17%
60440	1.45%
60523	1.45%
60187	1.45%
60564	0.72%
60139	0.72%
60190	0.72%
60503	0.72%
60189	0.72%
60514	0.72%
60510	0.72%
Total	**57.25%**

#24-008

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December 15, 2023

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

Dear Mr. Kniery,

I am a physician specializing in cardiology and heart failure. I am writing in support of the establishment of the proposed ambulatory surgery treatment center (ASTC) on Freedom Dr. in Naperville, IL. In the recent 12 months (Nov 22 – Oct 23), I performed 21 outpatient cases at Advocate Good Samaritan Hospital. Of those, 71% of patients were within the geographic service for this proposed center. The table attached to this letter shows the specific patient origin for the outpatient cases I have performed.

I expect to refer at least 6 patients to the proposed ASTC, all from my volume of work currently referred to Advocate Good Samaritan Hospital.

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

Sincerely,

Owasis Malick, MD
AMG Cardiology
3825 Highland Avenue
Tower 2 – 4th Floor
Downers Grove, IL 60515

Subscribed and sworn before me this 20TH day of DECEMBER, 2023.

Anna Zaborowski
Notary Public

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ANNA ZABOROWSKI
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My Commission Expires 4/21/25

CON Application for proposed Ambulatory Surgery Treatment Center on Freedom Dr. in Naperville IL

Referring Physician: Dr. Owais Malick

Outpatient Surgical patients seen at Good Samaritan Hospital in recent 12-month period are shown in the table below:

Timeframe: Nov 22 – Oct 23 (Rolling 12 months)

Zip Codes within 10-mile radius	% of OP Cases in Reporting Period
60148	14.29%
60515	9.52%
60523	9.52%
60187	4.76%
60561	4.76%
60559	4.76%
60565	4.76%
60563	4.76%
60502	4.76%
60540	4.76%
60532	4.76%
Total	**71.43%**

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December 15, 2023

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

Dear Mr. Kniery,

I am a physician specializing in electrophysiology. I am writing in support of the establishment of the proposed ambulatory surgery treatment center (ASTC) on Freedom Dr. in Naperville, IL. In the recent 12 months (Nov 22 – Oct 23), I performed 285 outpatient cases at Advocate Good Samaritan Hospital. Of those, 47% of patients were within the geographic service for this proposed center. The table attached to this letter shows the specific patient origin for the outpatient cases I have performed.

I expect to refer at least 54 patients to the proposed ASTC, all from my volume of work currently referred to Advocate Good Samaritan Hospital.

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

Sincerely,

Justin Mao, MD
AMG Cardiology
3825 Highland Avenue
Tower 2 – 4th Floor
Downers Grove, IL 60515

Subscribed and sworn before me this 20TH day of DECEMBER, 2023.

Anna Zaborowski
Notary Public

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My Commission Expires 4/21/25

CON Application for proposed Ambulatory Surgery Treatment Center on Freedom Dr. in Naperville IL

Referring Physician: Dr. Justin Mao

Outpatient Surgical patients seen at Good Samaritan Hospital in recent 12-month period are shown in the table below:

Timeframe: Nov 22 – Oct 23 (Rolling 12 months)

Zip Codes within 10-mile radius	% of OP Cases in Reporting Period
60515	6.29%
60516	4.20%
60148	3.85%
60505	3.85%
60563	3.50%
60517	2.45%
60559	2.45%
60564	2.45%
60137	2.10%
60523	2.10%
60540	1.75%
60502	1.40%
60440	1.40%
60532	1.40%
60510	1.40%
60565	1.05%
60561	1.05%
60504	1.05%
60490	0.70%
60189	0.70%
60503	0.70%
60181	0.35%
60555	0.35%
60188	0.35%
60187	0.35%
60139	0.35%
Total	**47.55%**

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December 15, 2023

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

Dear Mr. Kniery,

I am a physician specializing in interventional cardiology. I am writing in support of the establishment of the proposed ambulatory surgery treatment center (ASTC) on Freedom Dr. in Naperville, IL. In the recent 12 months (Nov 22 – Oct 23), I performed 74 outpatient cases at Advocate Good Samaritan Hospital. Of those, 22% of patients were within the geographic service for this proposed center. The table attached to this letter shows the specific patient origin for the outpatient cases I have performed.

I expect to refer at least 6 patients to the proposed ASTC, all from my volume of work currently referred to Advocate Good Samaritan Hospital.

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

Sincerely,

Michael Nuyles, DO
AMG Interventional Cardiology
82 Miller Drive, Suite 102
North Aurora, IL 60542

Subscribed and sworn before me this 19TH day of DECEMBER, 2023.

Anna Zaborowski
Notary Public

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My Commission Expires 4/21/25

CON Application for proposed Ambulatory Surgery Treatment Center on Freedom Dr. in Naperville IL

Referring Physician: Dr. Michael Nuyles

Outpatient Surgical patients seen at Good Samaritan Hospital in recent 12-month period are shown in the table below:

Timeframe: Nov 22 – Oct 23 (Rolling 12 months)

Zip Codes within 10-mile radius	% of OP Cases in Reporting Period
60505	9.46%
60510	4.05%
60504	4.05%
60503	1.35%
60564	1.35%
60502	1.35%
Total	**21.62%**

#24-008

Advocate Medical Group

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December 15, 2023

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

Dear Mr. Kniery,

I am a physician specializing in interventional cardiology. I am writing in support of the establishment of the proposed ambulatory surgery treatment center (ASTC) on Freedom Dr. in Naperville, IL. In the recent 12 months (Nov 22 – Oct 23), I performed 118 outpatient cases at Advocate Good Samaritan Hospital. Of those, 67% of patients were within the geographic service for this proposed center. The table attached to this letter shows the specific patient origin for the outpatient cases I have performed.

I expect to refer at least 32 patients to the proposed ASTC, all from my volume of work currently referred to Advocate Good Samaritan Hospital.

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

Sincerely,

Mahesh Raju, MD
AMG Interventional Cardiology
3825 Highland Avenue
Tower 2 – 4th Floor
Downers Grove, IL 60515

Subscribed and sworn before me this 20TH day of DECEMBER, 2023.

Anna Zaborowski
Notary Public

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My Commission Expires 4/21/25

CON Application for proposed Ambulatory Surgery Treatment Center on Freedom Dr. in Naperville IL

Referring Physician: Dr. Mahesh Raju

Outpatient Surgical patients seen at Good Samaritan Hospital in recent 12-month period are shown in the table below:

Timeframe: Nov 22 – Oct 23 (Rolling 12 months)

Zip Codes within 10-mile radius	% of OP Cases in Reporting Period
60516	9.24%
60515	9.24%
60148	7.56%
60559	7.56%
60561	6.72%
60517	5.04%
60523	4.20%
60532	3.36%
60440	2.52%
60189	2.52%
60181	1.68%
60490	1.68%
60564	0.84%
60510	0.84%
60563	0.84%
60514	0.84%
60565	0.84%
60137	0.84%
60139	0.84%
Total	**67.23%**

Advocate Medical Group

3075 Highland Parkway, Suite 600 || Downers Grove, IL 60515 || T 847.699.4307 || amgdoctors.com

December 15, 2023

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

Dear Mr. Kniery,

I am a physician specializing in cardiology and heart failure. I am writing in support of the establishment of the proposed ambulatory surgery treatment center (ASTC) on Freedom Dr. in Naperville, IL. In the recent 12 months (Nov 22 – Oct 23), I performed 53 outpatient cases at Advocate Good Samaritan Hospital. Of those, 53% of patients were within the geographic service for this proposed center. The table attached to this letter shows the specific patient origin for the outpatient cases I have performed.

I expect to refer at least 11 patients to the proposed ASTC, all from my volume of work currently referred to Advocate Good Samaritan Hospital.

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

Sincerely,

Ali Valika, MD
AMG Cardiology
3825 Highland Avenue
Tower 2 – 4th Floor
Downers Grove, IL 60515

Subscribed and sworn before me this 20TH day of DECEMBER, 2023.

Anna Zaborowski
Notary Public

OFFICIAL SEAL
ANNA ZABOROWSKI
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 4/21/25

CON Application for proposed Ambulatory Surgery Treatment Center on Freedom Dr. in Naperville IL

Referring Physician: Dr. Ali Valika

Outpatient Surgical patients seen at Good Samaritan Hospital in recent 12-month period are shown in the table below:

Timeframe: Nov 22 – Oct 23 (Rolling 12 months)

Zip Codes within 10-mile radius	% of OP Cases in Reporting Period
60148	13.21%
60516	7.55%
60515	5.66%
60532	3.77%
60137	3.77%
60440	3.77%
60181	3.77%
60555	1.89%
60564	1.89%
60559	1.89%
60523	1.89%
60514	1.89%
60139	1.89%
Total	**52.83%**

#24-008

Advocate Medical Group

3075 Highland Parkway, Suite 600 || Downers Grove, IL 60515 || T 847.699.4307 || amgdoctors.com

December 15th, 2023

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

Dear Mr. Kniery,

I am a physician specializing in interventional cardiology. I am writing in support of the establishment of the proposed ambulatory surgery treatment center (ASTC) on Freedom Dr. in Naperville, IL. In the recent 12 months (Nov 22 – Oct 23), I performed 130 outpatient cases at Advocate Good Samaritan Hospital. Of those, 68% of patients were within the geographic service for this proposed center. The table attached to this letter shows the specific patient origin for the outpatient cases I have performed.

I expect to refer at least 35 patients to the proposed ASTC, all from my volume of work currently referred to Advocate Good Samaritan Hospital.

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

Sincerely,

Joseph Venturini, MD
AMG Interventional Cardiology
3825 Highland Avenue
Tower 2 – 4th Floor
Downers Grove, IL 60515

Subscribed and sworn before me this 19TH day of DECEMBER, 2023.

Anna Zaborowski
Notary Public

OFFICIAL SEAL
ANNA ZABOROWSKI
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 4/21/25

CON Application for proposed Ambulatory Surgery Treatment Center on Freedom Dr. in Naperville IL

Referring Physician: Dr. Joseph Venturini

Outpatient Surgical patients seen at Good Samaritan Hospital in recent 12-month period are shown in the table below:

Timeframe: Nov 22 – Oct 23 (Rolling 12 months)

Zip Codes within 10-mile radius	% of OP Cases in Reporting Period
60516	11.54%
60561	10.00%
60515	10.00%
60148	10.00%
60517	6.92%
60559	3.85%
60532	2.31%
60523	1.54%
60440	1.54%
60181	1.54%
60185	1.54%
60187	0.77%
60555	0.77%
60540	0.77%
60503	0.77%
60190	0.77%
60510	0.77%
60188	0.77%
60565	0.77%
60514	0.77%
Total	67.69%

#24-008

Advocate Medical Group
3075 Highland Parkway, Suite 600 || Downers Grove, IL 60515 || T 847.699.4307 || amgdoctors.com

December 15, 2023

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

Dear Mr. Kniery,

I am a physician specializing in interventional cardiology. I am writing in support of the establishment of the proposed ambulatory surgery treatment center (ASTC) on Freedom Dr. in Naperville, IL. In the recent 12 months (Nov 22 – Oct 23), I performed 71 outpatient cases at Advocate Good Samaritan Hospital. Of those, 17% of patients were within the geographic service for this proposed center. The table attached to this letter shows the specific patient origin for the outpatient cases I have performed.

I expect to refer at least 5 patients to the proposed ASTC, all from my volume of work currently referred to Advocate Good Samaritan Hospital.

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

Sincerely,

Li Shien Low, MD
AMG Interventional Cardiology
1508 Aurora Avenue
Naperville, IL 60540

Subscribed and sworn before me this 21ST day of DECEMBER, 2023.

Anna Zaborowski
Notary Public

OFFICIAL SEAL
ANNA ZABOROWSKI
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 4/21/25

CON Application for proposed Ambulatory Surgery Treatment Center on Freedom Dr. in Naperville IL

Referring Physician: Dr. Li Shien Low

Outpatient Surgical patients seen at Good Samaritan Hospital in recent 12-month period are shown in the table below:

Timeframe: Nov 22 – Oct 23 (Rolling 12 months)

Zip Codes within 10-mile radius	% of OP Cases in Reporting Period
60502	4.23%
60505	4.23%
60504	2.82%
60510	2.82%
60564	1.41%
60540	1.41%
Total	**16.9%**

#24-008

Advocate Medical Group

3075 Highland Parkway, Suite 600 || Downers Grove, IL 60515 || T 847.699.4307 || amgdoctors.com

December 15, 2023

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

Dear Mr. Kniery,

I am a physician specializing in interventional cardiology. I am writing in support of the establishment of the proposed ambulatory surgery treatment center (ASTC) on Freedom Dr. in Naperville, IL. In the recent 12 months (Nov 22 – Oct 23), I performed 68 outpatient cases at Advocate Good Samaritan Hospital. Of those, 65% of patients were within the geographic service for this proposed center. The table attached to this letter shows the specific patient origin for the outpatient cases I have performed.

I expect to refer at least 18 patients to the proposed ASTC, all from my volume of work currently referred to Advocate Good Samaritan Hospital.

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

Sincerely,

Manan Naik, MD
AMG Interventional Cardiology
3825 Highland Avenue
Tower 2 – 4th Floor
Downers Grove, IL 60515

Subscribed and sworn before me this 21ST day of DECEMBER, 2023.

Anna Zaborowski
Notary Public

OFFICIAL SEAL
ANNA ZABOROWSKI
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 4/21/25

CON Application for proposed Ambulatory Surgery Treatment Center on Freedom Dr. in Naperville IL

Referring Physician: Dr. Manan Naik

Outpatient Surgical patients seen at Good Samaritan Hospital in recent 12-month period are shown in the table below:

Timeframe: Nov 22 – Oct 23 (Rolling 12 months)

Zip Codes within 10-mile radius	% of OP Cases in Reporting Period
60148	8.82%
60181	8.82%
60561	7.35%
60516	5.88%
60532	5.88%
60515	4.41%
60517	4.41%
60189	2.94%
60565	2.94%
60440	2.94%
60490	2.94%
60139	1.47%
60563	1.47%
60559	1.47%
60137	1.47%
60503	1.47%
Total	**64.71%**

TRANSFER AGREEMENT

This Transfer Agreement (the "**Agreement**") is entered into on January 26, 2024 (the "**Effective Date**"), by and between Advocate Health and Hospitals Corporation d/b/a Advocate Medical Group, on behalf of Advocate Naperville Freedom Drive ASTC AOC ("**Transferring Facility**") and Advocate Health and Hospitals Corporation d/b/a Advocate Good Samaritan Hospital ("**Receiving Facility**").

WHEREAS, Transferring Facility is applying for CON to establish an ambulatory surgery treatment center under Illinois Law;

WHEREAS, Receiving Facility is licensed under Illinois law as a Level I trauma center;

WHEREAS, this Agreement shall be effective once Transferring Facility is established;

WHEREAS, Receiving Transferring Facility and Transferring Facility desire to cooperate in the transfer of patients from Transferring Facility to Receiving Facility, when and if such transfer may, from time to time be deemed necessary and requested by the respective patient's physician, to facilitate appropriate patient care;

WHEREAS, the parties mutually desire to enter into a transfer agreement to provide for the medically appropriate transfer or referral of patients from Transferring Facility to Receiving Facility, for the benefit of the community and in compliance with applicable law; and

WHEREAS, the parties desire to provide a full statement of their agreement in connection with the services to be provided hereunder.

NOW, THEREFORE, BE IT RESOLVED, that in consideration of the mutual covenants, obligations and agreements set forth herein, the parties agree as follows:

I. TERM

1.1 The term of this Agreement shall commence on the Effective Date and shall be for a period of one (1) year. This Agreement shall automatically renew for additional one (1) year terms unless terminated by either party as set forth herein.

II. TERMINATION

2.1 Either party may terminate this Agreement at any time with or without cause upon thirty (30) days prior written notice to the other party. Additionally, this Agreement shall automatically terminate should either party fail to maintain the licensure or certification necessary to carry out the provisions of this Agreement.

III. OBLIGATIONS OF THE PARTIES

3.1 Transferring Facility agrees:

a. That Transferring Facility shall refer and transfer patients to Receiving Facility for medical treatment only when such transfer and referral has been determined to be medically appropriate by the patient's attending physician or, in the case of an emergency, the Medical Director for Transferring Facility, hereinafter referred to as the "Transferring Physician";

b. That the Transferring Physician shall contact the AAH Patient Command Center prior to transport, to verify the transport and acceptance of the emergency patient by Receiving Facility. The decision to accept the transfer of the emergency patient shall be made by Receiving Facility's Emergency

Department physician, hereinafter referred to as the "Emergency Physician", based on consultation with the member of Receiving Facility's Medical Staff who will serve as the accepting attending physician, hereinafter referred to as the "Accepting Physician". In the case of the non-emergency patient, the Medical Staff attending physician will act as the Accepting Physician and must indicate acceptance of the patient. Transferring Facility agrees that Receiving Facility shall have the sole discretion to accept the transfer of patients pursuant to this Agreement subject to the availability of equipment and personnel at Receiving Facility. The Transferring Physician shall report all patient medical information which is necessary and pertinent for transport and acceptance of the patient by Receiving Facility to the Emergency Physician and/or Accepting Physician;

c. That Transferring Facility shall be responsible for affecting the transfer of all patients referred to Receiving Facility under the terms of this Agreement, including arranging for appropriate transportation, financial responsibility for the transfer in the event patient fails or is unable to pay, and care for the patient during the transfer. The Transferring Physician shall determine the appropriate level of patient care during transport in consultation with the Emergency Physician and/or Accepting Physician;

d. That pre-transfer treatment guidelines, if any, will be augmented by orders obtained by the Transferring Physician and/or Accepting Physician;

e. That, prior to patient transfer, the Transferring Physician is responsible for ensuring that written, informed consent to transfer is obtained from the patient, the parent or legal guardian of a minor patient, or from the legal guardian or next-of-kin of a patient who is determined by the Transferring Physician to be unable to give informed consent to transfer; and

f. To maintain and provide proof to Receiving Facility of professional and general liability insurance coverage in the amount of One Million Dollars ($1,000,000.00) per occurrence and Three Million Dollars ($3,000,000.00) in the aggregate with respect to the actions of its employees and agents connected with or arising out of services provided under this Agreement.

3.2 Receiving Facility agrees:

a. To accept and admit in a timely manner, subject to bed availability, Transferring Facility patients referred for medical treatment, as more fully described in Section 3.1;

b. To accept patients from Transferring Facility in need of inpatient hospital care as more fully described in Section 3.1, when such transfer and referral has been determined to be medically appropriate by the patient's Transferring Physician at Transferring Facility;

c. That Receiving Facility will seek to facilitate referral of transfer patients to specific Accepting Physicians when this is requested by Transferring Physicians and/or transfer patients;

d. That Receiving Facility shall provide Transferring Facility patients with medically appropriate and available treatment provided that Accepting Physician and/or Emergency Physician writes appropriate orders for such services; and

e. To maintain professional and general liability insurance coverage in the amount of One Million Dollars ($1,000,000.00) per occurrence and Three Million Dollars ($3,000,000.00) in the aggregate with respect to the actions of its employees and agents connected with or arising out of services provided under this Agreement.

IV. GENERAL COVENANTS AND CONDITIONS

4.1 Release of Medical Information. In all cases of patients transferred for the purpose of receiving medical treatment under the terms of this Agreement, Transferring Facility shall insure that copies of the patient's medical records, including X-rays and reports of all diagnostic tests, accompany the patient to Receiving Facility, subject to the provisions of applicable State and Federal laws governing the confidentiality of such information. Information to be exchanged shall include any completed transfer and referral forms mutually agreed upon for the purpose of providing the medical and administrative information necessary to determine the appropriateness of treatment or placement, and to enable continuing care to be provided to the patient. The medical records in the care and custody of Receiving Facility and Transferring Facility shall remain the property of each respective institution.

4.2 Personal Effects. Transferring Facility shall be responsible for the security, accountability and appropriate disposition of the personal effects of patients prior to and during transfer to Receiving Facility. Receiving Facility shall be responsible for the security, accountability and appropriate disposition of the personal effects of transferred patients upon arrival of the patient at Receiving Facility.

4.3 Independent Contractor. Nothing contained in this Agreement shall constitute or be construed to create a partnership, joint venture, employment, or agency relationship between the parties and/or their respective successors and assigns, it being mutually understood and agreed that the parties shall provide the services and fulfill the obligations hereunder as independent contractors. Further, it is mutually understood and agreed that nothing in this Agreement shall in any way affect the independent operation of either Receiving Facility or Transferring Facility. The governing body of Receiving Facility and Transferring Facility shall have exclusive control of the management, assets, and affairs at their respective institutions. No party by virtue of this Agreement shall assume any liability for any debts or obligations of a financial or legal nature incurred by the other, and neither institution shall look to the other to pay for service rendered to a patient transferred by virtue of this Agreement.

4.4 Publicity and Advertising. Neither the name of Receiving Facility nor Transferring Facility shall be used for any form of publicity or advertising by the other without the express written consent of the other.

4.5 Cooperative Efforts. The parties agree to devote their best efforts to promoting cooperation and effective communication between the parties in the performance of services hereunder, to foster the prompt and effective evaluation, treatment and continuing care of recipients of these services. Parties shall each designate a representative who shall meet as often as necessary to discuss quality improvement measures related to patient stabilization and/or treatment prior to and subsequent to transfer and patient outcome. The parties agree to reasonably cooperate with each other to oversee performance improvement and patient safety applicable to the activities under this Agreement to the extent permissible under applicable laws. All information obtained and any materials prepared pursuant to this section and used in the course of internal quality control or for the purpose of reducing morbidity and mortality, or for improving patient care, shall be privileged and strictly confidential for use in the evaluation and improvement of patient care according to 735 ILCS 5/802101 et seq., as may be amended from time to time.

4.6 Nondiscrimination. The parties agree to comply with Title VI of the Civil Rights Act of 1964, all requirements imposed by regulations issued pursuant to that title, section 504 of the Rehabilitation Act of 1973, and all related regulations, to ensure that neither party shall discriminate against any recipient of services hereunder on the basis of race, color, sex, creed, national origin, age or handicap, under any program or activity receiving Federal financial assistance.

4.7 Affiliation. Each party shall retain the right to affiliate or contract under similar agreements with other institutions while this Agreement is in effect.

4.8 Applicable Laws. The parties agree to fully comply with applicable federal, and state laws and regulations affecting the provision of services under the terms of this Agreement.

4.9 Governing Law. All questions concerning the validity or construction of this Agreement shall be determined in accordance with the laws of Illinois.

4.10 Assignment. Neither Transferring Facility nor Receiving Facility shall assign, sell or otherwise transfer the Agreement or any interest therein without the prior written consent of the other.

4.11 Writing Constitutes Full Agreement. This Agreement embodies the complete and full understanding of Receiving Facility and Transferring Facility with respect to the services to be provided hereunder. There are no promises, terms, conditions, or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written, between the parties hereto. Neither this Agreement nor any rights hereunder may be assigned by either party without the written consent of the other party.

4.12 Written Modification. There shall be no modification of this Agreement, except in writing and exercised with the same formalities of this Agreement.

4.13 Severability. It is understood and agreed by the parties hereto that if any part, term, or provision of this Agreement is held to be illegal by the courts or in conflict with any law of the state where made, the validity of the remaining portions or provisions shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

4.14 Notices. All notices permitted or required to be given under the terms of this Agreement shall be deemed received when delivered personally within three (3) days after it has been post-marked in the United States Mail, certified, postage prepaid and addressed as follows:

If to the Receiving Facility:	Advocate Good Samaritan Hospital 3815 Highland Avenue Downers Grove, Illinois 60515 Attention: President
With a Copy to:	Advocate Aurora Health 2025 Windsor Drive Oak Brook, Illinois 60523 Attention: Chief Legal Officer
If to the Transferring Facility:	Advocate Naperville Freedom Drive ASTC AOC 1836 Freedom Drive Naperville, Illinois 60563
With a Copy to:	Advocate Aurora Health 2025 Windsor Drive Oak Brook, Illinois 60523 Attention: Chief Legal Officer

Any party may change the address for notice by notifying the other party, in writing, of the new address.

IN WITNESS WHEREOF, this Agreement has been executed by Receiving Facility and Transferring Facility as of the Effective Date.

Advocate Health and Hospitals Corporation, d/b/a Advocate Medical Group, on behalf of Advocate Naperville Freedom Drive ASTC AOC

By: DocuSigned by: Jeffrey K. Bahr, MD

Jeffrey K. Bahr, M.D.
President, Advocate Health Care and Aurora Health Care Medical Groups

Date: 1/26/2024

Advocate Health and Hospitals Corporation d/b/a Advocate Good Samaritan Hospital

By: DocuSigned by:

Dia Nichols
President, Advocate Health Care
EVP, Operations

Date: 1/26/2024

DocuSigned by:
Legal

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
☐ **Imaging – CT**	**0**	**1**
☐ **Imaging – Nuclear Medicine**	**0**	**1**
☐ **Imaging – Vascular US**	**0**	**1**
☐ **Imaging – Vein US**	**0**	**1**
☐ **Imaging – Echo US**	**0**	**1**
☐ **Imaging – Echo/Stress US**	**0**	**1**
☐ **Physician Examination/Clinic Rooms Primary Care**	**0**	**12**
☐ **Physician Examination/Clinic Rooms Cardiology**	**0**	**12**
☐ **Fast Track Clinic Rooms**	**0**	**2**
☐ **Holter**	**0**	**1**
☐ **Well-Patient Lab (1 room- 3 bays)**	**0**	**1**

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
APPEND DOCUMENTATION AS ATTACHMENT 31, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

The services in the proposed project will be provided by Advocate Medical Group (“AMG”) and will not be hospital-based services. The Proposed project includes services that allow patients to receive are closer to home with ancillaries’ services provided. The project will support residents that live within a 10-mile radius.

Outpatient Imaging

c) Service Modernization

The applicant shall document that the proposed Project meets one of the following:

This project will bring important imaging and onsite services to assist in promoting convenient coordinated patient care for Primary care and Cardiology services. The imaging services are designed based on the specialties located in the building. This improves patient compliance and satisfaction, increasing access to the residents of the service area.

Diagnostic imaging is an integral part of a Cardiology or Primary Care examination.
The Imaging Center will include the following types of diagnostic imaging equipment:

- 1 CT unit
- 1 Nuclear Medicine unit
- 1 Vascular Ultrasound unit
- 1 Vein Ultrasound unit
- 1 Echo Ultrasound unit
- 1 Echo/Stress Ultrasound unit

It is beneficial to patients to have onsite imaging with specialized medical professionals to have this as part of their diagnosis and evaluation. A goal is to enable patients to have same day testing and results prior to leaving the appointment. If the patient does not receive testing same day, the goal is to have the appointment scheduled for testing prior to leaving appointment.

3)(B) -Utilization – Service or Facility

The imaging volume is provided below. The projected volume was determined based on ratios of clinicians practicing at the other existing AAH ambulatory sites.

Imaging Projected Utilization		
DEPT/SERVICE	**Year 1**	**Year 2**
CT	2,032	2,235
Nuclear Medicine	828	910
Vascular US	720	900
Vein Treatment US	200	300
Echo US	1,723	1,895
Stress/Echo US	442	486

Physician Offices/Clinics

c) Service Modernization

The applicant shall document that the proposed Project meets one of the following:

2) - Necessary Expansion

This new building will provide a location for the Primary Care and Cardiology Advocate Medical Group clinical providers in the area. It will also allow for the ancillary services that will be included as part of the patient's clinic visit. This will benefit patients to have one location to allow for collaboration and referrals between providers and have all testing completed at one location.

3)(B) -Utilization – Service or Facility

The Clinic volume and ancillary services provided in the office visit are outlined below. The patients will be able to receive many of their primary care and specialty services in one building. The projected volume was determined based on AMG historical growth of clinicians entering new geographies and the need for these ancillary services as part of their visit. There are no state standards for these clinical services.

	Projected Utilization	
DEPT/SERVICE	**Year 1**	**Year 2**
Physician Office visits -Primary Care	15,956	17,889
Physician Office visits - Cardiology	4,326	5,829
Holter	150	180
Well-Patient Lab	14,160	14,160

Fast Track Cardiology Clinic

c) Service Modernization

The applicant shall document that the proposed Project meets one of the following:

2) - Necessary Expansion

The fast-track clinic service will be a "one stop shop" providing evaluation and clinical services for low-risk chest pain patients in an outpatient location.
These patients will be evaluated by an advanced clinical provider and receive the necessary cardiac diagnostic and ancillary testing as part of this visit and receive results before they leave. A cardiologist will also be onsite to read testing and consult with the patient.

The Fast Track Cardiac program is for patients with low-risk heart conditions such as palpitations, chest pain, hypertension, and indigestion or patients with a family history that want a comprehensive quick workup. These patients can be sent from another physician office, a program such as Advocate's South Asian Community Outreach program or patients discharged from an emergency room for low-risk chest pain or palpitations and need further workups. The patient can be seen the next day for a complete work up, testing and answers. Many of these patients never follow up due to the complexities in navigating care. This will also provide less interruption in their work schedules and supports those who have transportation needs. The patient experience by making it easy and quick, will help them navigate the testing and provide the answers they need for peace of mind and have their fears addressed quickly. Patients that need higher level procedures at the hospital will be navigated and scheduled quickly to provide a comprehensive, positive experience.

3)(B) -Utilization – Service or Facility

The fast-track patient volume is provided below. The projected volume for the diagnostic and ancillary services that are part of their visit are include in the Cardiology Diagnostic and Imaging sections. There are no state standards for this clinical service.

	Projected Utilization	
DEPT/SERVICE	**Year 1**	**Year 2**
Fast Track visits	150	180

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

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

VI. 1120.120 - AVAILABILITY OF FUNDS

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

$26,953,237	a)	Cash and Securities − statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges − for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests − verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts;
$25,255,761	d)	Debt − a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations − a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants − a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources − verification of the amount and type of any other funds that will be used for the project.
$52,208,999		**TOTAL FUNDS AVAILABLE**

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

N/A, Advocate Aurora Health, Inc has a AA long-term bond rating from Fitch and Standard & Poors. Advocate Aurora Health, Inc has an Aa3 long-term bond rating from Moody's.

FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms Advocate Aurora Health's (IL) IDR at 'AA'; Outlook Stable

Mon 25 Jul, 2022 - 1:47 PM ET

Fitch Ratings - Chicago - 25 Jul 2022: Fitch Ratings has affirmed Advocate Aurora Health's (AAH) Issuer Default Rating (IDR) at 'AA'. Fitch has also affirmed at 'AA' the outstanding revenue bonds issued directly by AAH or by the Wisconsin Health and Educational Facilities Authority, Illinois Finance Authority, and Illinois Health Facilities Authority on behalf of AAH.

The Rating Outlook is Stable.

Fitch has also affirmed AAH's Short-Term Rating at 'F1+' on variable rate debt and CP debt supported by AAH's self-liquidity.

SECURITY

Bonds are unsecured joint and several obligations of the obligated group, which consists of the vast majority of AAH hospitals, the AAH parent, and the Advocate Health Care Network and AAH physician practices.

ANALYTICAL CONCLUSION

AAH's 'AA' IDR rating reflects the system's very strong financial profile and leading market position over a broad and diversified service area covering several population centers of

Illinois and Wisconsin. While margins were compressed in Q1 fiscal 2022 and will likely remain below trend in the near term as AAH contends with macro labor and inflationary pressures, the system has a track-record operating success and long-term Fitch believes margins should rebound to metrics consistent with a strong operating risk assessment over time as Fitch believes the system's fundamental operating platform remains strong.

The 'F1+' Short-Term Rating is based on AAH maintaining a Long-Term Rating of at least 'AA-' as well as adequate internal liquidity and written procedures consistent with Fitch's criteria.

AAH is in negotiations to affiliate with Atrium Health. Atrium is headquartered in Charlotte, NC and operates hospitals in North Carolina, South Carolina, Georgia, and Alabama. The proposed affiliation is not factored into the current rating for AAH.

KEY RATING DRIVERS

Revenue Defensibility: 'bbb'

Largest Health System in Two States; Competition Present in Key Markets

AAH is the largest health system in both Illinois and Wisconsin, with a broad market reach and operating in multiple markets covering a contiguous service area stretching from northeastern Illinois (Chicago area) through Milwaukee to northeastern Wisconsin. Despite its leading market position, the system operates in many competitive service areas, notably Chicago (where AAH is the market leader in a crowded market) and Milwaukee, the population hubs of the combined service area. AAH's largest competitor is Ascension Health (AA+), which also operates multiple facilities in both the Milwaukee and Chicago markets. AAH also has one of the largest and most sophisticated physician integration models in the industry, with broad population health management capabilities, including employing approximately 3,600 physicians, and covering nearly three million unique lives.

AAH operates in varying service area demographic profiles, as expected from a large and geographically diverse health system. Service area characteristics are generally stable supporting a midrange assessment. Much of suburban Chicago (e.g., Lake County), suburban Milwaukee, and other markets such as Brown County, WI (Green Bay) demonstrate generally favorable characteristics such as median household income levels in-line with or better than the national average and low poverty rates. Combined Medicaid and self-pay remain below 20% of gross revenue (19% in fiscal 2021) and Fitch does not expect AAH's payor mix to change materially in the near term. Illinois expanded Medicaid

under the Affordable Care Act (ACA); while Wisconsin did not expand Medicaid under the ACA, the state did expand eligibility in prior years.

Operating Risk: 'a'

Track-Record of Strong Operating Results; Macro Trend Compress Margins in Q1 2022

AAH has a track-record of generating strong operating EBITDA margins, averaging 9.1% between fiscals 2017 and 2021 (including 8.9% in 2021). Margins were compressed in Q1 fiscal 2022, with a 0.3% operating margin and 5.0% operating EBITDA margin, as the system faced macro headwinds affecting the entire sector including a surge of omicron COVID-19 cases in January and February, intense labor pressures, and elevated inflation. It is notable that while AAH's margins were compressed in Q1, the system was still profitable for the quarter (which did not include recording CARES Act grants) and many peer health systems suffered deep operating losses.

The weaker margins in Q1 2022 portend compressed operating metrics for full-year 2022 as the aforementioned macro pressures persist for the rest of the year and likely into 2023. Nevertheless, over the long-term, Fitch expects AAH's should rebound to levels consistent with a strong operating assessment.

Capital spending plans are manageable. AAH's capital budget for 2022 is nearly $1.2 billion. If AAH spends at that pace, the capital spending ratio would approach 2x, although the capex is flexible. The highlighted project is the construction of a new patient pavilion at Advocate Illinois Masonic Medical Center in Chicago. Beyond 2022, the capital spending ratio is expected to approximate 1x. AAH expects to issue $250 million of new money debt in 2023.

Financial Profile: 'aa'

Strong Capital-Related Ratios Should be Sustained

AAH's financial profile is very strong. Capital-related ratios should remain strong in the forward-looking scenario analysis, including in a stress case, despite the current macro pressures.

At FYE 2021, AAH had nearly $3.9 billion of direct debt and unrestricted cash and investments exceeded $11.6 billion. AAH's defined benefit pension plans remain well funded, with a funded ratio of 95% at FYE 2021 compared with a projected benefit

obligation of approximately $2.5 billion (because the pension plans are collectively more than 80% funded, Fitch does not include the underfunded status in calculating adjusted debt). Net adjusted debt (adjusted debt minus unrestricted cash and investments) was favorably negative at nearly -$7.8 billion at FYE 2021.

AAH's capital-related ratios should remain consistently strong, even in the stress case of Fitch's forward-looking scenario analysis. Cash-to-adjusted debt was 300% at FYE 2021 and net adjusted debt-to-adjusted EBITDA was favorably negative at approximately -3x. In the stress case of the scenario analysis, net adjusted debt-to-adjusted EBITDA is favorably negative by year two and cash-to-adjusted debt does not drop below 230% (and exceeds 300% by year four).

The 'F1+' short-term rating is based on AAH maintaining a long-term rating of at least 'AA-'. AAH maintains sufficient discounted internal liquid resources and has implemented written procedures to fund any un-remarketed put on the $1.2 billion of theoretical maximum potential debt supported by self-liquidity. AAH's self-liquidity supported demand debt is comprised of its puttable VRDO bonds not supported by standby bond purchase agreements (SBPAs) as well as the $1 billion maximum authorized under the taxable CP program (only $50 million was outstanding as of March 31, 2022).

Asymmetric Additional Risk Considerations

There are no asymmetric risk factors identified with AAH's rating.

Maximum annual debt service (MADS) is approximately $227 million, based on smoothing debt service (actual MADS is just over $820 million, based on a bullet payment in 2050). MADS coverage based on fiscal 2021 results was strong at approximately 11x and does not pose an asymmetric risk. The MTI includes a minimum historical debt service coverage covenant of 1.10x. AAH had approximately 330 days cash on hand at FYE 2021 (excluding Medicare advance payment funds and deferred employer FICA tax), and just over 300 days at unaudited March 31, 2022, and therefore days cash does not pose an asymmetric risk.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--Sustained improvement in operating EBITDA margin consistently above 10%;

--Considerable growth in unrestricted cash levels leading to superlative cash-to-adjusted debt.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Unexpectedly prolonged compression in operating margins, such that the operating EBITDA margin is expected to remain below 7% for a sustained period beyond what Fitch currently expects, which would lead to an operating risk profile more consistent with a midrange assessment;

--Weaker balance sheet metrics, leading to thinner capital-related ratios in the long term, particularly if compounded with an above-mentioned sustained weakening of operating EBITDA margin;

--If the proposed affiliation with Atrium leads to considerably tighter operating margins and/or much weaker balance sheet ratios, AAH's rating could be pressured.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit https://www.fitchratings.com/site/re/10111579.

AAH is the result of the April 2018 merger between Advocate Health Care (IL) (Advocate) and Aurora Health Care (WI) (Aurora). The system includes 24 acute care hospitals and one behavioral health hospital (totaling more than 5,100 staffed beds), approximately 3,600 employed physicians, and operates roughly 500 outpatient locations and 100 retail clinics in contiguous markets stretching from the Chicago metro area north through Milwaukee, to Marinette, WI in the north. AAH is the largest healthcare provider in both Illinois and Wisconsin. AAH recorded more than $14 billion in operating revenue in audited fiscal 2021 (Dec. 31 year-end).

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by information from Lumesis.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

ENTITY / DEBT	RATING			PRIOR
Advocate Aurora Health, Inc. (WI)	LT IDR	AA Rating Outlook Stable	Affirmed	AA Rating Outlook Stable
Advocate Aurora Health, Inc. (WI) /General Revenues/1 LT	LT	AA Rating Outlook Stable	Affirmed	AA Rating Outlook Stable
Advocate Health Care Network (IL) /General Revenues/1 LT	LT	AA Rating Outlook Stable	Affirmed	AA Rating Outlook Stable
Advocate Aurora Health, Inc. (WI) /Self-Liquidity/1 ST	ST	F1+	Affirmed	F1+

VIEW ADDITIONAL RATING DETAILS

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PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

U.S. Not-For-Profit Hospitals and Health Systems Rating Criteria (pub. 18 Nov 2020) (including rating assumption sensitivity)

Public Sector, Revenue-Supported Entities Rating Criteria (pub. 01 Sep 2021) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Portfolio Analysis Model (PAM), v2.0.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Advocate Health and Hospitals Corporation	EU Endorsed, UK Endorsed

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Illinois Finance Authority
Wisconsin Health and Education Facilities Authority
Advocate Aurora Health, Illinois; CP; System

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Illinois Finance Authority
Wisconsin Health and Education Facilities Authority
Advocate Aurora Health, Illinois; CP; System

Credit Profile		
Illinois Finance Authority, Illinois		
Advocate Aurora Health, Illinois		
Illinois Fin Auth (Advocate Aurora Health Credit Group) sys		
Long Term Rating	AA/Stable	Affirmed

Credit Highlights

- S&P Global Ratings affirmed its 'AA' long-term rating on Advocate Health and Hospitals Corp. (AHHC), Ill.'s various series of taxable debt and its 'AA' long-term ratings on the Illinois Finance Authority's (IFA) and the Wisconsin Health and Education Facilities Authority's various series of fixed-rate, tax-exempt revenue bonds. All bonds were issued for AHHC and the related obligated group (known as Advocate Aurora Health credit group, or AAH), and our analysis reflects the entire system.
- At the same time, S&P Global Ratings affirmed the 'AA' long-term component of its dual ratings ('AA/A-1+' and 'AA/A-1'), where applicable, on the IFA's various variable-rate demand bonds (VRDBs) backed by standby bond purchase agreements (SBPAs) and issued for AAH. The 'A-1+' short-term component of the rating on the issuer's series 2008C-3A bonds and the 'A-1' short-term component of the rating on the series 2008C-1 and 2008C-2B bonds reflect our view of the SBPAs in effect from various financial institutions. They further reflect our view of the likelihood of payment of tenders, and our view of liquidity facilities that cover all of the bond series.
- Last, S&P Global Ratings affirmed its 'A-1+' short-term rating on AAHC's commercial paper (CP) program and its 'AA/A-1+' dual rating on the IFA's series 2011B VRDBs in windows mode where the long-term rating is based on AAH. The 'A-1+' short-term rating on AHHC's CP program (authorized to $1 billion with $50 million outstanding) and 2011B bonds is based on self-liquidity.
- The outlook is stable.

Security

The rated bonds are the general, unsecured joint and several obligations of the obligated group.

Credit overview

Specifically, the 'AA' rating reflects AAH's healthy enterprise profile and solid market position in the broad Chicagoland and eastern Wisconsin markets as well as its historically healthy financial profile, which, like that of many hospitals and health systems, has been tested in 2022 with much weaker operating cash flow margins along with declines in reserves given investment market fluctuations, though the latter remains adequate for the rating. Management has continued to match capital spending with cash flow to maintain balance sheet strength. The team has completed several key

inpatient and outpatient projects while moving forward on investments tied to transforming into a more holistic health care organization and supporting key strategic initiatives, including its definitive agreement to merge with Atrium Health, signed in May 2022.

Management is working through approvals to finalize its merger with Atrium Health and, if approved, expects that the combined organization, with more than $25 billion in operating revenue on a pro forma basis, will allow AAH to use its scale and expertise to transition its business model to whole-person care and wellness and identify innovative ways to deliver care to improve quality and lower costs. The combined organization would have significantly increased geographic diversification across noncontiguous states, creating a large platform for various care pilots and more widespread programs to further its goals. The combined system, named Advocate Health, would have 50-50 board representation from the two organizations before becoming a self-perpetuating board (similar to AAH). The system would use a co-CEO model for the first 18 months, followed by the appointment of Eugene Woods, current CEO of Atrium Health, as sole CEO. For more information on Atrium Health, see our report published Dec. 21, 2021, on RatingsDirect.

We will evaluate the combined system upon closing, pending necessary approvals, including a full conversation with the new management team on strategy, synergies, and performance. We believe that Atrium Health (AA-/Stable) and AAH have excellent enterprise profiles and business positions in their respective markets, with different and likely complementary strengths and demonstration of a very good fiscal 2021 recovery. That said, interim 2022 results at AAH are lighter than historical trends and Atrium Health is experiencing operating losses. The rating on the combined organization, which we would expect to harmonize soon after merger completion and likely regardless of the number of obligated groups remaining, could result in rating pressure for the combined organization if we come to expect prolonged performance weakness, especially if we also see weakening in key balance sheet ratios. The current operating environment is difficult for many organizations, but we believe that maintaining the 'AA' rating would likely entail that the combined organization generate improved performance compared with interim 2022 while maintaining pro forma balance sheet strength.

The 'AA' long-term rating reflects our view of AAH's:

- Broad and diverse position across two states, including the large Chicago metro and eastern Wisconsin markets, coupled with enterprise strengths around investments in the full care continuum, clinical integration, employed physician models, and sound accountable care organization (ACO) and risk-based payer strategies;
- Leading and stable position in the market as a whole although AAH operates in competitive markets with some weaker demographic trends in parts of the Illinois market;
- Still good balance sheet ratios with light debt, including leverage of 20%, unrestricted reserves to long-term debt of more than 3x, and a lighter but still good 280 days' cash on hand; and
- History of good maximum annual debt service coverage (smoothed) returning to more than 5x in fiscal 2021 (after dipping in fiscal 2020) as a result of improving operating margins, very good investment returns, and a low debt burden; and
- Solid management team that continues to look for performance improvement initiatives while focusing on broader strategic goals.

Partly offsetting the above strengths, in our view, are AAH's:

- Operating margins and cash flow that are soft and will likely be softer than historical results over the next year or so but that should improve from interim 2022 lows;
- Strong competition in almost all of the markets in which it operates, from other systems and large academic medical centers; and
- Continued exposure to Illinois Medicaid (through legacy Advocate Health Care).

Environmental, social, and governance

We view AAH's governance risks as neutral to the rating, as AAH has successfully brought two large enterprises together with minimal operating challenges on account of its good management and governance. We believe this lends some stability to the credit profile as further significant merger activity is contemplated. AAH has increased human capital social risks tied to the higher labor costs and staffing issues, as with many providers in the sector, and management is implementing a host of initiatives to manage those expenses but notes that the challenges are likely to persist through 2022 and likely 2023. We view health and safety risks tied to COVID-19 as easing but will monitor surges. And we believe AAH's exposure to the Illinois Medicaid payer mix presents increased social capital risk given AAH's slightly higher Medicaid levels (relative to those of peers), although its diversified footprint helps offset this risk. Finally, we view environmental risk as neutral given the dispersion of facilities in a broad service area with limited environmental challenges. The team is focused on reducing its carbon footprint, and we believe that this could benefit the organization if future regulations come into play.

Outlook

The stable outlook reflects our view of AAH's healthy business position coupled with sound balance sheet flexibility, including low debt. The stable outlook also reflects our expectation of minimal new money debt over the next couple of years and our view of a disciplined management team that, while generating lower-than-historical operating margins, continues to identify operating improvement areas and balance cash flow with strategic and capital spending plans. We believe the combined enterprise profile of AAH and Atrium could support the rating, but we also recognize the challenging landscape. We believe demonstration of improving operating trends for the combined organization will be important to maintaining the combined rating of 'AA', should the merger be completed.

Downside scenario

We could revise the outlook to negative or lower the rating in case AAH records sustained weaker operating margins, particularly if the balance sheet further weakens. Any significant issuance of debt could also result in rating pressure, as the balance sheet is a key credit strength and stabilizing factor. In addition, we could consider a lower rating if AAH's merger with Atrium Health is completed and we come to believe that the combined system's financial profile and trends are more in line with a lower rating.

Upside scenario

We are not likely to raise the rating over the next two years given the recent margin pressure and the potential merger with Atrium Health. Over time, we could raise the rating if AAH executes on system strategies and demonstrates

meaningful multiyear improvement to its financial profile with financial ratios across all metrics commensurate with a higher rating.

Credit Opinion

Enterprise Profile: Very Strong

AAH maintains expanded market position with focus on changes for its future state

AAH maintains a strong presence in its various markets, but those markets remain highly competitive and the organization continues to focus on evolving the organization beyond just episodic care. The team and board have outlined goals they need to meet over the next five years as part of the 2025 strategic plan to maintain that strength as well as transition and diversify the organization away from purely inpatient and episodic care to a health business using data and technology along with other business investments. Recent initiatives to diversify and focus on consumerism and wellness include meaningful investments in MobileHelp (April 2022) and Senior Helpers (April 2021). The former is a remote monitoring company and the other helps maintain the health of seniors outside of the clinical care setting.

We believe the organization's physician integration platform (and various models) positions it well to continue to improve care quality, lower the cost of care, and accept measured risk. The mix of physician and payer models, including various projects such as those that incorporate Medicare Advantage, allows AAH to experiment and learn what works best with which markets and populations. For example, AAH has partnered in different ways with both Quartz and Anthem in Wisconsin for Medicare Advantage products. More specifically, in the Illinois market AAH benefits from a clinically integrated network (Advocate Physician Partner, or APP) with both its employed (Advocate Medical Group) and independent physicians. In the Wisconsin market, AAH has a stronger physician employment model. AAH has also had success in its various Medicare ACO models, so we expect it to build on that. In addition, legacy AHCN has accepted full and partial risk (capitation) on certain commercial and Medicare advantage contracts directly and through APP. Legacy Aurora Health Care has had a history of working directly with employers.

AAH's investments and merger with Atrium Health are aligned with broader strategic goals

We believe AAH has a strong and capable management team with considerable bench strength throughout the organization and a history of financial discipline and strategic focus that we believe will serve the organization well as it enters a period of increased industry pressures. AAH has had financial operating challenges during COVID, including the most recent interim year, but we view favorably that the team has still been able to complete key capital and strategic investments during this time.

While core strategies focus on financial health, customer service, and safety and quality, the far years of the 2025 strategic plan begin to pivot the organization toward managing under different reimbursement models, including a focus on health and wellness as demonstrated by its recent investments mentioned above. We believe that AAH's and Atrium Health's merger and scale could help accelerate some of those broader strategic goals with further diversification into a state with better demographic growth trends to support the combined organization's overall financial health.

Table 1

Advocate Health Care Network and Subsidiaries Utilization

	--Six months ended June 30--	--Fiscal year ended Dec. 31--		
	2022	2021	2020	2019
Inpatient admissions	108,597	233,736	235,394	258,468
Equivalent inpatient admissions	317,595	664,205	630,121	707,393
Emergency visits	421,549	861,307	812,533	806,276
Inpatient surgeries*	27,693	59,943	55,382	67,790
Outpatient surgeries	79,113	163,206	134,882	162,245
Medicare case mix index	1.9531	1.9564	1.9617	1.8959
FTE employees	64,800	63,700	64,000	63,000
Active physicians	9,200	9,400	9,500	9,800
Medicare (%)§	31	29	31	32
Medicaid (%)§	11	12	12	11
Commercial/Blues (%)§	56	55	54	54

*Excludes normal newborn, psychiatric, rehabilitation, and long-term care facility admissions. §Based on net revenue. FTE--Full-time equivalent.

Financial Profile: Very Strong

Pressured labor market could slow margin recovery and cash flow after bounceback in 2021

AAH generated good operating cash flow margin improvement in fiscal 2021 (following a weaker fiscal 2020), but performance returned to light though positive levels in interim 2022, as for many, given labor and inflationary changes. Further affecting cash flow has been weaker investment returns compared with those of recent years. Management is still targeting a return to historical highs of around 3.5% to 4.0% operating margins, but that could take time. Agency nurse usage and salary increases to retain workers have contributed to the negative impact to performance and cash flow. To offset these increases, management is focused on different recruitment and retention strategies for staff, reviewing payer and supply contracts while looking at more efficient ways to deliver care, including combining certain service lines across hospitals. The limited growth market could challenge AAH's ability to recruit, but we will monitor. AAH maintains some risk through capitated revenue and shared savings programs, among other modest initiatives. While all of AAH's markets are fairly competitive, we believe that Illinois is more challenging, partly as a result of the payer environment, and believe that some of the growth, payer, and market trends in Wisconsin will continue to benefit AAH's operating performance. Growth and revenue diversification will remain focuses, as the aforementioned acquisitions and investments indicate. Management expects margins to remain weak through 2022 although improved from interim 2022 levels, and we do believe that continued improvement would be key to maintaining the 'AA' rating.

Unrestricted reserves decline from 2021 highs but are still good for the rating

Unrestricted reserves declined from highs of 2021, and though reserves still remain healthy we believe AAH will manage capital spending at lower than historical levels to match cash flow. We will monitor how this affects AAH's competitive position and strategic goals. (AAH excludes some self-insurance reserves from its unrestricted reserve calculation, so we believe that overall cash on hand could be slightly stronger but not materially different.)

AAH's investment allocation mix has a reduced equities exposure of only 30% but a fair amount of exposure to

alternatives at about 50%, meaning that AAH has given up some liquidity with the goal of solid returns with less volatility. That said, we view overall liquidity as healthy given AAH's $536 million of cash and cash equivalents, which includes modest Medicare Accelerated and Advance Payment (MAAP) funds that will be paid back this year, a $1 billion syndicated line of credit, and an authorized $1 billion of its CP program. Within its investments, AAH maintains good liquidity with about $5.6 billion (excluding Medicare Accelerated and Advance Payment funds) available in 30 days. AAH had unfunded commitments of about $2 billion for its private equity and real estate partnership investments as of June 30, 2022 (to be funded over the next seven years), which we view as sizable but manageable for now.

Capital spending has been managed well with completion of and allocation to few larger projects coupled with some strategic investments outlined above. Management recently completed a new enterprise resource planning system, its replacement facility Sheboygan, a large Epic implementation at legacy AHCN, and other inpatient and outpatient facilities. Finally, the remaining large projects include a new outpatient facility and renovations to an inpatient facility at Illinois Masonic Medical Center, in Chicago.

Low debt with diversified structure but with some risks in remarketing and bullets

AAH's long-term debt remains low with modest debt service relative to revenue, thus providing some ongoing flexibility. The actual debt service schedule is uneven and includes a number of bullets, but with lower actual debt service in near years to help preserve cash flow for other spending needs.

Moreover, if management issues debt, it usually does so to keep debt consistent with that of recent years, although the team did issue debt opportunistically in 2020 at the onset of the COVID-19 pandemic. Management may issue a small amount of net new money debt over the next year; we believe it could absorb this, but the operating trend will be a factor. Overall debt structure is conservative, but with several bullets and tenders that will have to be refinanced or paid along with some remarketing and renewal risks. Other than the bullets and a small amount of contingent debt, we believe AAH's debt structure is in line with its balance sheet profile and investment allocation. More specifically, about 80% of AAH's debt is fixed, excluding swaps, and the remainder is in some type of variable-rate mode (such as index rate bonds, floating-rate notes, VRDBs, and CP).

We don't view the bank debt as a significant risk given AAH's still good financial profile and given that key rating and financial covenants related to the bank-held debt are maintenance of a credit rating of 'BBB' or higher and coverage of 1.1x or higher.

AAH maintained five floating- to fixed-rate swaps with a total notional amount of about $350 million as of June 30, 2022 (including two that are not tied to any specific debt). Counterparties vary, and as of that date the liability on the swaps was modest at $48.5 million with no collateral posting required in recent years.

We view AAH's defined benefit plans as being of minimal risk given the good funding and legacy AHCN's active plan's status as a church plan. Legacy AHCN also has an Employee Retirement Income Security Act of 1974 plan that is frozen. Legacy Aurora Health Care maintains a defined benefit plan that is well funded (more than 90%) and frozen to new benefits and entrants (as of 2012).

Table 2

Advocate Health Care Network and Subsidiaries Financial Summary

	--Six months ended June 30--	--Fiscal year ended Dec. 31--			'AA' rated health care system medians
	2022	2021	2020	2019	2021
Financial performance					
Net patient revenue ($000s)	6,546,322	12,898,690	11,337,814	11,925,131	4,409,886
Total operating revenue ($000s)	7,085,401	13,997,161	13,068,012	12,743,703	5,319,909
Total operating expenses ($000s)	7,082,972	13,541,710	12,969,315	12,385,102	5,141,836
Operating income ($000s)	2,429	455,451	98,697	358,601	185,339
Operating margin (%)	0.03	3.25	0.76	2.81	4.00
Net nonoperating income ($000s)	90,096	375,142	(29,869)	205,956	310,496
Excess income ($000s)	92,525	830,593	68,828	564,557	514,701
Excess margin (%)	1.29	5.78	0.53	4.36	9.80
Operating EBIDA margin (%)	4.98	8.04	5.90	8.12	9.30
EBIDA margin (%)	6.17	10.44	5.68	9.58	14.20
Net available for debt service ($000s)	442,878	1,500,103	741,169	1,240,827	758,893
MADS ($000s)	227,520	227,520	227,520	227,520	87,494
MADS coverage (x)	3.89	6.59	3.26	5.45	8.00
Operating-lease-adjusted coverage (x)	3.04	4.92	2.57	3.88	5.40
Liquidity and financial flexibility					
Unrestricted reserves ($000s)	10,676,108	11,778,808	10,497,642	8,812,556	5,428,508
Unrestricted days' cash on hand	287.0	331.3	308.8	272.2	350.8
Unrestricted reserves/total long-term debt (%)	305.6	335.1	301.7	292.9	334.9
Unrestricted reserves/contingent liabilities (%)	1,107.5	1,221.9	1,063.0	849.5	1036.6
Average age of plant (years)	9.9	9.8	9.2	8.7	11.3
Capital expenditures/depreciation and amortization (%)	82.5	101.2	125.6	114.6	148.9
Debt and liabilities					
Total long-term debt ($000s)	3,493,990	3,514,858	3,480,061	3,008,901	1,425,146.00
Long-term debt/capitalization (%)	20.6	20.0	22.2	20.8	20.0
Contingent liabilities ($000s)	963,961	963,961	987,592	1,037,353	491,170
Contingent liabilities/total long-term debt (%)	27.6	27.4	28.4	34.5	31.3
Debt burden (%)	1.59	1.58	1.75	1.76	1.60
Defined benefit plan funded status (%)	N.A.	94.74	92.29	91.14	90.40
Miscellaneous					
Medicare advance payments ($000s)*	244,000	515,000	773,000	N/A	MNR
Short-term borrowings ($000s)*	-	-	-	-	MNR
COVID-19-related funds ($000s) - recognized	13,913	39,254	823,655	N/A	MNR
Risk-based capital ratio (%)	N/A	N/A	N/A	N/A	MNR
Total net special funding ($000s)	100,139	222,629	232,533	199,859	MNR

Table 2

Advocate Health Care Network and Subsidiaries Financial Summary (cont.)

	--Six months ended June 30--	--Fiscal year ended Dec. 31--			'AA' rated health care system medians
	2022	2021	2020	2019	2021

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

Credit Snapshot

- Group rating methodology status: The rating reflects our view of AAH's group credit profile and the obligated group's core status. Accordingly, we rate the obligated group at the level of the AAH group credit profile.
- Credit overview: AAH operates across northern Illinois and eastern Wisconsin with more than 25 acute care hospitals, more than 3,600 employed physicians, and numerous clinics and outpatient settings. The system also includes two ACOs, APP (a clinically integrated network), and a joint venture insurance company in Wisconsin with Anthem. AAH also includes long-term teaching affiliations with the University of Illinois at Chicago Health Sciences Center, Rosalind Franklin University, and Midwestern University. As part of these affiliations, AAH trains about 600 residents in 31 residency programs.
- Self-liquidity rating: The 'A-1+' short-term component of the rating on the $70 million series 2011B windows bonds and $50 million CP program reflects our view of the credit strength inherent in the 'AA' long-term rating on AAH's debt and the sufficiency of AAH's unrestricted reserves to provide liquidity support for the bonds. Our Fund Ratings and Evaluations Group assesses the liquidity of AAH's unrestricted investment portfolio to determine the adequacy and availability of these funds to guarantee the timely purchase of the bonds tendered in the event of a failed remarketing. We monitor the liquidity and sufficiency of AAH's investment portfolio monthly. AAH identified approximately $233 million of discounted assets as of June 30, 2021, to provide self-liquidity. The assets are invested in highly rated money market funds, U.S. Treasuries, agencies, investment-grade debt, speculative-grade debt, and domestic equities, providing sufficient coverage in the event of a failed remarketing. Management has established clear and detailed procedures to ensure the maintenance of sufficient asset coverage and to meet liquidity demands on a timely basis. We monitor the liquidity and sufficiency of assets pledged by AAH on a monthly basis. In addition, and as relates to the CP program, management has a restriction of $200 million coming due within a seven-day period (although only $50 million is outstanding), but this may change depending on what management ends up using in that program.

Related Research

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

Ratings Detail (As Of September 19, 2022)

Advocate Aurora Health taxable bnds		
Long Term Rating	AA/Stable	Affirmed

Ratings Detail (As Of September 19, 2022) (cont.)

Advocate Aurora Health taxable comm pap nts ser 2019 dtd 02/25/2019 due 08/01/2019		
Short Term Rating	A-1+	Affirmed
Illinois Finance Authority, Illinois		
Advocate Aurora Health, Illinois		
Illinois Finance Authority (Advocate Aurora Health) rev bnds rmktd 02/12/2020 (Advocate Hlth Care Network)		
Long Term Rating	AA/Stable	Affirmed
Illinois Finance Authority (Advocate Aurora Health) rev bnds rmktd 1/15/2020 (Advocate Hlth Care Network) ser 2008A-1 dtd 04/23/2008 due 11/01/2030		
Long Term Rating	AA/Stable	Affirmed
Illinois Fin Auth (Advocate Aurora Health Credit Group) sys		
Long Term Rating	AA/Stable	Affirmed
Illinois Fin Auth (Advocate Aurora Health Credit Group) VRDO sys		
Long Term Rating	AA/A-1+/Stable	Affirmed
Illinois Fin Auth (Advocate Aurora Health Credit Group) VRDO sys		
Long Term Rating	AA/A-1/Stable	Affirmed
Illinois Fin Auth (Advocate Aurora Health Credit Group) VRDO sys		
Long Term Rating	AA/A-1+/Stable	Affirmed
Illinois Hlth Fac Auth, Illinois		
Advocate Aurora Health, Illinois		
Illinois Hlth Fac Auth (Advocate Aurora Health Credit Group) sys		
Long Term Rating	AA/Stable	Affirmed
Illinois Hlth Fac Auth (Advocate Aurora Health Credit Group) sys		
Long Term Rating	AA/Stable	Affirmed
Wisconsin Hlth & Ed Fac Auth, Wisconsin		
Advocate Aurora Health, Illinois		
Wisconsin Hlth & Ed Fac Auth		
Long Term Rating	AA/Stable	Affirmed
Wisconsin Hlth & Ed Fac Auth (Advocate Aurora Health Credit Group) rev bnds		
Long Term Rating	AA/Stable	Affirmed
Wisconsin Hlth & Ed Fac Auth (Advocate Aurora Health Credit Group) rev bnds		
Long Term Rating	AA/Stable	Affirmed
Wisconsin Hlth & Ed Fac Auth (Advocate Aurora Health Credit Group) rev bnds		
Long Term Rating	AA/Stable	Affirmed
Wisconsin Hlth & Ed Fac Auth (Advocate Aurora Health) rev bnds rmktd 01/19/2022 (Advocate Aurora Health) ser 2018B-1 due 08/15/2054		
Long Term Rating	AA/Stable	Affirmed
Wisconsin Hlth & Ed Fac Auth (Advocate Aurora Health) rev bnds rmkted 4/8/2021 (Advocate Aurora Health)		
Long Term Rating	AA/Stable	Affirmed
Wisconsin Hlth & Ed Fac Auth (Advocate Aurora Health) rev bnds (Advocate Hlth Care) ser 2018C-3		
Long Term Rating	AA/Stable	Affirmed
Wisconsin Hlth & Ed Fac Auth (Advocate Aurora Health) rev bnds (Advocate Hlth Care) ser 2018C-4		
Long Term Rating	AA/Stable	Affirmed

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's revises outlook to stable on Advocate Aurora's outstanding debt; Aa3 affirmed

18 Oct 2022

New York, October 18, 2022 -- Moody's Investors Service has affirmed the Aa3, Aa3/VMIG 1, and Aa3/P-1 ratings assigned to Advocate Aurora Health's (AAH) outstanding debt, which includes the obligations of legacy borrower, Aurora Health Care, Inc., WI. The outlook has been revised to stable from positive. AAH had approximately $3.5 billion of debt outstanding at fiscal year end 2021.

RATINGS RATIONALE

The revision of the outlook to stable from positive reflects Moody's view that AAH's operating cash flow (OCF) margin will not likely rebuild to pre-COVID levels, as anticipated in fiscal 2023, following moderation in fiscal 2022, due to labor challenges and general inflation as well as uneven volume recovery. Also, a return to pre-pandemic levels of operating cash flow was expected to provide ongoing strengthening in cash levels. That said, days cash and cash to total debt will remain solid with unrestricted cash and investments largely sustained at current levels. The affirmation of the Aa3 reflects AAH's scale and broad geographic reach, centralized governance and IT model, and still sound balance sheet resources, which will support AAH's operating flexibility and efforts to rebuild margins. AAH's leading market positions across two regions, business line breadth and strong financial discipline will be integral to ongoing recovery as the system pursues transactional growth. Operating and balance sheet leverage will likely remain in line with peers, with management expecting to maintain current levels of debt and well-funded frozen and highly hedged pension plans.

The affirmation of the short-term P-1 rating is supported by Moody's market access cash flow approach to longer-term variable rate instruments and our estimation of AAH's ability to pay the purchase price of a mandatory tender when due at the end of the mandatory tender "window" as well as AAH's strong liquidity position. The P-1 rating reflects expectations that AAH will be able to access the market given its strong revenue bond rating and the system's frequency of market participation. Affirmation of the VMIG 1 reflects the presence of standby bond purchase agreements and the creditworthiness of AAH.

RATING OUTLOOK

The revision of the outlook to stable from positive reflects our view that protracted challenges will result in AAH's financial profile to remain solid but not in line with a higher rating over the outlook period. The outlook also reflects the potential for near term challenges as AAH pursues transactional growth.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Return to and durable pre-pandemic operating cash flow margins
- Evidence that operating leverage as measured by debt to cash flow will be sustained at or below 2.0 times
- Ongoing improvement in cash to total debt and days cash
- Unenhanced ST rating: Not applicable
- Enhanced ST rating: Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Sustained decline in operating cash flow margin
- Meaningful decline in days cash or cash to debt metrics
- Additional debt resulting in material rise in leverage
- Dilutive acquisition or merger

- Unenhanced ST rating: downgrade by Moody's of AAH's long-term rating below A2 or material adverse changes to AAH's access to the capital markets

- Enhanced ST ratings: downgrade by Moody's of the short-term Counterparty Risk Assessment of the banks that provide the SBPAs or the long-term rating of AAH

LEGAL SECURITY

Under the Master Trust Indenture, issued in 2018, security is a general, unsecured obligation of the obligated group. There are no additional indebtedness tests. The members of the obligated group under the Master Indenture are: Advocate Aurora Health, Inc., Advocate Health Care Network, Advocate Health and Hospitals Corporation, Advocate Sherman Hospital, Advocate North Side Health Network, Advocate Condell Medical Center, Aurora Medical Center Bay Area, Inc., Aurora Health Care, Inc., Aurora Health Care Metro, Inc., Aurora Health Care Southern Lakes, Inc., Aurora Health Care Central, Inc. d/b/a Aurora Sheboygan Memorial Medical Center, Aurora Medical Center of Washington County, Inc., Aurora Health Care North, Inc. d/b/a Aurora Medical Center Manitowoc County, Aurora Medical Center of Oshkosh, Inc., Aurora Medical Group, Inc., Aurora Medical Center Grafton LLC. The MTI contains a substitution of notes provision.

PROFILE

Advocate Aurora Health, Inc. (AAH; $14 billion revenue in fiscal 2021), provides a continuum of care through its 24 acute care hospitals, an integrated children's hospital and a psychiatric hospital, which in total have 6,475 licensed beds. AAH also offers primary and specialty physician services with approximately 3,600 employed physicians, outpatient centers, pharmacy services, behavioral health care, rehabilitation, home health and hospice care in northern Illinois, eastern Wisconsin and the upper peninsula of Michigan.

METHODOLOGY

The principal methodology used in the long-term ratings was Not-For-Profit Healthcare published in December 2018 and available at https://ratings.moodys.com/api/rmc-documents/70886 . The principal methodology used in the short-term underlying rating was Short-term Debt of US States, Municipalities and Nonprofits Methodology published in July 2020 and available at https://ratings.moodys.com/api/rmc-documents/67339 . The principal methodology used in the short-term enhanced ratings was Variable Rate Instruments Supported by Conditional Liquidity Facilities published in March 2017 and available at https://ratings.moodys.com/api/rmc-documents/68283. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

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The ratings have been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related

rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1288235.

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N/A, Advocate Aurora Health, Inc has a AA long-term bond rating from Fitch and Standard & Poors. Advocate Aurora Health, Inc has an Aa3 long-term bond rating from Moody's.

SECTION VII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

5. "A" Bond rating or better
6. All the project's capital expenditures are completely funded through internal sources
7. 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
8. The applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

Variance

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

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

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

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

A. Reasonableness of Financing Arrangements

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

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

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

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

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

B. Conditions of Debt Financing

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

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

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (List below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot		Gross Sq. Ft.		Gross Sq. Ft.		Const. $ (A x C)	Mod. $ (B x E)	
	New	Mod.	New	Circ.*	Mod.	Circ.*			
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.

F. 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.

See Attachment #37, Exhibit 1, 2 and 3.

The AGC (Association of General Construction's 2022 Construction Inflation Report is provided in the Appendix.)

#24-008

Advocate Health Care
Now part of ADVOCATEHEALTH

December 11, 2023

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Advocate Health and Hospitals Corporation Ambulatory Surgery Center – Naperville Freedom Dr

Dear Mr. Kniery:

This letter is to attest to the fact that the selected form of debt financing for the purpose of the Advocate Ambulatory Surgery Center - Naperville Freedom Drive will be the lowest net cost available, or if a more costly form of financing is selected, that form is more advantageous due to such terns as prepayment privileges, no required mortgages, access to additional debt, term financing costs and other factors.

Respectfully,

Dia Nichols
President
Advocate Health Care

Subscribed and sworn to me
This 11th day of December, 2023

Joselyn W. DeLeon
Notary Public

OFFICIAL SEAL
JOSELYN W DELEON
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 09/14/2026

Cost & Gross Square Feet by Building

Dept. / Area	A	B	C	D	E	F	G	H	
	Cost / Sq. Ft.		Gross Sq. Ft.		Gross Sq. Ft.		Const. $	Mod. $	Total Cost (G+H)
	New	Mod.	New	Circ.*	Mod.	Circ.*	AxC	BxE	(G+H)
Clinical									
ASTC (1 OR room)	$802.26		2,682	24%			$2,151,649		$2,151,649
PACU/Prep/Recovery (4 rooms)	$694.16		4,607	33%			$3,198,004		$3,198,004
Imaging – CT (1 Unit)	~~$~~641.80		1,330	11%			$853,600		$853,600
Imaging – Nuclear Medicine (1 Unit)	$650.25		1,585	21%			$1,030,645		$1,030,645
Imaging – Vascular US (1 Unit)	$641.80		301	30%			$193,183		$193,183
Imaging – Vein US (1 Unit)	$646.87		339	30%			$219,289		$219,289
Imaging – Echo US (1 Unit)	$645.18		275	30%			$177,425		$177,425
Imaging – Stress/Echo US (1 Unit)	$648.56		384	30%			$249,047		$249,047
Physician Clinic Exam/Treatment Rooms (26 Rooms)	$505.00		12,894	38%			$6,511,453		$6,511,453
Fast Track (2 rooms)	$505.00		826	30%			$417,129		$417,129
Holter (1 room)	$591.14		427	14%			$252,415		$252,415
Well Lab (1 private room, 2 open bays)	$565.80		821	21%			$464,523		$464,523
Total Clinical			26,471				$15,718,362		$15,718,362
Clinical Contingency									$722,010
Total Clinical Reviewable + Contingency									$16,440,372
Non-Clinical									
Public, Circulation, Staff Support, Building Support	$372.14		17,435	31%			$6,488,277		$6,488,277
Total Non-Clinical			17,435				$6,488,277		$6,488,277
Non-Clinical Contingency									$475,548
Total Non-Clinical + Contingency									$6,963,825
Total									$22,206,639
Contingency									$1,197,558
Total + Contingency									$23,404,197

* Percentage of space for circulation
** Construction Costs Only

The Naperville Cardiovascular ASTC construction cost includes premiums that are above the typical Business Occupancy construction.

In looking at the Clinical Reviewable costs, the higher $/SF is attributed to the following factors:

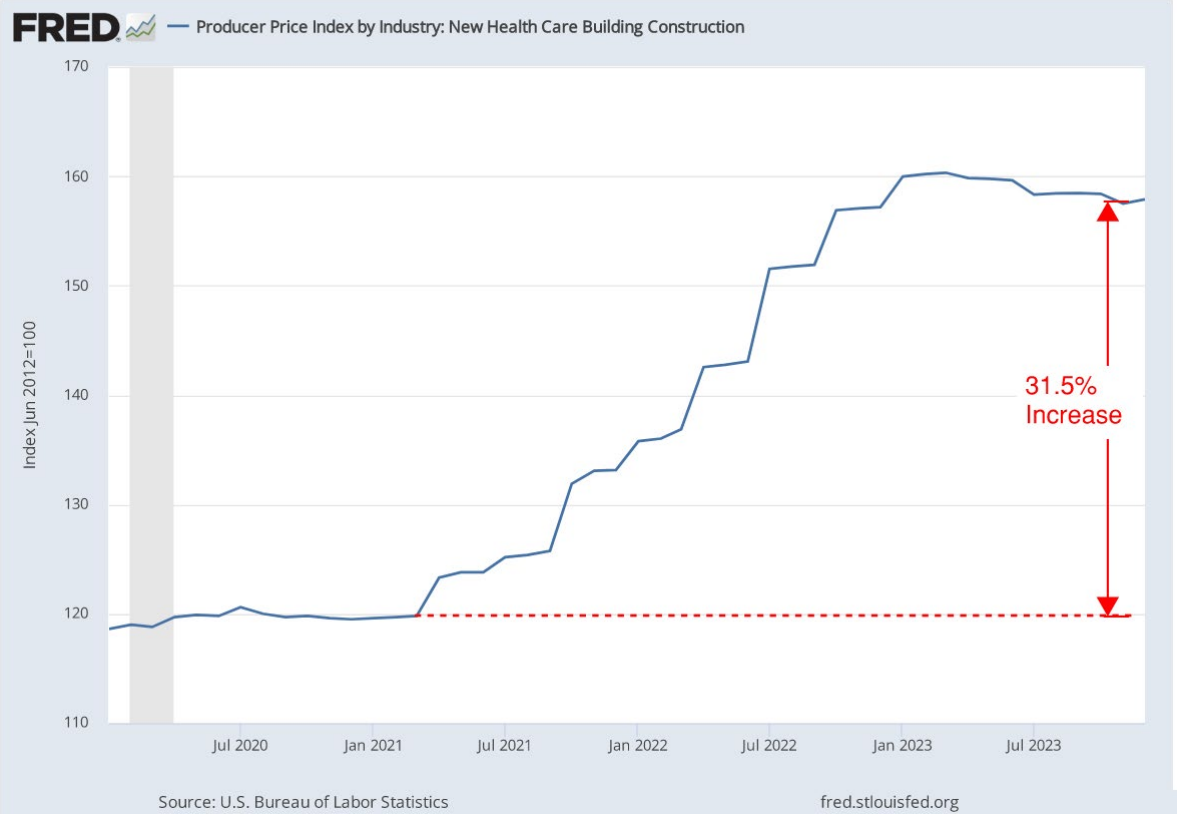
1. Majority of the Clinical Reviewable costs comprise of cost to build 1 Cath Lab Operating Room. The infrastructure would be at a much lower $/SF had there been more OR rooms to distribute the infrastructure costs. Medical gas piping is not only provided for the OR Room, but also for the Prep/Recovery which is not required by code or regulatory agencies but is needed to support the safe recovery for the patients we serve.

2. Specific to this location, the existing roof structure was designed for a gym facility. Additional structural reinforcements are needed for the MEP infrastructure and for the Operating Room and CT ceiling equipment.

3. This facility is planned to be installed in a Gym facility based upon 2007 energy codes. The existing exterior wall and roof construction does not meet present energy standards. For the facility to meet present energy standards for a clinic and a surgery facility the exterior walls need additional insulation to prevent moisture build up in the walls.

4. This building has a high roof deck elevation. The space is a 2-story volume for a single level. The mechanical systems are sized to condition the additional plenum space.

5. Construction escalation is at an all-time high. Current contractor pricing indicates that bid price escalation is approximately 31.5% averaged across the various trades from 3 years ago. The price index is up 18.6% from 2 years ago. For Year 2023, escalation reduced to 0.4%. The current pricing reflects an Output-based/ bid price indices whereas, it is our understanding that RS Means indexing accounts for Cost Inputs of labor and material (a lagging indicator).



Description of Building Construction Premiums for Naperville Cardiology ASTC Project:	**Estimated Premium $**
Imaging rooms are the only clinic reviewable spaces and account for a very small SF, resulting in higher $/SF	Refer to Attachment 14
Structured Rooftop Unit Screening required by City of Naperville	$100,000
On-stage / Off-stage circulation, doors, and portal entries for elevated level of services	$386,400
Exterior Wall Construction enhancements for an ASC to address humidity, R-values, and furring wall	$341,000
Floor infill and pool infill	$145,600
Generator Infrastructure to support emergency power to facility.	$208,100

Description of Building Construction Premiums for Naperville Cardiology ASTC Project:	**Estimated Premium $**
Structural enhancements for rooftop equipment	21,000
Energy enhancements for facility (EV Charging-ready)	$60,000
Real-Time Location Systems (RTLS) infrastructure for elevated level of services.	$195,000
Building Construction Cost Premiums Only	**$1,457,100**

D. Projected Operating Cost per Equivalent Pt Day in Year 1 and Year 2
E. Impact of Project on Capital Costs in Year of Completion Year 1 and Year 2

Projected Operating Costs		
	Cost Per Visit in Year 1	**Cost Per Visit in Year 2**
Operating Costs	**$420.43**	**$441.28**

Impact of Project on Capital Costs		
	Cost Per Visit in Year 1	**Cost Per Visit in Year 2**
Capital Costs	**$1,241.32**	**$1,108.44**

SECTION IX. 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, to the extent that it is feasible for an applicant to have such knowledge.

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

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

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

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

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

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

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

Advocate Health has a long history of serving the Western suburbs of Chicago inclusive of DuPage, Kane and Will counties through Advocate Good Samaritan Hospital and its ambulatory sites of care. Advocate Health takes great pride in the relationships we have with the neighborhood, communities, organizations, and agencies we serve.

Advocate Health has a strong relationship with our diverse patient base across the communities we are privileged to serve. As DuPage and the western suburbs population have grown over the past decade, Advocate Good Samaritan Hospital and our network of providers have strived to stay current with the community's health care needs. This includes investment in bilingual clinicians, support team members and a robust local interpretation services team offering support to patients and their families from all backgrounds. In addition, Advocate Health has explored new innovative ways to care for the communities we serve, such as the newly developed South Asian Cardiovascular Center. The first of its kind in the Midwest, serves South Asian people through a special combination of community outreach, primary care, advanced clinical services, and research.

Advocate Good Samaritan's Community Health Council, a council comprised of community and internal representatives, conducts a Community Health Needs Assessment every three years to identify health needs for low income, and underserved communities and help identify programming to meet those needs with measurable impact. The 2022 CHNA Report: Good Samaritan Hospital identified behavioral health, healthy lifestyles, and social determinants of health as priority health needs for service development.

Advocate Health and team members are committed to advancing health equity and fulling our purpose in helping people live well. In developing coordinated, lower-cost ambulatory access to primary care and preventative services, in addition to advanced care, we believe we can better serve our patients and communities in need.

As an extension of the non-profit Advocate Health system, the proposed location will develop and implement a charity care policy that mirrors the policy of Advocate Good Samaritan Hospital and Advocate Health committed to serving the entire market, not only certain payers. This includes seeing Medicare, Medicaid, and charity care patients. The following chart in Attachment 38, Exhibit 1, outlines the amount of charity care provided by Advocate Health care Illinois hospitals in the last three fiscal years.

The proposed establishment of this project supports Advocate Health's overall DE&I efforts by reducing delays in or cost-barriers to accessing high quality care ambulatory cardiac catheterization and vascular surgical services. Advocate's Diversity Equity and Inclusion Impact Report is highlighted in Attachment 38, Exhibit 2. Ambulatory access is especially important for the primary care and cardiovascular services included in this facility.

Advocate Health is proud of our service line institutes, specifically Advocate's Cardiovascular Institute, through our highly experienced team of heart specialists can diagnose and treat all types of heart and vascular conditions and diseases.

The ASTC and the ambulatory services in this project will be developed in partnership with Advocate Good Samaritan Hospital. Good Samaritan is recognized nationally for providing exceptional care and service to the community:

- **Healthgrades - America's 100 Best Hospitals for Cardiac Care Award™** (2024, 2023, 2022) for superior clinical outcomes in heart bypass surgery, coronary interventional procedures, heart attack treatment, heart failure treatment, and heart valve surgery.
- **Healthgrades - America's 100 Best Hospitals for Coronary Intervention Award™** (2024, 2023, 2022) Superior clinical outcomes in coronary intervention procedures (angioplasty with stent)
- **Magnet recognition** for nursing excellence, achieved by only 7 percent of hospitals nationwide
- **Malcolm Baldridge National Quality Award** for performance excellence
- **Truven 100 Top Hospitals** (formerly Thomson Reuters)
- **Gold Level award**, American Heart Association "Get with the Guidelines"
- **Three-star quality rating** from the Society of Thoracic Surgeons: their highest rating, given to only the top 10% of all cardiac surgery programs in the U.S.

Advocate's cardiovascular experts treat a full range of conditions, and offer the following Advanced Services & Treatments:

- Open heart surgery
- Minimally invasive vascular surgeries, including endovascular abdominal aortic aneurysm (EndoAAA) repair
- Cardiodiagnostic tests
- Heart rhythm care program
- Congestive heart failure clinic
- Cardiac rehabilitation
- Electrophysiology studies (EPS)
- Cardiac ablation
- Cardiac catheterization
- Permanent pacemaker placement
- Implantable cardioverter defibrillator (ICD) placement

In summary, the impact of this ASTC for Cardiac Catheterization and non-invasive Cardiovascular ancillary services with primary care services is far reaching and is a critical organization supporting the communities of DuPage, Kane, and Will counties. These communities have come to rely on many of these programs outlined to meet the special needs of the population in the service area.

#24-008

AdvocateAuroraHealth

DIVERSITY, EQUITY & INCLUSION

The Pathway to Achieve Health Equity

At Advocate Aurora Health, we believe a diverse workforce, in a thriving inclusive environment, delivers a higher level of equitable care, serving all patients across all communities. We continue to advance our strategy to transform our workplace and communities and fulfill our purpose of helping people live well.

OUR WHY

Diversity, equity and inclusion (DE&I) is more than just an organizational strategy; it drives meaningful change. And because health care is built upon relationships, we want the people we serve to trust us to meet their unique needs. By cultivating an atmosphere of inclusion and compassion, we create a welcoming environment where our patients can heal, team members can thrive and business can grow. That's how DE&I advances our Transformation 2025 plan to become a Destination Health organization consumers trust.

TAKING ACTION

We'll continue to create real change by:

- Creating an increasingly diverse workforce thriving at all levels, functions and geographies in an inclusive environment
- Delivering safe, consistent, equitable health outcomes and experiences, as the provider of choice across all communities
- Partnering in the community to better understand and meet the unique needs of everyone

Our commitment focuses on three areas – our workforce, consumers and communities – to ensure all people have a fair and just opportunity to be as healthy as possible.

WORKFORCE

Develop understanding and change behavior by:

- Driving change through our CEO-led systemwide Inclusion Council
- Investing in intentional recruiting and workforce development programs
- Delivering a learning strategy focused on awareness, and building and applying skills

Reinforce our behavioral expectations for an equitable and inclusive environment by:

- Hosting quarterly executive learning and decision-making sessions to foster a DE&I culture
- Instituting reverse mentoring to provide diverse perspectives to senior leaders
- Holding all team members accountable for leadership and team member behaviors

Enhance policies and processes to promote equity and opportunity by:

- Providing innovative onboarding, development and exposure for new leaders and physicians of color
- Establishing a decision filter to remove bias when making choices and reviewing policies
- Recruiting physicians at diversity-specific conferences
- Sharing DE&I-focused content consistently with our candidate pipeline
- Hiring a physician DE&I leader to support external and internal partnerships and increase population of future physicians of color

CONSUMERS

Drive a leading health equity strategy by:

- Leveraging a cross functional Health Equity Council to focus our priorities
- Being a collaborator and thought leader in national and state health equity initiatives
- Enhancing our accredited LGBTQ+ strategy across our footprint
- Evaluating technologies for broader equitable access

Close the gap on identified health outcomes where there are inequities by:

- Leveraging analytics to help identify and track performance
- Implementing outreach initiatives with community partners
- Executing innovative solutions to address disparities in social determinants of health (SDOH) and health outcomes, including hypertension and maternal and infant health
- Designing innovative strategies to address inequities in the patient experience

Build cultural awareness capabilities within our care teams by:

- Innovating around culturally sensitive patient education resources
- Implementing EPIC clinical disparity dashboards
- Growing the Graduate Medical Education program by establishing competency-based models and advancing our DE&I Clinical Learning program
- Leveraging lessons learned from safety events and civil rights cases to address barriers to care and improve processes

COMMUNITIES

Leverage our community strategy to advance health equity by:

- Driving six focus areas targeting SDOH, including food security, housing, workforce development, community safety, and access to innovative solutions for care and for behavioral health

Close the gap on clinical health equity initiatives by:

- Developing outreach programs supported by our mobile health program
- Engaging community partners to support initiatives and expand impact
- Empowering communities to own initiatives and incorporate their voice

Invest in community programs, partnerships and services to address upstream drivers of health by:

- Screening and referring for SDOH
- Achieving business diversity spend targets
- Investing $50M to drive affordable housing, food centers and economic development
- Investing in workforce pipeline development
- Advocating for policy changes supporting equity

MEASURING OUR SUCCESS

Within each focus area, we've established actionable goals and objectives to deliver on our promise. And we're holding ourselves accountable with a DE&I dashboard as part of our organizational report card to ensure a laser focus on:

- **Workforce:** Increase representation of leaders and physicians of color
- **Consumers:** Enhance patient experience communication, decrease hypertension rates for Black and Hispanic communities, safely reduce primary cesarean births
- **Communities:** Grow business diversity spend

MORE RESOURCES

Visit the Diversity, Equity & Inclusion page found under the Communications Hub on our intranets.

#24-008

South Asian Cardiovascular Center at Good Samaritan Hospital

When looking for heart care, you want a place where you feel **safe, respected and comfortable**. Our experts at the South Asian Cardiovascular Center understand and **provide compassionate, culturally sensitive care.**

The South Asian Cardiovascular Center at Advocate Good Samaritan Hospital combines community outreach, advanced clinical services and research.

Our community, experiences a **high risk for heart attack and stroke**. That's why we're here to help you be well with education, screenings, prevention strategies and, if needed, the most effective treatments available.

AdvocateAuroraHealth

South Asian Cardiovascular Center at Good Samaritan Hospital

Specialized care
When you're here, you are our priority. Led by Dr. Mahesh Raju and Dr. Farah Hussain and their team that includes Dr. Owais Malick, Dr. Siddarth Kakodkar and Dr. Priyanka Pitroda, delivering personalized and right-for-you care.
Services include:
•**Comprehensive diagnosis and treatment of heart disease:** As a leader in cardiovascular care, our specialists offer experience and expertise you can count on with the most advanced technologies and treatments close to home.
•**Advanced lipid analysis:** This simple blood test not only looks at how much cholesterol you have, but the quality of the particles and their likelihood of causing heart disease.
•**Community outreach and education:** To provide free education and screenings, we reach out to South Asian establishments in your community such as faith-based organizations, restaurants, and retail and grocery stores.
•**Heart calcium scan:** This **screening test** is quick, affordable and non-invasive to detect coronary artery disease before you have any symptoms.
•**Research:** In discovering more about the health of South Asians, we can better help you prevent heart issues in the first place. And if you need treatment, we can provide the latest in proven diagnostics and procedures.
•**Nurse navigator:** Our compassionate and knowledgeable nurse navigators help guide you and your family throughout your health journey, answering your questions, coordinating your appointments and tests and offering support.

AdvocateAuroraHealth

South Asian Cardiovascular Center at Good Samaritan Hospital

About risk factors
If you're South Asian, you may be at increased risk for cardiovascular disease. This can be due to a variety of factors, ranging from genetics to lifestyle.
Common risk factors include:
•Use of tobacco products including cigarettes, bidis or tambaku paan
•A large waist of more than 36 inches for men or 32 inches for women
•High blood pressure
•High blood sugar or diabetes
•High cholesterol
•A family history of heart disease

Importance of Primary Care
It's important to establish a relationship with a primary care physician (PCP). They can help guide you through your health care journey – whether it's getting preventive care such as wellness checks and routine checkups to stay healthy or referrals to specialists if needed.

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.

See Attachment 39, Exhibit 1

ADVOCATE AURORA HEALTH CHARITY CARE			
	2020	2021	2022
Net Patient Revenue	$4,328,346,158	$4,891,752,006	$5,084,505,419
Amount of Charity Care (charges)	$190,768,385	$342,625,287	$197,885,600
Cost of Charity Care	$50,107,969	$76,109,520	$44,348,164

Source: Advocate Aurora Hospital records

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.

4. Applicant: Advocate Health and Hospitals Corporation d/b/a Advocate Aurora Medical Group
(Name)
2025 Windsor Drive Oak Brook IL 60523
(Address) (City) (State) (Zip code) (Telephone Number)

5. Project Location: 1836 Freedom Drive Naperville IL
(Address) (City) (State)
DuPage Lisle Township
(County) (Township) (Section)

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

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

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes__ No_X_

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?

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.	**43 – 49**
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5	Flood Plain Requirements	**53 – 54**
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APPENDIX

LEASE

Between

CHP-HSG NAPERVILLE, LLC,

a Delaware limited liability company

(as "Landlord")

and

ADVOCATE HEALTH AND HOSPITALS CORPORATION,

an Illinois not-for-profit corporation

(as "Tenant")

dated

February 26, **2024**

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LEASE

THIS LEASE (this "**Lease**") is made and entered into this 26 day of FEBRUARY 2024 (the "**Effective Date**") by and between **CHP-HSG NAPERVILLE, LLC,** a Delaware limited liability company ("**Landlord**"), and **ADVOCATE HEALTH AND HOSPITALS CORPORATION**, an Illinois not-for-profit corporation ("**Tenant**"), who agree as follows:

W I T N E S S E T H:

1. **FUNDAMENTAL TERMS**. As used in this Lease, the following capitalized terms shall have the following meanings:

(a) "**Broker(s)**" means CBRE representing the Tenant and CHP Leasing, LLC representing the Landlord.

(b) "**Building**" means the existing building comprised of approximately 42,438 Rentable Square Feet of Space located at 1836 Freedom Drive, Naperville, Illinois.

(c) "**Commencement Date**" means the earlier of (i) the date that Tenant occupies the Premises for the commencement of its business and (ii) January 1, 2026.

(d) "**Contingencies**" shall mean the following: (i) Landlord's acquisition of the Premises (the "**Acquisition Contingency**"), (ii) Landlord obtaining any zoning approvals or special use permits required by the City of Naperville such that the Building may be used for the Permitted Use (the "**Zoning Contingency**") and (iii) Tenant obtaining a Certificate of Need (as defined below)from the Illinois Health Facilities & Services Review Board, or such other applicable governmental authority (the "**CON Contingency**").

(e) "**Definitions**" means the words and phrases defined in Section 33 captioned "Definitions."

(f) "**Delivery Date**" means the date (as confirmed by written notice to Tenant by Landlord) on which Landlord turns over the Premises to the Tenant in "AS IS" condition, which date (i) shall occur upon the date all Contingencies have been satisfied which in no event shall occur after the Landlord Contingency Outside Date (as defined below) and (ii) shall be coordinated with Tenant.

(g) "**Exhibits**" mean the following Exhibits to this Lease:

Exhibit A - Legal Description of the Property
Exhibit B – Site Plan of the Premises
Exhibit C - Landlord's Exterior Work Agreement
Exhibit C-1 –Scope of Landlord's Exterior Work
Exhibit D – Tenant Improvement Agreement
Exhibit E – Rules and Regulations
Exhibit F - Commencement Date Agreement

(h) "**Expiration Date**" means the day which is the last calendar day of the month following the tenth anniversary of the Commencement Date (unless the Commencement Date is the last day of the month), or in the case of an Extended Term, the last calendar day of the month following the then applicable extension period occurs, unless extended or sooner terminated pursuant to this Lease.

(i) "**Initial Term**" means the period of time commencing on the Commencement Date and ending on the Expiration Date, unless extended or sooner terminated pursuant to this Lease.

(j) "**Landlord's Address for Notice**" means:

CHP-HSG Naperville, LLC
c/o Capital Healthcare Properties LLC
225 West Hubbard Street, Suite 401
Chicago, Illinois 60654
Attention: Jack Sullivan (jsullivan@capitalhpllc.com)
Stephanie Bengtsson (sbengtsson@hubbardstreetgroup.com)

(k) "**Landlord's Address for Payment of Rent**" means 225 West Hubbard Street, Suite 401, Chicago, Illinois 60654; Attention: Accounts Payable and Phil Mastrangelo (pmastrangelo@hubbardstreetgroup.com)

(l) "**Net Rent**":

Months of Term	/psf	Annual Net Rent	Monthly Net Rent
1 – 12	$29.00	$1,230,702.00	$102,558.50
13 – 24	$29.72	$1,261,469.52	$105,122.46
25 – 36	$30.47	$1,293,006.24	$107,750.52
37 – 48	$31.23	$1,325,331.36	$110,444.28
49 – 60	$32.01	$1,358,464.68	$113,205.39
61 – 72	$32.81	$1,392,426.24	$116,035.52
73 – 84	$33.63	$1,427,236.92	$118,936.41
85 – 96	$34.47	$1,462,917.84	$121,909.82
97 – 108	$35.33	$1,499,490.84	$124,957.57
109 – 120	$36.22	$1,536,978.12	$128,081.51

All Net Rent shall be paid in accordance with Section 4(a) of the Lease and Net Rent for any partial month shall be prorated as set forth in Section 4(a) below.

(m) "**Permitted Use**" means use for purposes of general medical offices for the provision of healthcare services to patients, which may include the operation of a "Heart Institute" comprised of clinical and surgical components, along with ancillary uses thereto; provided the same comply with all applicable Laws. Notwithstanding anything contained in this Lease to the contrary, in no event shall the Premises be used for general office or administrative uses, except to the extent ancillary to the Permitted Use.

(n) **"Premises"** means the entirety of the Building and the Property substantially as depicted on Exhibit B ("Site Plan of Premises").

(o) "**Property**" means the 5.08 acre parcel of land described as Lot 13 of Freedom Commons on which the Building is located, situated in the City of Naperville, County of DuPage, State of Illinois, which is legally described on Exhibit A.

(p) "**Security Deposit**" means Zero and no/100ths Dollars ($0.00).

(q) "**Tenant's Address for Notice**" means:

Advocate Health and Hospitals Corporation
Attention: Corporate Real Estate / Legal Department
2025 Windsor Drive
Oak Brook, IL 60523

With a copy to:

Advocate Health and Hospitals Corporation
Attn: Chief Legal Officer
1043 E. Morehead Street
Charlotte, NC 28204

2. **PREMISES**. In consideration of the rents and other covenants of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises for the Term, on the terms and conditions set forth in this Lease. Subject to the rights of all parties under the Declaration (as defined below), Tenant shall have the non-exclusive right to the use of the number of parking spaces located in the parking areas of the Property as depicted on Exhibit B (subject to change from time to time), for the parking of operational passenger motor vehicles used by Tenant, its employees, patients, guests and invitees. Tenant shall be provided with the non-exclusive use of no less than 4.50 parking spaces per 1,000 Rentable Square Feet of Space of the Building, unless otherwise approved by Tenant in writing. Notwithstanding anything contained herein to the contrary, Tenant's obligations under the terms of this Lease are expressly contingent on Tenant being permitted to operate a general medical office building under the Declaration.

3. **TERM; CONTINGENCIES.**

(a) EFFECTIVE DATE. This Lease shall become legally binding as of the date Landlord and Tenant execute this Lease as set forth on the first page hereof and shall remain in full force and effect thereafter until the expiration of the Term, unless sooner terminated pursuant to this Lease. The Term shall commence on the Commencement Date and expire on the Expiration Date, unless extended or sooner terminated pursuant to this Lease. The Commencement Date shall be the date specified in Section 1. Landlord's sole construction obligation under this Lease shall be the completion of Landlord's Exterior Work, which may be completed concurrently with

Tenant's construction of the Tenant Improvements, as further described in the Landlord's Exterior Work Agreement attached hereto as Exhibit C.

(b) LANDLORD CONTINGENCIES. Notwithstanding anything contained in this Lease to the contrary, this Lease shall be expressly conditioned on the satisfaction (and or Tenant's waiver of the CON Contingency, if applicable) of the Acquisition Contingency, Zoning Contingency and CON Contingency. Landlord shall use commercially reasonable, diligent, good faith efforts to satisfy the Acquisition Contingency and Zoning Contingency on or before November 30, 2024 (the "**Landlord Contingency Outside Date**"). If, despite Landlord's diligent, good faith efforts, Landlord is unable to satisfy the Acquisition Contingency and the Zoning Contingency prior to the Landlord Contingency Outside Date, then Landlord or Tenant shall have the right to terminate this Lease, effective thirty (30) days after receipt of such early termination notice; provided, however, in the event Tenant exercises its termination right as set forth in this Section 3(b) and Landlord satisfies the Acquisition Contingency and Zoning Contingency prior to the expiration of such 30-day period, then such termination notice shall be deemed null and void and this Lease shall continue in full force and effect. Notwithstanding anything contained in this Lease to the contrary, Landlord, upon prior written notice to Tenant, shall have the right to share this Lease with any governmental agency, as needed, in connection with the satisfaction of the Zoning Contingency. Notwithstanding anything contained herein to the contrary, Tenant's obligations under the terms of this Lease are expressly contingent upon the Property being zoned to permit the Permitted Use as a general medical office use.

(c) TENANT CONTINGENCY. Notwithstanding anything contained in this Lease to the contrary, this Lease shall be expressly contingent upon Tenant obtaining a Certificate of Need ("**CON**") from the Illinois Health Facilities and Services Review Board by September 30, 2024 ("**CON Deadline**"), which Tenant shall apply for and prosecute at its own expense. Tenant shall use commercially reasonable efforts to submit its application for a CON related to its operations within the Premises on or before March 1, 2024 ("**CON Submittal Date**"). Tenant shall provide Landlord with written notice of the CON application submittal and a copy of the CON application within a reasonable time after Tenant's submittal. Provided Tenant diligently submits its application and pursues the issuance of the CON in good faith, and Tenant fails to obtain the CON (A) on or before the CON Deadline, then within sixty (60) days after the CON Deadline, Tenant shall have the right to provide written notice of such failure within 3 business days thereafter, at which time the Lease shall be deemed terminated and the parties shall have no further obligations hereunder. Notwithstanding the foregoing, the CON Contingency shall automatically be deemed waived (i) upon the issuance of the CON, (ii) if Tenant affirmatively waives its CON Contingency, or (iii) Tenant fails to diligently pursue the CON application to completion. Tenant shall materially comply with all applicable Laws in connection with the CON and shall provide all documentation related to the CON to the applicable governmental authority as required under applicable Laws. Tenant shall keep (and take all such actions necessary to keep) the CON in full force and effect throughout the Term.

(d) CONFIRMATION OF COMMENCEMENT DATE. When the Commencement Date as provided herein has been established, Landlord shall confirm the Commencement Date by written notice to Tenant, and the parties shall execute the Commencement Date Agreement in the form attached hereto as Exhibit F; provided, however, failure by Landlord to send such a written notice or execute the Commencement Date Agreement shall not affect the validity of the Commencement Date.

(e) RENEWAL OPTION. Subject to the terms of this Section 3(e), Tenant shall have three (3) options to extend the Term of this Lease (each, an "Extension Option", and, collectively, the "Extension Options") the first such Extension Option (the "First Extension Option") being for an additional period of five (5) years commencing immediately upon expiration of the initial Term (the "First Renewal Term"), the second such Extension Option (the "Second Extension Option") being for an additional period of five (5) years commencing immediately upon expiration of the First Renewal Term (the "Second Renewal Term") and the third such Extension Option (the "Third Extension Option") being for an additional period of five (5) years commencing immediately upon expiration of the Second Renewal Term (the "Third Renewal Term", together with the First Renewal Term and the Second Renewal Term, the "Renewal Terms"). Each of the First Renewal Term, the Second Renewal Term and the Third Renewal Term shall be on the same terms, covenants, and conditions of this Lease, excluding the provisions of this Section 3(e) (except with respect to the First Renewal Term and Second Renewal Term for which this Section 3(e) shall continue to apply with respect to Tenant's right to exercise the remaining Extension Option(s), as applicable) and except that (i) no Rent concessions, abatements, lease buyouts, tenant allowances or limitations on tax or expense pass-throughs granted with respect to the Term shall be applicable to the Renewal Terms, (ii) Net Rent (as defined in Section 4 below) for each of the Renewal Terms, if exercised, shall be equal to the Market Rental Rate (as hereinafter defined). If Tenant desires to exercise an Extension Option, Tenant shall provide written notice to Landlord of Tenant's exercise of the applicable Extension Option not later than twelve (12) calendar months (but not more than eighteen (18) calendar months) prior to the then scheduled expiration of the Term. Within thirty (30) days after Tenant's notice, Landlord will advise Tenant of Landlord's determination of the Market Rental Rate. Tenant shall respond to Landlord's estimate within thirty (30) days of receipt either (1) accepting Landlord's estimate and exercising the applicable Extension Option (which shall be binding), (2) proposing to Landlord its consideration and alternate rental rate, or (3) forever waiving the applicable Extension Option. If Tenant fails to so respond, then the Extension Option shall be deemed waived by Tenant. In order to exercise an Extension Option, the following conditions must be satisfied: (A) on the date that Tenant exercises an Extension Option as well as on the date that the Renewal Term is to commence, no event of default shall exist and no event shall exist which, by the giving of notice or the passage of time, or both, would mature into a default, unless Landlord elects to waive same in writing; and (B) Tenant has not assigned this Lease or subleased all or any portion of the Premises and is in occupancy of all of the Premises and is open and operating. Wherever used in this Lease, the word "Term" includes the initial Term and all Extended Terms. The term "Market Rental Rate" shall mean the prevailing market rental rate in arm's length transactions for leased premises between a comparable landlord and a tenant of comparable creditworthiness for a comparable use in a comparable property in the DuPage County area.

4. **NET RENT; LATE CHARGE**.

(a) NET RENT. Tenant shall pay to Landlord, in lawful money of the United States, commencing on the first day of the first month of the Term and continuing thereafter on the first (1st) day of each calendar month throughout the Term, Net Rent in the amount set forth in Section 1 above. Net Rent shall be payable in advance, without abatement, deduction, claim, offset, prior notice or demand, except as otherwise specifically provided herein. Net Rent for any partial month shall be prorated at the rate of 1/30th of the Net Rent per day. All Rent shall be paid to Landlord at Landlord's Address for Payment of Rent or at such other address as Landlord may specify by

notice to Tenant. As used herein, the term "**rent**" or "**Rent**" shall mean all sums payable by Tenant hereunder, including Net Rent and any Additional Rent. The obligation of Tenant to pay Rent is hereby declared to be independent of each and every other covenant and agreement contained in this Lease.

(b) LATE CHARGE. Tenant acknowledges that the late payment by Tenant of any Rent will cause Landlord to incur administrative, collection, processing and accounting costs and expenses not contemplated under this Lease, the exact amount of which are extremely difficult or impracticable to determine. Therefore, if any Rent is not received by Landlord (or any applicable third party) from Tenant by the tenth (10th) day after such Rent is due, Tenant shall immediately pay to Landlord a late charge equal to five percent (5%) of the amount of such Rent or Seventy-five and No/100th Dollars ($75.00), whichever is greater. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for its loss caused by Tenant's nonpayment. Should Tenant pay said late charge but fail to pay contemporaneously therewith all unpaid amounts of Rent, Landlord's acceptance of this late charge shall not constitute a waiver of Tenant's default with respect to Tenants nonpayment nor prevent Landlord from exercising all other rights and remedies available to Landlord under this Lease or under law. Notwithstanding anything contained herein to the contrary, Tenant shall not have to pay any Late Charge for the 1st such occurrence in any Lease Year.

(c) This lease is a net lease or "triple net lease", and Landlord shall not be obligated to pay any charge or bear any expense whatsoever against or with respect to the Premises, except to the extent expressly hereinafter provided, nor shall the Rent payable hereunder be subject to any reduction or offset whatsoever on account of any charge or otherwise except as expressly hereinafter provided. In order that the Net Rent shall be net to Landlord, Tenant covenants and agrees to pay, with respect to the Premises as Additional Rent, the additional charges and costs set forth in Section 5 below.

5. **ADDITIONAL RENT**.

(a) In addition to the Net Rent, the Tenant shall pay when due, all other amounts, liabilities, obligations, Expenses, Taxes, Utilities (as defined in Section 12) and Impositions relating to the lease of the Property and the conduct of Tenant's Permitted Use and any fine, penalty, interest, charge and cost which may be added for nonpayment or late payment of such items (collectively the "Additional Rent").

(b) Upon Landlord's request (but not more than one (1) time in any calendar year) Tenant shall furnish to Landlord copies of official receipts or other satisfactory proof evidencing payments referenced in Section 5(a). Tenant, at its expense, shall prepare and file all tax returns and reports in respect of any Additional Rent as may be required by governmental authorities, provided, Landlord shall be responsible for the preparation and filing of any such tax returns or reports in respect of any real or personal property owned by Landlord. Landlord and Tenant shall, upon request of the other, provide such data as is maintained by the party to whom the request is made with respect to the Premises as may be necessary to prepare any required returns and reports. In the event governmental authorities classify any property covered by this Lease as personal property, Landlord and Tenant shall file all personal property tax returns in such jurisdictions where they may legally so file with respect to their respective owned personal property. Tenant shall promptly reimburse Landlord for all personal property taxes paid by Landlord upon receipt of billings accompanied by copies of a bill therefor and payments thereof which identify the

personal property with respect to which such payments are made.

6. **PERSONAL PROPERTY TAXES**. Tenant shall pay prior to delinquency all personal property taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises or elsewhere. Tenant shall cause such trade fixtures, furnishings, equipment and all other personal property of Tenant to be assessed and billed separately from the Property.

7. **USE OF PREMISES**.

(a) Tenant shall use the Premises only for the purposes set forth Section 1 and for no other purpose, without Landlord's prior written consent. Tenant shall not use or permit the use of the Premises in a manner that creates waste or a nuisance or for any purpose that disturbs the Landlord or causes damage to, neighboring premises or properties.

(b) Tenant shall not at any time use or occupy the Premises, or permit any act or omission in or about the Premises in violation of any applicable law, statute, ordinance or any governmental rule, regulation or order (collectively, "Law" or "Laws") and Tenant shall, upon written notice from Landlord, discontinue any use of the Premises which is declared by any governmental authority to be a violation of Law. If any Law shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to (i) modification or other maintenance of the Premises or (ii) the use, alteration or occupancy thereof, Tenant shall comply with such Law at Tenant's sole cost and expense and if any law requires modification or other maintenance of the Premises, Landlord shall comply with such Law and Tenant shall pay for such costs. This Lease shall be subject to and Tenant shall comply with (I) all covenants, conditions and restrictions encumbering the Premises now or hereafter existing including, without limitation, that certain Declaration of Covenants, Conditions and Restrictions of Freedom Commons dated February 26, 2007 (as the same may be amended, supplemented or modified from time to time, the "**Declaration**") and (II) all financing documents encumbering the Premises, including, but not limited to, Tenant's execution of any subordination agreements requested by a mortgagee of the Premises. Notwithstanding anything to the contrary contained herein, Landlord, at no cost to Landlord, shall use reasonable efforts to obtain for Tenant a subordination, non-disturbance and attornment agreement from Landlord's mortgagee on such mortgagee's standard form.

(c) Tenant shall not at any time use or occupy the Premises in violation of the certificates of occupancy issued by the City of Naperville for the Premises provided, however, the Premises shall be properly zoned to permit Tenant's Permitted Use. The failure by Tenant to discontinue any use in violation of the certificate of occupancy shall be considered a default under this Lease and Landlord shall have the right to exercise any and all rights and remedies provided herein or by Law to remedy such violation. Any statement in this Lease of the nature of the business to be conducted by Tenant in the Premises shall not be deemed or construed to constitute a representation or guaranty by Landlord that such business will continue to be lawful or permissible under any certificate of occupancy issued for the Premises, or otherwise permitted by Law.

(d) Tenant shall not do or permit to be done anything which may invalidate or increase the cost of any fire, All Risk or other insurance policy covering the Premises and/or property

located therein and shall comply with all rules, orders, regulations and requirements of the appropriate fire codes and ordinances or any other organization performing a similar function. In addition to all other remedies of Landlord, Landlord may require Tenant, promptly upon demand, to reimburse Landlord for the full amount of any additional premiums charged for such policy or policies by reason of Tenant's failure to comply with the provisions of this Section.

(e) Tenant shall not use or allow the Premises to be used for any improper, immoral, unlawful or commonly deemed objectionable purpose, nor shall Tenant cause, maintain, or permit any nuisance in, on or about the Premises. Tenant shall not place weight upon any portion of the Premises exceeding the structural floor load (per square foot of area) which such area was designated (and is permitted by Law) to carry or otherwise use any Building system in excess of its capacity or in any other manner which may damage such system or the Building. Tenant shall not commit or suffer to be committed any waste in, on, upon or about the Premises.

(f) Tenant shall take all reasonable steps necessary to adequately secure the Premises from unlawful intrusion, theft, fire and other hazards, and shall keep and maintain any and all security devices in or on the Premises in good working order, including, but not limited to, door locks for the Premises and smoke detectors located within the Premises and shall cooperate with Landlord and other tenants with respect to access control and other safety matters.

(g) As used herein, the term "Hazardous Material" shall mean any substance, waste, matter or material regulated by any local or state government, the United States government, or any agency, authority and/or instrumentality thereof and shall include without limitation those substances which are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901, et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300F, et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601, et seq.; the Clean Air Act, 42 U.S.C. Section 7401 et seq., and the Occupational Safety and Health Act of 1970, 29 U.S.C. Section 651, et seq., and as further set forth in any state or local laws and ordinances, and their corresponding regulations.

(h) Tenant agrees that all operations or activities upon, or any use or occupancy of the Premises, or any portion thereof, by Tenant, its assignees, subtenants, and their respective agents, servants, employees, representatives and contractors (collectively referred to herein as "Tenant Affiliates"), throughout the term of this Lease, shall be in all respects in compliance with all federal, state and local Laws then governing or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, release, spillage, leakage, dumping, discharge or disposal of any Hazardous Materials.

(i) Tenant agrees to indemnify, defend and hold Landlord harmless for, from and against any and all claims, actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses, including reasonable and documented attorneys' fees and expenses, court costs, reasonable consultant fees, and reasonable expert fees, together with all other costs and expenses of any kind or nature that arise during or after the Lease Term directly or indirectly from or in connection with the presence, suspected presence, or release of any Hazardous Material in or into the air, soil, surface water or groundwater at, on, about, under or within the Premises, or any portion thereof caused by Tenant or Tenant Affiliates.

(j) In the event any investigation or monitoring of site conditions or any clean-up, containment, restoration, removal or other remedial work (collectively, the "Remedial Work") is required under any applicable federal, state or local Law, by any judicial order, or by any governmental entity as the result of operations or activities upon, or any use or occupancy of any portion of the Premises by Tenant or Tenant Affiliates, Landlord shall perform or cause to be performed the Remedial Work in compliance with such Law or order at Tenant's sole cost and expense. All Remedial Work shall be performed by one or more contractors, selected and approved by Landlord, and under the supervision of a consulting engineer, selected by Tenant and approved in advance in writing by Landlord. All costs and expenses of such Remedial Work shall be paid by Tenant, including, without limitation, the charges of such contractor(s), the consulting engineer, and Landlord's reasonable attorneys' fees and costs incurred in connection with monitoring or review of such Remedial Work.

(k) Each of the covenants and agreements of Tenant set forth in this Section 7(k) shall survive the expiration or earlier termination of this Lease.

(l) Tenant agrees, at its sole cost and expense, to comply with all federal, state and local laws in connection with the disposal of Infectious Waste, if any by Tenant. Infectious Waste shall be segregated into plastic bags, which are impervious to moisture and have strength sufficient to preclude ripping, tearing or bursting under normal conditions of usage and of handling. Each exterior bag shall be red in color. Sharps (needles, syringes and scalpels) shall be contained in disposable, rigid, puncture proof containers, which are taped closed or tightly lidded to preclude loss of contents and clearly labeled "SHARPS". As used herein, the term "Infectious Waste" shall include: (i) wastes deemed infectious by the generator; (ii) cultures and stocks of infectious agents, including specimen cultures, wastes from the production of biological and discarded live vaccines; (iii) laboratory wastes; (iv) pathological wastes; (v) animal carcasses; (vi) human and animal blood specimens or products (vii) patient wastes such as bandages and disposable gowns; (viii) sharp wastes; (ix) and any material generated by research facilities pertaining to the production or testing of biological agents.

(m) Tenant and its authorized representatives shall comply with the Rules and Regulations set forth on Exhibit E attached hereto. Landlord shall have the right to reasonably amend, on thirty (30) days advance written notice, the Rules and Regulations from time to time. In the event of a conflict between this Lease and the Rules and Regulations, as amended, this Lease shall control. Landlord shall have the right to enforce the Rules and Regulations. Landlord shall have no liability whatsoever with respect to the noncompliance by other tenants or their authorized representatives with any of such Rules and Regulations, provided, however, Landlord shall take reasonable steps to enforce such Rules and Regulations.

(n) Tenant's rights under this Lease shall not be disturbed if Tenant is not in default and so long as Tenant shall pay all Rent and shall observe and perform all of the provisions of this Lease unless this Lease is otherwise terminated pursuant to its terms.

8. **LANDLORD'S MAINTENANCE**. Throughout the Term, as the same may be extended, except as provided in Section 9 captioned "Tenant's Maintenance; Remedies," Section 18 captioned "Destruction" and Section 11 captioned "Condemnation" and except for damage caused by any negligence, intentional misconduct, acts or omissions of Tenant or its authorized representatives, or any Tenant Improvements or Alterations installed by Tenant or its authorized

representatives (which shall be the sole cost and responsibility of Tenant), Landlord, at Landlord's sole cost and expense, shall be responsible for (i) roof replacement (it being expressly understood that only maintenance and repair of the roof shall be Tenant's obligation, at Tenant's sole cost and expense, pursuant to Section 9 below), (ii) repairs and replacement of the foundation of the Building and (iii) maintenance of the structural components of the Building (e.g., load bearing and exterior walls (excluding glass and doors), subflooring etc.). Notwithstanding the foregoing, solely during the period commencing on the Delivery Date and ending on the date which is immediately before the second anniversary of the Commencement Date, except as provided in Section 9 captioned "Tenant's Maintenance; Remedies," Section 18 captioned "Destruction" and Section 11 captioned "Condemnation" and except for damage caused by any negligent or intentional act or omission of Tenant or its authorized representatives, Landlord, at Landlord's sole cost and expense, shall maintain in good condition and repair the following: non-structural envelope repairs such as to the exterior building façade materials, exterior doors and windows, vertical element and metal cap above the main entry of the Premises and canopy (collectively, the "Initial LL Maintenance Items"). For the avoidance of doubt, after the expiration of the twenty-fourth (24th) full calendar month of the Term, throughout the remainder of the Term, as the same may be extended, Tenant, at Tenant's sole cost and expense shall be responsible for the maintenance, repair and replacement of all Initial LL Maintenance Items.

9. **TENANT'S MAINTENANCE; REMEDIES.**

(a) TENANT'S MAINTENANCE/REPLACEMENT. Except as provided in Section 8 captioned "Landlord's Maintenance," Section 18 captioned "Destruction" and Section 20 captioned "Condemnation" and except for damage caused by any negligent or intentional act or omission of Landlord or its authorized representatives, Tenant, at its cost, shall maintain in good condition and repair, and replace when necessary, the Premises (ordinary wear and tear excepted), including without limitation, all of the Tenant Improvements (except for latent defects caused by Landlord's Exterior Work), roof (provided that replacement shall be Landlord's obligation pursuant to Section 8 above), any mezzanine space within the Building, Tenant's alterations, Tenant's trade fixtures, Tenant's personal property, signs, walls, interior partitions, wall coverings, windows, window coverings, glass, doors, carpeting and resilient flooring, ceiling tiles, plumbing fixtures, lighting fixtures, the Building systems including the heating, ventilating and air conditioning system and the sidewalks, grounds, landscaping and parking areas of the Premises, and, from and after the 25th full calendar month of the Term, all Initial LL Maintenance Items. Tenant shall be liable for any damage to the Premises resulting from the acts or omissions of Tenant or its authorized representatives.

(b) LANDLORD'S REMEDIES. If Tenant fails to maintain the Premises in good condition and repair as required by Subsection 9(a) and if such failure is not cured within thirty (30) days after notice of such failure is given by Landlord to Tenant, then Landlord may, but shall not be required, to cause the Premises to be maintained in good condition and repair and Tenant shall promptly reimburse Landlord for all costs incurred by Landlord in performance of Tenant's obligation to maintain the Premises.

10. **TENANT IMPROVEMENTS AND ALTERATIONS; TRADE FIXTURES.**

(a) Tenant, at Tenant's sole cost and expense shall be responsible for the construction

of the Tenant Improvements and in accordance with the final plans and submissions as approved by Landlord. Landlord's sole construction obligation under this Lease is set forth in the Landlord's Exterior Work Agreement attached hereto as Exhibit C.

(b) Provided that Tenant is not in Default or breach of this Lease, Landlord shall provide for the payment (as set forth in the Tenant Improvement Agreement) of an amount to be used toward the Tenant Improvement Costs (as hereinafter defined) (hereinafter referred to as the "Tenant Improvement Allowance"). As used herein, the term "Tenant Improvement Allowance" shall mean the sum of $4,243,800.00 (i.e., $100.00 per Rentable Square Feet of Space). The Tenant Improvement Allowance shall be utilized solely for payment of the out-of-pocket costs incurred and paid by Tenant to the Contractor and Architect (each as defined in the Tenant Improvement Agreement) for the design and construction of the Tenant Improvements (collectively, the "Tenant Improvement Costs"). The Tenant Improvement Allowance shall be reimbursed by Landlord as set forth in the Tenant Improvement Agreement attached hereto as Exhibit D.

(c) Any alterations, additions, or improvements made by or on behalf of Tenant to the Premises ("Alterations") shall be subject to Landlord's prior written consent, such consent shall not be unreasonably withheld or delayed. The term "Alteration" shall not include any of the Tenant Improvements as such term is defined on Exhibit D hereto. Notwithstanding the foregoing to the contrary, Tenant shall not make (i) any structural alterations, improvements or additions to the Premises or the rooftop of the Building, or (ii) any alterations, improvements or additions to the Premises or the rooftop of the Building which (a) will adversely impact the Building's mechanical, electrical or heating, ventilation or air conditioning systems, or (b) will adversely impact the structure of the Building, or (c) are visible from the exterior of the Premises, or (d) which will result in the penetration or puncturing of the roof or floor, without, in each case, first obtaining Landlord's prior written consent or approval to such Alterations (which consent or approval shall be in the Landlord's sole and absolute discretion); *provided, however*, Tenant shall be permitted to make Alterations which are of a cosmetic nature or which cost less than $100,000 in the aggregate at any time which does not relate to (i) or (ii) above, without the requirement of obtaining Landlord's consent, after receipt by Landlord of notice of such Alterations, and receipt of sufficient identification, scheduling and proof of adequate insurance of the entities performing such Alterations. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Laws and shall construct, at its sole cost and expense, any alteration or modification required by Laws as a result of any Alterations. All Alterations shall be constructed at Tenant's sole cost and expense and in a good and workmanlike manner by contractors reasonably acceptable to Landlord and only good grades of materials shall be used. All plans and specifications for any Alterations shall be submitted to Landlord for its approval, which approval will not be unreasonably withheld, delayed or conditioned. Landlord may monitor construction of the Alterations. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to see that such plans and specifications or construction comply with applicable laws, codes, rules and regulations. Landlord shall have the right, in its sole discretion, to instruct Tenant to remove those improvements or Alterations from the Premises which (1) were not approved in advance by Landlord, or (2) were not built in conformance with the plans and specifications approved by Landlord. Any Alterations remaining in the Premises following the expiration of the Lease Term or following the surrender of the Premises from Tenant to Landlord, shall become the property of Landlord unless Landlord notifies Tenant otherwise. Tenant shall provide Landlord with the identities and mailing addresses of all persons performing work or supplying materials, prior to

beginning such construction, and Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall assure payment for the completion of all work free and clear of liens and shall provide certificates of insurance for worker's compensation and other coverage in amounts and from an insurance company reasonably satisfactory to Landlord protecting Landlord against liability for bodily injury or property damage during construction. Upon completion of any Alterations and upon Landlord's reasonable request, Tenant shall deliver to Landlord sworn statements setting forth the names of all contractors and subcontractors who did work on the Alterations and final lien waivers from all such contractors and subcontractors. Notwithstanding the foregoing, Tenant shall have the right to install a security system in the Premises, utilizing a contractor and security company acceptable to Landlord and subject to the prior written approval of the Landlord.

(d) Tenant shall keep the Premises free from any and all liens arising out of any Alterations, work performed, materials furnished, or obligations incurred by or for Tenant. In the event that Tenant shall not, within thirty (30) days following the imposition of any such lien, cause the same to be released of record by payment or posting of a bond in a form and issued by a surety reasonably acceptable to Landlord, Landlord shall have the right, but not the obligation, to cause such lien to be released by such means as it shall deem proper (including payment of or defense against the claim giving rise to such lien); in such case, Tenant shall reimburse Landlord for all amounts so paid by Landlord in connection therewith, together with all of Landlord's reasonable and documented costs and expenses, with interest thereon at the rate set forth in Section 4 (b)) and Tenant shall indemnify each and all of the Landlord Indemnitees (defined below) against any damages, losses or costs arising out of any such claim. Tenant's indemnification of Landlord contained in this Section.

(e) Tenant shall have the ability to self-manage the Premises, or hire a third-party property manager (provided such third party property manager is properly licensed and insured). In the event Tenant elects to self-manage the Premises, Tenant shall be solely responsible for any management fees and expenses related thereto.

11. **CONDEMNATION**. If during the Term there is any taking of part or all of the Premises by condemnation, then the rights and obligations of the parties shall be as follows:

(a) MINOR TAKING. If there is a taking of twenty percent (20%) or less of the Property, not including the Building, this Lease shall remain in full force and effect.

(b) MAJOR TAKING. If there is a taking of more than twenty percent (20%) of the Property, not including the Building, and if the remaining portion of the Property and the Building is of such size or configuration that Tenant is unable to conduct its business in the Building, then the Term shall terminate as of the date of taking.

(c) TAKING OF PART OF THE BUILDING. If there is a taking of a part of the Building or parking areas, and if in the opinion of Landlord the Building or parking areas cannot be restored in such a way that would not materially alter the use of the Premises, then Landlord or Tenant may terminate the Term by giving notice to such effect to the other party within sixty (60) days after the date of vesting of title in the condemnor and the Term shall terminate as of the date specified in such notice, which date shall not be less than sixty (60) days after the giving of such notice.

(d) AWARD. The entire award for the Premises shall belong to and be paid to Landlord, Tenant hereby assigning to Landlord Tenant's interest therein, if any, provided, however, that Tenant shall have the right to claim and recover from the condemnor compensation for the loss of any alterations made by Tenant, Tenant's trade fixtures, Tenant's personal property, moving expenses and business interruption.

(e) ABATEMENT OF RENT. If any part of the Premises is taken by condemnation and this Lease remains in full force and effect, on the date of taking the Rent shall be reduced by an amount that is in the same ratio to the Rent as the total number of square feet in the Premises taken bears to the total number of square feet in the Premises immediately before the date of taking.

12. **UTILITIES AND SERVICES**.

(a) UTILITIES AND SERVICES. Tenant shall contract for, in its own name and pay charges for all gas, heat, light, power, water, sanitary and storm sewer, trash collection, telephone and other utilities and services supplied to the Premises ("Utilities") during the Term. Tenant shall at all times maintain that amount of heat necessary to ensure against the freezing of water lines. Tenant hereby agrees to indemnify and hold Landlord harmless from and against any liability or damages to the utility systems and the Premises that may result from Tenant's failure to maintain sufficient heat in the Premises.

(b) DISCONTINUANCE OF UTILITIES. Landlord will not be liable for damages to person or property or for injury to, or interruption of, business for any discontinuance of utilities nor will such discontinuance in any way be construed as an eviction of Tenant or cause an abatement of Rent or operate to release Tenant from any of Tenant's obligations under this Lease.

(c) SPECIAL ELECTRICAL OR WATER CONNECTIONS; ELECTRICITY USE. Tenant will not, without the prior consent of Landlord, which shall not be unreasonably withheld, connect or use any apparatus or device in the Premises (i) using current in excess of 480 volts or (ii) which will cause the amount of electricity, water, heating, air-conditioning or ventilation furnished to the Premises to exceed the amount required for use of the Premises for the Permitted Use during normal business hours. Tenant shall not connect with electric current except through existing outlets in the Premises and shall not connect with water pipes except through existing plumbing fixtures in the Premises. In no event shall Tenant's use of electricity exceed the capacity of existing feeders to the Building or the risers or wiring installation, and Landlord may prohibit the use of any electrical equipment which in Landlord's opinion will overload such wiring. If Landlord consents to the use of equipment requiring such changes, Tenant shall pay the cost of installing any additional risers, panels or other facilities that may be necessary to furnish energy to the Premises. Landlord will not permit additional coring of the floor of the Premises in order to install new electric outlets in the Premises unless Tenant furnishes Landlord with X-ray scans of the floor area where the Tenant wishes to place additional electrical outlets and Landlord, in its absolute discretion, is satisfied, on the basis of such X-ray scans and other information obtained by Landlord, that coring of the floor in order to install such additional outlets will not weaken the structure of the floor.

(d) GOVERNMENTAL REGULATIONS. Any other provisions of this Section notwithstanding, if any governmental authority or utility supplier imposes any laws, controls, conditions, or other restrictions upon Landlord, Tenant, or the Property, relating to the use or conservation of energy or utilities, mandated changes in temperatures to be maintained in the Premises or the reduction of automobile or other emissions (collectively, the "Controls"), or in the event Landlord is required or elects to make alterations to the Premises in order to comply with

the Controls, Landlord may, in its reasonable discretion, comply and may require Tenant to comply with the Controls or make such alterations to the Premises in order to comply with the Controls. Such compliance and the making of such alterations shall not constitute an actual or constructive eviction of Tenant, impose on Landlord any liability whatsoever, or entitle Tenant to any abatement of Rent.

13. NON-LIABILITY AND INDEMNIFICATION OF LANDLORD

(a) To the fullest extent permitted by law, Landlord shall not be liable for any injury, loss or damage suffered by Tenant or to any person or property occurring or incurred in or about the Premises from any cause, EXCEPT FOR THOSE LIABILITIES CAUSED BY THE NEGLIGENCE OF ANY LANDLORD INDEMNITEE (DEFINED BELOW), INCLUDING THOSE LIABILITIES CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUCH LANDLORD INDEMNITEE (DEFINED BELOW). Without limiting the foregoing, neither Landlord nor any of its partners, officers, trustees, affiliates, directors, employees, contractors, agents or representatives (collectively, "Affiliates") shall be liable for and there shall be no abatement of Rent for (i) loss of or damage to any property by theft or any other wrongful or illegal act, or (ii) any injury or damage to persons or property resulting from any business conducted by Tenant on the Premises or as a result of any fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Property or the Premises or from the pipes, appliances, appurtenances or plumbing works therein or from the roof, street or sub-surface or from any other place or resulting from dampness or any other cause whatsoever or from the acts or omissions of other tenants, occupants or other visitors to the Premises or from any other cause whatsoever, (iii) any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to the Premises, whether within or outside of the Property, or (iv) any latent or other defect in the Premises. Tenant shall give prompt notice to Landlord in the event of (i) the occurrence of a fire or accident on the Property or in the Premises, or (ii) the discovery of a defect therein or in the fixtures or equipment thereof. This Section 13(a) shall survive the expiration or earlier termination of this Lease.

(b) Tenant hereby agrees to indemnify, protect, defend and hold harmless Landlord and its members, affiliates and subsidiaries, and all of its officers, directors, shareholders, employees, servants, partners, representatives, insurers and agents (collectively, "Landlord Indemnitees") for, from and against all liabilities, claims, fines, penalties, costs, damages or injuries to persons, damages to property, losses, liens, causes of action, suits, judgments and expenses (including court costs, reasonable attorneys' fees, reasonable expert witness fees and reasonable costs of investigation), of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (in whole or part) (i) Tenant's construction of or use, occupancy or enjoyment of the Premises, (ii) any activity, work or other things done, permitted or suffered by Tenant and its agents and employees in or about the Property or the Premises, (iii) any act, omission, negligence or willful misconduct of Tenant or any of its agents, contractors, employees, business invitees or licensees, or (iv) any damage to Tenant's property, or the property of Tenant's agents, employees, contractors, business invitees or licensees, located in or about the Property or the Premises (collectively, "Liabilities"). This Section 13(b) shall survive the expiration or earlier termination of this Lease.

(c) Tenant shall promptly advise Landlord in writing of any action, administrative or legal proceeding or investigation as to which this indemnification may apply, and Tenant, at Tenant's expense, shall assume on behalf of each and every Landlord Indemnitee and conduct with

due diligence and in good faith the defense thereof with counsel reasonably satisfactory to Landlord; *provided, however*, that any Landlord Indemnitee shall have the right, at its option, to be represented therein by advisory counsel of its own selection and at its own expense. In the event of failure by Tenant to fully perform in accordance with this Section, Landlord, at its option, and without relieving Tenant of its obligations hereunder, may so perform, but all costs and expenses so incurred by Landlord in that event shall be reimbursed by Tenant to Landlord, together with interest on the same from the date any such expense was paid by Landlord until reimbursed by Tenant, at the rate of interest provided to be paid on judgments, by the law of the jurisdiction to which the interpretation of this Lease is subject. The indemnification provided in Section 13(b) shall not be limited to damages, compensation or benefits payable under insurance policies, workers' compensation acts, disability benefit acts or other employees' benefit acts.

14. **COMMERCIAL GENERAL LIABILITY AND PROPERTY DAMAGE INSURANCE**.

Tenant at its expense shall keep the Premises and any improvements insured in an amount comparable with, or as otherwise required by, industry standards, but in any event not less than one hundred percent (100%) of the full insurable value thereof against: (i) loss or damage by fire; (ii) all risks customarily covered under extended coverage endorsements; and (iii) vandalism and malicious mischief. The proceeds of such insurance in case of loss or damage shall be paid to Landlord to be applied on account of the obligation of Landlord to repair and/or rebuild the Premises as provided herein. Any proceeds not required for such purpose shall be the sole property of Landlord. Tenant, at its expense, shall, during the Term hereof, keep in full force and effect, a policy of public liability and property damage insurance with respect to the Premises and the business operated by Tenant, and any subtenants, concessionaires, or licensees of Tenant in the Premises, with coverage comparable with, or as otherwise required by, industry standards. All insurance policies required to be carried by Tenant hereunder shall name Landlord, Landlord's mortgagee(s), and any person, firm, or corporation designated by Landlord as an additional insured and/or loss payee. All insurance policies under this Section 14 shall be issued by an insurance company approved by Landlord and a copy of the policy or a certificate of insurance shall be delivered to Landlord.

Notwithstanding anything to the contrary hereinabove contained, Tenant may, at its option, (A) include any of the insurance coverage set forth above in general or blanket policies of insurance, provided that the coverage afforded with respect to this Lease will not be reduced or diminished by reason of the use of such general or blanket policies or the claims history of any other insured property; or (B) self-insure with respect to liability insurance is conditioned upon Tenant maintaining a net worth of at least $200,000,000.00. Tenant shall furnish Landlord written confirmation that Tenant has elected to self-insure with respect to liability insurance (if that is the case), and if so, that Tenant's net worth is at least $200,000,000.00 as evidenced by audited financial statements of Tenant or an affidavit from Tenant's chief financial officer. If Tenant self-insures with respect to liability insurance, then Tenant agrees to indemnify, defend, and hold Landlord harmless from and against any loss, damage, costs, fees (including attorneys, fees), claims, demands, actions, causes of action, judgments, suits and liability that was or would have been covered by the insurance policy or policies replaced by self- insurance. The indemnification contained in this Section 14 is in addition to, and not in lieu of, any covenants or obligations of Tenant contained in the other Sections of this Lease. If Tenant so elects to become a self-insurer with respect to liability insurance, Tenant shall deliver to Landlord notice in writing of the required coverages which it is self-insuring setting forth the amount, limits, and scope of the self-insurance

in respect to each type of coverage self-insured.

Notwithstanding anything to the contrary hereinabove contained, Landlord may, at its option, carry rental loss insurance, the cost of which shall be deemed an Expense and reimbursed by Tenant to Landlord within ten (10) days after receipt of an invoice therefor from Landlord.

15. **TENANT'S PROPERTY INSURANCE**. Tenant, at its cost, shall maintain on all of Tenant's Alterations, Trade Fixtures and Personal Property in, on or about the Premises, a policy of standard All Risk property insurance, in an amount equal to at least their full replacement cost. The proceeds of any such policy shall be used by Tenant for the restoration of Tenant's Alterations and Trade Fixtures and the replacement of its Personal Property. Any portion of such proceeds not used for such restoration shall belong to Tenant.

16. **WAIVER OF SUBROGATION**. To the extent permitted by all applicable insurance policies, Landlord and Tenant release each other, and their respective authorized representatives, from any claims for damage to any person or to the Premises and to Tenant's Alterations, Trade Fixtures and Personal Property that are caused by or result from risks insured against under any insurance policies carried by the parties, in force at the time of any such damage and collectible. Landlord and Tenant shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any insurance policy. Neither party shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy required by this Lease.

17. **OTHER INSURANCE MATTERS.** All commercial insurance maintained by Tenant under this Lease shall: (i) be issued by insurance companies authorized to do business in the State of Illinois with a rating of A/VI or better as rated in the most recent edition of Best's Insurance Reports; (ii) be issued as a primary policy, and (iii) contain an endorsement endeavoring to provide thirty (30) days' prior written notice from the insurance company to both parties before cancellation. Each certificate of the policy, to the extent required by the provisions hereof, shall be deposited with Landlord on or before the Delivery Date, and on renewal of the policy.

18. **DESTRUCTION**.

(a) INSURED DAMAGE. If during the Term the Premises is partially or totally destroyed by any casualty that is covered by any insurance carried by Landlord covering the Premises, rendering the Premises partially or totally inaccessible or unusable, Landlord shall restore the Premises to substantially the same condition as it was in immediately before such destruction, if (i) the insurance proceeds available to Landlord equal or exceed the cost of such restoration, (ii) in the opinion of a registered architect or engineer appointed by Landlord such restoration can be completed within one hundred eighty (180) days after the date of destruction, and (iii) such restoration is permitted under then existing laws to be done in such a manner as to return the Premises to substantially the same condition as they were in immediately before such destruction. To the extent that the insurance proceeds must be paid to a mortgagee under, or must be applied to reduce any debt secured by, a mortgage covering the Property, the insurance proceeds shall be deemed not to be available to Landlord unless such mortgagee permits Landlord to use the insurance proceeds for such restoration. Such destruction shall not terminate this Lease.

(b) MAJOR OR UNINSURED DAMAGE. If during the Term the Premises are

partially or totally destroyed by any casualty and Landlord is not obligated under Section 18(a) captioned "Insured Damage" to restore the Premises, as the case may be, then (i) Landlord may, at its election, restore the Premises to substantially the same condition as it was in immediately before such destruction, or (ii) either party may terminate this Lease effective as of the date of such destruction on notice to the other party within sixty (60) days after the date of destruction. If Landlord does not give Tenant notice within sixty (60) days after the date of such destruction of its election to restore the Premises, Landlord shall be deemed to have elected to terminate this Lease. If Landlord elects to restore the Premises, Landlord shall use commercially reasonable efforts to complete such restoration within one hundred eighty (180) days after the date on which Landlord obtains all permits necessary for such restoration, provided, however, that such one hundred eighty (180) day period shall be extended by a period equal to any delays caused by Force Majeure, and such destruction shall not terminate this Lease.

(c) DAMAGE TO THE BUILDING. If during the Term the Premises is partially destroyed by any casualty and if in the opinion of Landlord the Premises should be restored in such a way as to materially alter the Premises, then Landlord may, at Landlord's election, terminate this Lease by giving notice to Tenant of Landlord's election to do so within sixty (60) days after the date of such destruction.

(d) EXTENT OF LANDLORD'S OBLIGATION TO RESTORE. If Landlord is required or elects to restore the Premises as provided in this Section, Landlord shall not be required to restore alterations made by Tenant, Tenant's trade fixtures and Tenant's personal property, such excluded items being the sole responsibility of Tenant to restore.

(e) ABATEMENT OR REDUCTION OF RENT. In case of damage to, or destruction of, the Building, the Rent shall be abated or reduced, between the date of destruction and the date of substantial completion of restoration, by an amount that is in the same ratio to the Rent as the total number of square feet of the Building that are so damaged or destroyed bears to the total number of square feet in the Building; *provided, however*, (a) in no event shall any Rent be abated or reduced to the extent such damage or destruction was caused either directly or indirectly by an act or omission of the Tenant and (b) Rent hereunder shall only be abated or reduced up to and to the extent of rental loss insurance proceeds being made available to Landlord.

19. **DEFAULT**. The occurrence of any of the following shall constitute a default by Tenant under this Lease:

(a) FAILURE TO PAY RENT. Failure to pay Net Rent when due or failure to pay any portion of Additional Rent within ten (10) days after written notice.

(b) FAILURE TO COMPLY WITH RULES AND REGULATIONS. Failure to comply with the Rules and Regulations, if the failure continues for a period of ten (10) days after written notice of such default is given by Landlord to Tenant. If the failure to comply cannot reasonably be cured within ten (10) days, then Tenant shall not be in default under this Lease if Tenant commences to cure the failure to comply within ten (10) days and diligently and in good faith continues to cure the failure to comply.

(c) OTHER DEFAULTS. Failure to perform any other provision of this Lease, if the failure to perform is not cured within thirty (30) days after notice of such default has been given by Landlord to Tenant. If the default cannot reasonably be cured within thirty (30) days, then Tenant shall not be in default under this Lease if Tenant commences to cure the default within

thirty (30) days and diligently and in good faith continues to cure the default, but, in no event, more than one hundred twenty (120) days after such notice.

(d) APPOINTMENT OF TRUSTEE OR RECEIVER. The appointment of a trustee or receiver to take possession of substantially all of the Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within sixty (60) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days.

(e) DEFAULT BY LANDLORD. Landlord shall not be deemed to be in default hereunder unless obligations required of Landlord hereunder are not performed by Landlord, or by any beneficiary under any deed of trust, mortgagee, or other lienholder with rights in all or any portion of the Property, within thirty (30) days after written notice thereof by Tenant to Landlord and to such other parties whose names and addresses are furnished to Tenant in writing, which notice specifies that there has been a failure to perform such obligations; provided, however, that if the nature of such obligations is such that more than thirty (30) days are reasonably required for their cure, Landlord shall not be deemed to be in default hereunder if Landlord or any of such other parties commences such cure within such period and thereafter diligently prosecutes such cure to completion within a reasonable time but, in no event, more than one hundred twenty (120) days after Landlord's receipt of such written notice.

20. **REMEDIES**. If Tenant commits a default, Landlord shall have the following alternative remedies, which are in addition to any remedies now or later allowed by law:

(a) MAINTAIN LEASE IN FORCE. Maintain this Lease in full force and effect and recover the Rent and other monetary charges as they become due, without terminating Tenant's right to possession, irrespective of whether Tenant shall have abandoned the Premises. If Landlord elects to not terminate the Lease, Landlord shall have the right to attempt to re-let the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease including removal of all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such re-letting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord at any time during the term of this Lease may elect to terminate this Lease by virtue of such previous default of Tenant.

(b) TERMINATE LEASE. Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Property to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) The worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately

caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including without limitation, any costs or expenses incurred by Landlord in (A) retaking possession of the Property, including reasonable attorney fees therefor, (B) maintaining or preserving the Property after such default, (C) preparing the Property for reletting to a new tenant, including repairs or necessary alterations to the Property for such reletting, (D) leasing commissions, and (E) any other costs necessary or appropriate to relet the Property; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable state law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Property, which Landlord in its sole discretion deems reasonable and necessary. As used in Subsection 20(b)(i) the "worth at the time of award" is computed by allowing interest at the rate of eighteen percent (18%) per year from the date of default. As used in Subsection 20(b)(ii) and Subsection 20(b)(iii) the "worth at the time of award" is computed by discounting such amounts at the discount rate of eight percent (8%) per year.

(c) TENANT'S REMEDIES. If Landlord is in default hereunder, which default is not cured during any applicable cure periods, Tenant shall have all such rights and remedies as may be afforded in this Lease or otherwise provided at law or in equity, including, but not limited to, the right to terminate this Lease for failure to deliver the Premises on a timely basis.

21. **ASSIGNMENT AND SUBLETTING**.

(a) LANDLORD'S CONSENT; DEFINITIONS. Tenant acknowledges that the Premises is a single-tenant medical office building, occupied by a tenant specifically selected by Landlord, and that Landlord has a legitimate interest in the type and quality of such tenants and in controlling the leasing of space in the Premises so that Landlord can better meet the particular needs of its tenants and protect and enhance the relative image, position and value of the Premises in the medical office building market. Tenant further acknowledges that the rental value of the Premises may fluctuate during the Term in accordance with market conditions, and, as a result, the Rent paid by Tenant under the Lease at any particular time may be higher or lower than the then market rental value of the Premises. Landlord and Tenant agree, and the provisions of this Section are intended to so provide, that, if Tenant voluntarily assigns its interest in this Lease or in the Premises or subleases any part or all of the Premises, one-half (1/2) of the net profits from any increase in the market rental value of the Premises shall belong solely to Landlord. Tenant acknowledges that, if Tenant voluntarily assigns this Lease or subleases any part or all of the Premises, Tenant's investment in the subject portion of the Premises (specifically including, but not limited to, tenant improvements, good will or other assets) may be lost or reduced as a result of such action.

(b) CONSENT REQUIRED. Tenant shall not, either voluntarily or by operation of law, whether directly or indirectly, assign this Lease or sublet the Premises in whole or in part, or sell, assign, hypothecate or transfer this Lease, in whole or in part, or sublet or license the Premises or any part thereof (a "Transfer"), without Landlord's prior consent, which consent may be withheld in its reasonable discretion and which consent or denial shall be sent by written notice to Tenant within fifteen (15) business days of Landlord's receipt of the proposed assignment or sublease or Landlord will be deemed to have accepted such sublease or assignment. Any Transfer without Landlord's consent shall be voidable and, at Landlord's election, shall constitute a default by Tenant under this Lease. In determining whether to approve a proposed Transfer, Landlord shall place primary emphasis on the proposed transferee's reputation and creditworthiness, the character

of the business to be conducted by the proposed transferee at the Premises and the effect of such Transfer on the tenant mix in the Building. In addition, Landlord shall have the right to approve the specific form of any assignment or sublease agreement. In no event shall Landlord be obligated to consent to any Transfer which increases (i) the Expenses, (ii) the burden on the Building services, or (iii) the foot traffic or security concerns in the Premises, or creates an increased probability of the comfort and/or safety of the Landlord being unreasonably compromised or reduced (for example, but not exclusively, Landlord may deny consent to a Transfer where the space will be used for a school or training facility, an entertainment, sports or recreation facility, retail sales to the public (unless Tenant's permitted use is retail sales), a personnel or employment agency, or an embassy or consulate or similar office. Landlord shall not be obligated to approve a Transfer to a prospective tenant of the Premises with whom Landlord is then negotiating. Landlord's foregoing rights and options shall continue throughout the entire term of this Lease. No consent to Transfer shall constitute a waiver of the provisions of this Section and no other or subsequent Transfer shall be made without Landlord's prior consent. Neither a Transfer nor the collection of Rent by Landlord from any person other than Tenant, nor the application of any such Rent as provided in this Section shall be deemed a waiver of any of the provisions of this Section or release Tenant from its obligation to comply with the terms and provisions of this Lease and Tenant shall remain fully and primarily liable for all of Tenant's obligations under this Lease, including the obligation to pay Rent under this Lease. Any personal guarantee(s) of Tenant's obligations under this Lease shall remain in full force and effect following any such subletting and so long as any Non-Renewal Payment remains due and owing to the Landlord. Landlord may condition approval of a Transfer hereunder on an increase in the amount of the Security Deposit or on receipt of personal guarantees of the assignee's or sublessee's obligations under this Lease.

(c) CONDITIONS TO ASSIGNMENT OR SUBLEASE. Tenant agrees that any instrument by which Tenant assigns or sublets all or any portion of the Premises shall expressly provide that the assignee or subtenant may not further assign or sublet the assigned or sublet space without Landlord's prior consent, and that the assignee or subtenant will comply with all of the provisions of this Lease and that Landlord may enforce the Lease provisions directly against such assignee or subtenant. If this Lease is assigned, whether or not in violation of the terms and provisions of this Lease, Landlord may collect Rent from the assignee. If the Premises, or any part thereof, is sublet, Landlord may, upon a default under this Lease, collect rent from the subtenant. In either event, Landlord may apply the amount collected from the assignee or subtenant to Tenant's obligation to pay Rent under this Lease.

(d) EVENTS CONSTITUTING AN ASSIGNMENT OR SUBLEASE. For purposes of this Section, the following events shall be deemed an assignment or sublease, as appropriate: (i) the issuance of equity interests (whether stock, partnership interests or otherwise) in Tenant, or any assignee or subtenant, if applicable, or any entity controlling any of them, to any person or group of related persons, in a single transaction or a series of related or unrelated transactions, such that, following such issuance, such person or group shall have Control (as defined below) of Tenant, or any assignee or subtenant, if applicable; or (ii) a transfer of Control of Tenant, or any assignee or subtenant, if applicable, or any entity controlling any of them, in a single transaction or a series of related or unrelated transactions (including, without limitation, by consolidation, merger, acquisition or reorganization), except that the transfer of outstanding capital stock or other listed equity interests by persons or parties other than "insiders" within the meaning of the Securities Exchange Act of 1934, as amended, through the "over-the-counter" market or any recognized national or international securities exchange, shall not be included in determining whether Control has been transferred. "Control" shall mean direct or indirect ownership of fifty percent (50%) or more of all the legal and equitable interest in any business entity.

Notwithstanding anything to the contrary in this Section, provided Tenant is not in default under this Lease beyond any applicable grace period(s), Tenant may assign this Lease or sublet the whole or any part of the Premises without Landlord's consent but with notice to Landlord, to: (a) any entity in whom or with which Tenant may be merged or consolidated, provided that the net worth of the resulting corporation is at least equal to the greater of (i) the net worth of Tenant on the date hereof, or (ii) the net worth of Tenant immediately prior to such merger or consolidation, (b) any entity to whom Tenant sells all of its assets; provided that such corporation or such entity described in (a) and (b) above expressly assumes all of Tenant's obligation hereunder and otherwise complies with the provisions of Subsection 22(c) entitled "Conditions to Assignment or Sublease", (c) any entity which is affiliated or under the common control of Tenant or Tenant's parent corporation or (d) any time share agreements which occupy less than twenty five percent (25%) of the Premises.

(e) PROCESSING EXPENSES. Tenant shall pay to Landlord the amount of Landlord's direct out of pocket cost of processing each proposed assignment or subletting, including without limitation, attorneys' and other professional fees (collectively, "Processing Costs"). Notwithstanding anything to the contrary herein, Landlord shall not be required to process any request for Landlord's consent to an assignment or subletting until Tenant has paid to Landlord the amount of Landlord's reasonable estimate of the Processing Costs.

(f) CONSIDERATION TO LANDLORD. In the event of any assignment or sublease, requiring Landlord's consent, Landlord shall be entitled to receive, as Additional Rent, one-half (1/2) of any net consideration, including without limitation, payment for leasehold improvements owned by Landlord, paid by the assignee or subtenant for the assignment or sublease and, in the case of sublease, one-half (1/2) of the excess of the amount of rent paid for the sublet space by the subtenant over the total amount of Net Rent under Section 4. Upon Landlord's request, Tenant shall assign to Landlord all amounts to be paid to Tenant by the assignee or subtenant and shall direct such assignee or subtenant to pay the same directly to Landlord. If there is more than one sublease under this Lease, the amounts (if any) to be paid by Tenant to Landlord pursuant to the preceding sentence shall be separately calculated for each sublease and amounts due Landlord with regard to any one sublease may not be offset against rental and other consideration pertaining due under any other sublease.

With regard to an approved assignment or subletting, Tenant acknowledges that Landlord's agreement to deal directly with the assignee or subtenant with regard to such party's occupancy of the Premises and the administration of the Lease, without requiring Tenant to monitor or become directly involved in such matters, constitutes appropriate and acceptable consideration for the capture by Landlord of any rent or consideration paid by the assignee or subtenant in excess of that required to be paid by Tenant under the Lease.

(g) SURVIVE EXPIRATION. Each of the covenants and agreements of Tenant set forth in this Section 21 shall survive the expiration or earlier termination of this Lease.

(h) DOCUMENTATION. No permitted subletting by Tenant shall be effective until there has been delivered to Landlord a counterpart of the sublease in which the subtenant agrees to be and remain jointly and severally liable with Tenant for the payment of Rent pertaining to the sublet space and for the performance of all of the terms and provisions of this Lease; provided, however, that the subtenant shall be liable to Landlord for rent only in the amount set forth in the sublease. No permitted assignment shall be effective unless and until there has been delivered to

Landlord a counterpart of the assignment in which the assignee assumes all of Tenant's obligations under this Lease arising on or after the date of the assignment. The failure or refusal of a subtenant or assignee to execute any such instrument shall not release or discharge the subtenant or assignee from its liability as set forth above.

(i) NO MERGER. Without limiting any of the provisions of this Section, if Tenant has entered into any subleases of any portion of the Premises, the voluntary or other surrender of this Lease by Tenant, or a mutual cancellation by Landlord and Tenant, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies or, at the option of Landlord, operate as an assignment to Landlord of any or all such subleases or subtenancies.

22. **BANKRUPTCY**.

(a) ASSUMPTION OF LEASE. If Tenant becomes a Debtor under Chapter 7 of the Bankruptcy Code ("Code") or a petition for reorganization or adjustment of debts is filed concerning Tenant under Chapters 11 or 13 of the Code, or a proceeding is filed under Chapter 7 of the Code and is transferred to Chapters 11 or 13 of the Code, the Trustee or Tenant, as Debtor and as Debtor-In-Possession, may not elect to assume this Lease unless, at the time of such assumption, the Trustee or Tenant has:

(i) Cured all defaults under the Lease and paid all sums due and owing under the Lease or provided Landlord with "Adequate Assurance" (as defined below) that: (i) within ten (10) days from the date of such assumption, the Trustee or Tenant will completely pay all sums due and owing under this Lease and compensate Landlord for any actual pecuniary loss resulting from any existing default or breach of this Lease, including without limitation, Landlord's reasonable costs, expenses, accrued interest, and attorneys' fees incurred as a result of the default or breach; (ii) within twenty (20) days from the date of such assumption, the Trustee or Tenant will cure all non-monetary defaults and breaches under this Lease, or, if the nature of such non-monetary defaults is such that more than twenty (20) days are reasonably required for such cure, that the Trustee or Tenant will commence to cure such non-monetary defaults within twenty (20) days and thereafter diligently prosecute such cure to completion; and (iii) the assumption will be subject to all of the provisions of this Lease.

(ii) For purposes of this Section, Landlord and Tenant acknowledge that, in the context of a bankruptcy proceeding involving Tenant, at a minimum, "Adequate Assurance" shall mean: (i) the Trustee or Tenant has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that the Trustee or Tenant will have sufficient funds to fulfill the obligations of Tenant under this Lease; (ii) the Bankruptcy Court shall have entered an Order segregating sufficient cash payable to Landlord and/or the Trustee or Tenant shall have granted a valid and perfected first lien and security interest and for mortgage in or on property of Trustee or Tenant acceptable as to value and kind to Landlord, to secure to Landlord the obligation of the Trustee or Tenant to cure the monetary and/or non-monetary defaults and breaches under this Lease within the time periods set forth above; and (iii) the Trustee or Tenant, at the very minimum, shall deposit a sum equal to two (2) month's Net Rent to be held by Landlord (without any allowance for interest thereon) to secure Tenant's future performance under the Lease.

(b) ASSIGNMENT OF LEASE. If the Trustee or Tenant has assumed the Lease

pursuant to the provisions of this Section for the purpose of assigning Tenant's interest hereunder to any other person or entity, such interest may be assigned only after the Trustee, Tenant or the proposed assignee have complied with all of the terms, covenants and conditions of this Lease, including, without limitation, those with respect to Additional Rent. Landlord and Tenant acknowledge that such terms, covenants and conditions are commercially reasonable in the context of a bankruptcy proceeding of Tenant. Any person or entity to which this Lease is assigned pursuant to the provisions of the Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of such assignment. Any such assignee shall upon request execute and deliver to Landlord an instrument confirming such assignment.

(c) ADEQUATE PROTECTION. Upon the filing of a petition by or against Tenant under the Code, Tenant, as Debtor and as Debtor-In-Possession, and any Trustee who may be appointed agree to adequately protect Landlord as follows: (i) to perform each and every obligation of Tenant under this Lease until such time as this Lease is either rejected or assumed by Order of the Bankruptcy Court, (ii) to pay all monetary obligations required under this Lease, including without limitation, the payment of Net Rent, Taxes, Expenses and any other sums payable by Tenant to Landlord under this Lease which is considered reasonable compensation for the use and occupancy of the Premises; (iii) provide Landlord a minimum of thirty (30) days prior written notice, unless a shorter period is agreed to in writing by the parties, of any proceeding relating to any assumption of this Lease or any intent to abandon the Premises, which abandonment shall be deemed a rejection of this Lease; and (iv) to perform to the benefit of Landlord as otherwise required under the Code. The failure of Tenant to comply with the above shall result in an automatic rejection of this Lease.

23. **LIMITATION ON LANDLORD'S LIABILITY**. Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements or for the purpose of binding Landlord personally or the assets of Landlord except Landlord's interest in the Premises, but are made and intended for the purpose of binding only the Landlord's interest in the Premises. No personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforceable against Landlord or its partners and their respective heirs, legal representatives, successors and assigns on account of this Lease or on account of any covenant, undertaking or agreement of Landlord contained in this Lease.

24. **SIGNAGE**. Tenant shall not have the right to place, construct or maintain any sign, advertisement, awning, banner or other exterior decoration without Landlord's consent, which shall not be unreasonably withheld. Tenant may install exterior identification signage as part of the Tenant Improvements with Landlord's prior consent. Any sign that Tenant has Landlord's consent to place, construct and maintain shall comply with all Laws, and Tenant shall obtain any approval required by such laws, including the review and approval of the City of Naperville. Landlord makes no representation with respect to Tenant's ability to obtain such approval. Tenant may contract with a signage vendor directly for exterior signage design and installation.

25. **LANDLORD'S RIGHT TO ENTER THE PREMISES**. Landlord and its authorized representatives shall have the right to enter the Premises at reasonable times and upon reasonable prior notice (except in an emergency when no such notice shall be required) for any of

the following purposes: (i) to determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease, (ii) to do any maintenance; to make any restoration to the Premises that Landlord has the right or the obligation to perform, and to make any improvements to the Premises that Landlord deems necessary, (iii) to serve, post or keep posted any notices required or allowed under the provisions of this Lease, (iv) to post any ordinary "For Sale" signs at any time during the Term and to post any ordinary "For Lease" signs during the last ninety (90) days of the Term, (v) to show the Premises to brokers, agents, prospective purchasers, or prospective lenders at any time during the Term, and (vi) to show the Premises to prospective tenants during the last ninety (90) days of the Term.

Landlord shall not be liable in any manner for any inconvenience, annoyance, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this Section, except damage resulting from the negligent or willful acts of Landlord or its authorized representatives. Tenant shall not be entitled to an abatement or reduction of Rent if Landlord exercises any right reserved in this Section. Landlord shall conduct its activities on the Premises as allowed in this Section in a reasonable manner so as to cause minimal inconvenience, annoyance or disturbance to Tenant.

26. **RIGHT TO ESTOPPEL CERTIFICATES**. Tenant, within ten (10) business days after notice from Landlord, shall execute and deliver to Landlord, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified and stating the modifications. The certificate shall also state the amount of Net Rent, the dates to which Rent has been paid in advance, and the amount of any Prepaid Rent or Security Deposit, if any, and such other matters as Landlord may reasonably request. Failure to deliver the certificate within such ten (10) business day period shall be conclusive upon Tenant for the benefit of Landlord and any successor to Landlord, that this Lease is in full force and effect and has not been modified except as may be represented by Landlord requesting the certificate.

27. **TRANSFER OF LANDLORD'S INTEREST**. If Landlord sells or transfers the Property, Landlord, on consummation of the sale or transfer, shall be released from any liability thereafter accruing under this Lease if Landlord's successor has assumed in writing, for the benefit of Tenant, Landlord's obligations under this Lease. If any Security Deposit or Prepaid Rent has been paid by Tenant, Landlord shall transfer such Security Deposit or Prepaid Rent to Landlord's successor and on such transfer Landlord shall be discharged from any further liability with respect to such Security Deposit or Prepaid Rent.

28. **ATTORNEYS' FEES**. If either party shall bring any action for relief against the other party, declaratory or otherwise, arising out of this Lease, including any action by Landlord for the recovery of Rent or possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorneys' fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

29. **SURRENDER; HOLDING OVER**.

(a) SURRENDER. On expiration or earlier termination of the Term, Tenant shall surrender the Premises and all Tenant's improvements and alterations to Landlord broom clean and in good condition. Tenant shall remove all of its trade fixtures and personal property within the time period stated in this Section. Tenant, at its cost, shall repair any damage to the Premises

caused by, the removal of its trade fixtures, personal property and signs to Landlord's reasonable satisfaction within the time period stated in this Section. Landlord may, at its election, retain or dispose of in any manner any of Tenant's trade fixtures or personal property that Tenant does not remove from the Premises on expiration or earlier termination of the Term as allowed or required by the provisions of this Lease by giving ten (10) days' notice to Tenant. Title to any such trade fixtures and personal property that Landlord elects to retain or dispose of on expiration of such ten (10) day period shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such trade fixtures and personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of Tenant's trade fixtures and personal property.

(b) HOLDING OVER. If Tenant retains possession of the Premises after the termination or expiration of the Term, unless otherwise agreed in writing, such possession shall be subject to immediate termination by Landlord at any time, and all of the other terms and provisions of this Lease (excluding any renewal option) shall be applicable during such holdover period, except that Tenant shall pay Landlord from time to time, upon demand, as Net Rent for the holdover period, an amount equal to one hundred fifty percent (150%) of the Net Rent in effect on the termination date, computed on a monthly basis for each month or part thereof during such holding over and Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to timely surrender the Premises, including without limitation, (i) any Rent payable by, or any damages claimed by, any prospective tenant of any part or all of the Premises, and (ii) Landlord's damages resulting from such prospective tenant rescinding or refusing to enter into the prospective lease of part or all of the Premises by reason of Tenant's failure to timely surrender the Premises. All other payments shall continue under the terms of this Lease. In addition, Tenant shall be liable for all damages incurred by Landlord as a result of such holding over. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section shall not be construed as consent for Tenant to retain possession of the Premises.

30. **RIGHT OF FIRST OFFER TO PURCHASE.** Landlord hereby grants to Tenant a one-time right of first offer to purchase, upon the terms and conditions hereinafter set forth, the Premises, when the same becomes available for purchase during the Term, prior to entering into a contract to sell the Premises to any person or entity. The Premises shall be deemed to be "**available for purchase**" when Landlord intends to market the Premises for sale. Notwithstanding the foregoing, the Premises shall not be "available for purchase" in the event of an Excluded Transfer (as defined below). When the Premises becomes available for purchase, Landlord shall give Tenant written notice ("**Landlord's Purchase Offer Notice**") setting forth (i) the purchase price for the Premises, (ii) the contingencies, if any, to the purchaser's obligation to purchase the Premises, (iii) the length of the purchaser's due diligence, title review and inspection periods, if any, (iv) the closing date, (v) all other economic terms, and (vi) the condition in which the Premises is to be delivered to the purchaser at closing.

Upon delivery of Landlord's Purchase Offer Notice to Tenant, Tenant shall have thirty (30) days thereafter to notify Landlord in writing ("**Tenant's Purchase Notice**") of Tenant's desire to purchase the Premises. If Tenant delivers Tenant's Purchase Notice to Landlord within said thirty (30) day period, Landlord and Tenant shall have a period of thirty (30) days thereafter in which to enter into a contract for the purchase and sale of the Premises on identical terms and conditions as set forth in Landlord's Purchase Offer Notice (if entered into, "**Purchase Contract**"). If Tenant does not deliver Tenant's Purchase Notice to Landlord within said thirty (30) day period or

Landlord and Tenant fail to enter into a Purchase Contract within said thirty (30) day period, then Landlord shall have the right thereafter to sell the Premises to another prospective purchaser for a purchase price which is not more than ten percent (10%) less than the purchase price set forth in the applicable Landlord's Purchase Offer Notice. If Landlord desires to sell the Premises at a purchase price that is less than ninety percent (90%) of the purchase price set forth in the applicable Landlord's Purchase Offer Notice, then the Premises shall again be offered to Tenant by a new Landlord's Purchase Offer Notice hereunder at such lower purchase price, and Tenant shall have seven (7) days after receipt of the modified Landlord's Purchase Offer Notice to deliver Tenant's Purchase Notice, and if Tenant fails to deliver Tenant's Purchase Notice within such 7-day period then Landlord shall have the right to sell the Premises to a third party on the terms set forth in the modified Landlord's Purchase Offer Notice, subject to the provisions of this Section 30.

Neither Landlord nor Tenant shall release any of the information set forth in the Landlord's Purchase Offer Notice to any third party other than their respective lenders, members, officers, employees, agents, consultants, attorneys, accountants and exchange facilitators as may be necessary to permit each party to perform its obligations pursuant to the Purchase Contract, and then only if any such parties not employed Landlord or Tenant, as relevant, agree to execute a non-disclosure agreement satisfactory to the disclosing party without the prior written consent of the non-disclosing party, and in the absence of such consents, all such information shall be kept strictly confidential.

For purposes hereof, an "**Excluded Transfer**" shall mean (a) the granting of a mortgage or other security interest secured by the Premises or any portion thereof; (b) any foreclosure or deed-in-lieu resulting from any mortgage or other security interest or any transfer to a purchaser at a foreclosure sale or deed-in-lieu thereof; (c) any transfer of the Premises (or portion thereof) to a Landlord Affiliate (defined below) or a transfer of any direct or indirect ownership or other beneficial interest in Landlord or by virtue of a merger, consolidation, or similar reorganization of Landlord or its constituent members or direct or indirect beneficial owners, other than a sale of 100% of the direct or indirect interest in Landlord that results in a change of control of Landlord and/or (d) any condemnation of all or a portion of the Premises or the granting of any deed in lieu of condemnation. As used herein, a "**Landlord Affiliate**" shall mean any entity which directly or indirectly controls, is controlled by or is under common control with Landlord.

31. **INTENTIONALLY DELETED**

32. **AGENCY DISCLOSURE; BROKER.**

(a) AGENCY DISCLOSURE. CBRE hereby discloses that it represents the Tenant in this transaction and CHP Leasing, LLC hereby discloses that it represents the Landlord in this transaction.

(b) BROKER. Landlord and Tenant each represent to the other that neither is represented by any broker, agent or finder with respect to this Lease in any manner, except the Brokers set forth in Section (a) above. The commissions due to the Brokers shall be paid by Landlord pursuant to a separate agreement. Each party agrees to indemnify and hold the other party harmless from and against any and all liability, costs, damages, causes of action or other proceedings instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in any manner whatsoever in connection with this Lease.

33. **DEFINITIONS**. As used in this Lease, the following words and phrases, whether or not capitalized, shall have the following meanings:

(a) "Alteration" means any addition or change to, or modification of, the Premises made by Tenant, including without limitation, fixtures, but excluding trade fixtures as defined in this Section.

(b) "Authorized representatives" means any officer, agent, employee, independent contractor or invitee of either party.

(c) "Award" means all compensation, sums or anything of value awarded, paid or received on a total or partial condemnation.

(d) "Calendar Year" shall mean each calendar year or a portion thereof during the Term.

(e) "Condemnation" means the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and a voluntary sale or transfer by Landlord to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(f) "Condemnor" means any public or quasi-public authority or entity having the power of condemnation.

(g) "Damage" means any injury, deterioration, or loss to a person, property, the Premises caused by another person's acts or omissions or by Acts of God. Damage includes death.

(h) "Damages" means a monetary compensation or indemnity that can be recovered in the courts by any person who has suffered damage to his person, property or rights through another's acts or omissions.

(i) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(j) "Encumbrance" means any mortgage, deed of trust or other written security device or agreement affecting the Premises, and the note or other obligation secured by it, that constitutes security for the payment of a debt or performance of an obligation.

(k) "Expenses" shall mean and include all expenses, costs, assessments, charges, fees and disbursements paid or incurred relating to operating, maintaining, repairing and replacing the Premises, inclusive of the Building and the personal property used in conjunction therewith (said Building and personal property being herein collectively called the "**Building**"), including (without limitation) the cost of electricity, steam, water, sewer, gas, fuel, heating, lighting, air conditioning, window cleaning, janitorial services, insurance, including but not limited to, fire, extended coverage, liability, workmen's compensation, elevator, or any other insurance carried by the Landlord and applicable to the Building, painting, uniforms, supplies, sundries, sales or use taxes on supplies or services, legal and accounting expenses, the Declaration (and any other matter of record now or hereafter encumbering the Premises), and any other expense or charge, whether or not hereinbefore mentioned, which in accordance with generally accepted accounting or

management principles would be considered as an expense of operating, maintaining or repairing the Building. "Expenses" shall not include costs or other items included within the meaning of the term "Taxes" (as hereinafter defined).

(l) "Expiration" means the coming to an end of the time specified in the Lease as its duration, including any extension of the Term.

(m) "Force majeure" means strikes, lockouts, labor disputes, shortages of labor or materials, fire or other casualty, acts of God, or any other cause beyond the reasonable control of Landlord, but shall specifically not include the acts of the City of Naperville to properly zone the Property.

(n) "Good condition" means the good physical condition of the Premises and each portion of the Premises, including without limitation, all of the Tenant Improvements, Tenant's alterations, Tenant's trade fixtures, Tenant's Personal Property, all as defined In this Section, signs, walls, interior partitions, windows, window coverings, glass, doors, carpeting and resilient flooring, ceiling files, plumbing fixtures and lighting fixtures, all of which shall be in conformity with building standard finishes, ordinary wear and tear, damage by fire or other casualty and taking by condemnation excepted.

(o) "Impositions" means, collectively, (i) assessments (including without limitation, all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term); (ii) ground rents, water, sewer or other rents and charges, excises, levies, and fees (including without limitation, license, permit, inspection, authorization and similar fees); (iii) to the extent they may become a lien on the Premises all taxes imposed on Tenant's operations of the Premises including without limitation, employee withholding taxes, income taxes and intangible taxes; and (iv) all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Premises or any part thereof and/or the Rent (including all interest and penalties thereon due to any failure in payment by Tenant), which at any time prior to, during or in respect of the Term hereof may be assessed or imposed on or in respect of or be a lien upon (a) Landlord or Landlord's interest in the Premises or any part thereof; (b) the Premises or any part thereof or any rent therefrom or any estate, right, title or interest therein; or (c) any occupancy, operation, use or possession of, or sales from, or activity conducted on, or in connection with the Premises or the leasing or use of the Premises or any part thereof.

(p) "Lien" means a charge imposed on the Premises by someone other than Landlord, by which the Premises are made security for the performance of an act.

(q) "Maintenance" means repairs, repainting and cleaning.

(r) "Parties" means Landlord and Tenant.

(s) "Party" means Landlord or Tenant.

(t) "PHI" has the meaning ascribed to such term in Section 34(n) below.

(u) "Provision" means any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the Lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

(v) "Rent" means Net Rent, as adjusted from time to time under this Lease, Additional Rent, utilities and other amounts required to be paid by Tenant to Landlord hereunder.

(w) "Rentable Square Feet of Space" shall mean the number of rentable square feet in the Building, which shall be measured in accordance with BOMA Gross Area 1 Leasing Method, ANSI/BOMA Z65.3-2018.

(x) "Rules and Regulations" has the meaning ascribed to such term in Exhibit E

(y) "Taxes" shall mean real estate taxes, assessments, sewer rents, rates and charges, transit taxes, taxes based upon the receipt of rent, and any other federal, state or local governmental charge, general, special, ordinary or extraordinary (but not including general income or franchise taxes or any other taxes imposed upon or measured by income or profits, unless the same shall be imposed in lieu of Taxes as herein defined or unless same shall be specifically imposed upon income derived from rents), which may now or hereafter be levied or assessed against the Building, any renovation, rehabilitation or improvement thereof, or any portion thereof for any Calendar Year during the Term. In case of special Taxes or assessments which may be payable in installments, only the amount of each installment paid during a Calendar Year shall be included in Taxes for such Calendar Year. Except as provided in the preceding sentence, all references to Taxes "for" a particular year shall be deemed to refer to taxes levied, assessed or otherwise imposed for such year without regard to when such taxes are payable. Taxes shall also include any personal property taxes (attributable to the year in which paid) imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances used in connection with the operation of the Building. In the event the Property is not assessed as fully improved for any Calendar Year, then Taxes shall be adjusted to the Taxes which would have been payable in such Calendar Year if the assessment had been made on a fully improved basis, based on Landlord's adjustment of the "Taxes" for such Calendar Year, employing sound management principles. Taxes also include the Landlord's reasonable costs and expenses (including reasonable attorney's fees) in contesting or attempting to reduce any Taxes provided such attorney's fees are contingent upon a reduction in Taxes or if not contingent upon a reduction in Taxes, then such attorney's fees shall be limited to the extent of actual savings achieved. Landlord shall retain tax counsel during the Term hereof for the purpose of obtaining and maintaining the most reasonably attainable real estate tax upon the Building, who shall have the authority to present complaints, briefs and supporting data, including appraisals, before the appropriate agencies having jurisdiction over the assessment and levy of the real estate taxes affecting the Premises. The fees and costs paid by Landlord for such services shall be based upon reasonable rates and shall be included in Taxes provided such attorney's fees are contingent upon a reduction in Taxes or if not contingent upon a reduction in Taxes, then such attorney's fees shall be limited to the extent of actual savings achieved. Notwithstanding anything contained in this paragraph 33(bb) to the contrary, if at any time the method of taxation then prevailing shall be altered so that any new or additional tax, assessment, levy, imposition or charge or any part thereof shall be imposed upon Landlord in place or partly in place of any such Taxes, or contemplated increase therein or in addition to any such Taxes, and shall be measured by or be based in whole or in part upon the Building or the rents or other income therefrom, then all such new taxes, assessments, levies, Impositions or charges or part thereof, to the extent that they are so measured or based, shall be included in Taxes levied, imposed or assessed against the Building to the extent that such items would be payable if the Building were the only property of Landlord subject thereto and the income received by Landlord from the Building were the only income of Landlord.

(z) "Tenant Improvements" means (i) the improvements and alterations set forth in Exhibit D, (ii) exterior signage, window coverings, lighting fixtures, plumbing fixtures, cabinetry and other fixtures installed by either Landlord or Tenant at any time during the Term, and (iii) any improvements and alterations of the Premises made for Tenant by Landlord at any time during the Term.

34. **MISCELLANEOUS PROVISIONS**.

(a) ENTIRE AGREEMENT. This Lease sets forth the entire agreement of the parties as to the subject matter hereof and supersedes all prior discussions and understandings between them. This Lease may not be amended or rescinded in any manner except by an instrument in writing signed by a duly authorized officer or representative of each party hereto.

(b) GOVERNING LAW. This Lease shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois.

(c) SEVERABILITY. Should any of the provisions of this Lease be found to be invalid, illegal or unenforceable by any court of competent jurisdiction, such provision shall be stricken and the remainder of this Lease shall nonetheless remain in full force and effect unless striking such provision shall materially alter the intention of the parties.

(d) JURISDICTION. In the event any action is brought to enforce any of the provisions of this Lease, the parties agree to be subject to exclusive jurisdiction in the Circuit Court of DuPage County, State of Illinois or in the United States District Court for the Northern District of Illinois and agree that in any such action venue shall lie exclusively in DuPage County, Illinois or in a Federal District Court in Chicago, Illinois.

(e) WAIVER. No waiver of any right under this Lease shall be effective unless contained in a writing signed by a duly authorized officer or representative of the party sought to be charged with the waiver and no waiver of any right arising from any breach or failure to perform shall be deemed to be a waiver of any future right or of any other right arising under this Lease.

(f) CAPTIONS. Section captions contained in this Lease are included for convenience only and form no part of the agreement between the parties.

(g) NOTICES. All notices or requests required or permitted under this Lease shall be in writing. If given by Landlord such notices or requests may be personally delivered or sent by certified mail, return receipt requested, postage prepaid. If given by Tenant such notices or requests may be personally delivered or sent by certified mail, return receipt requested, postage prepaid. Such notices or requests shall be deemed given when so delivered or mailed, irrespective of whether such notice or request is actually received by the addressee. All notices or requests to Landlord shall be sent to Landlord at Landlord's Address for Notice and all notices or requests to Tenant shall be sent to Tenant at Tenant's Address for Notice. Either party may change the address to which notices shall be sent by notice to the other party.

(h) BINDING EFFECT. Subject to the provisions of Section 21 captioned "Assignment and Subletting", this Lease shall be binding upon, and inure to the benefit of, the

parties hereto and their respective successors and assigns. No permitted assignment of this Lease or Tenant's rights hereunder shall be effective against Landlord unless and until an executed counterpart of the instrument of assignment shall have been delivered to Landlord and Landlord shall have been furnished with the name and address of the assignee. The term "Tenant" shall be deemed to include the assignee under any such permitted assignment.

(i) EFFECTIVENESS. This Lease shall not be binding or effective until properly executed and delivered by Landlord and Tenant.

(j) GENDER AND NUMBER. As used in this Lease, the masculine shall include the feminine and neuter, the feminine shall include the masculine and neuter, the neuter shall include the masculine and feminine, the singular shall include the plural and the plural shall include the singular, as the context may require.

(k) TIME OF THE ESSENCE. Time is of the essence in the performance of all covenants and conditions in this Lease for which time is a factor.

(l) OFAC CERTIFICATION. Tenant certifies that:

(i) It is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and

(ii) It is not engaged in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of any such person, group, entity or nation.

Tenant hereby agrees to defend, indemnify, and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

(m) PRIVACY LAWS. Tenant agrees to reasonably safeguard "protected health information" as defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 (the "Privacy Standards"), as promulgated by the Department of Health and Human Services pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("PHI") from any intentional or unintentional disclosure in violation of the Privacy Standards by implementing appropriate administrative, technical and physical safeguards to protect the privacy of PHI. Tenant further agrees to implement appropriate administrative, technical and physical safeguards to limit incidental disclosures of PHI, including disclosures to Landlord, its subcontractors and agents. The parties agree that neither Landlord nor its contractors, subcontractors or agents shall need access to, nor shall they use or disclose, any PHI of Tenant. However, in the event PHI is disclosed to Landlord, its, contractors, subcontractors or agents, regardless as to whether the disclosure is inadvertent or otherwise, Landlord agrees to take reasonable steps to maintain, and to require its contractors, subcontractors and agents to maintain, the privacy and confidentiality of such PHI. The parties agree that the foregoing does not create, and is not intended to create, a "business associate" relationship between the parties as that term

is defined by the Privacy Standards.

(n) MEDICAL WASTES. Tenant shall store and dispose of any substance or material which may be deemed to be medical or infectious waste including, but not limited to, virulent infectious wastes and materials, bandages, dressings, sharps, needles, syringes, lancets, human blood and blood products, bodily fluids, radioactive wastes, human tissues and any other medical wastes or by-products which pose risk of injury or disease to human beings (collectively, "Medical Wastes") in accordance with all applicable federal and state laws, rules, regulations and ordinances including the Illinois Department Public Health and all rules and standards of medical or professional associations having jurisdiction over Tenant.

Tenant agrees that it shall promptly upon written request provide Landlord with copies of all relevant Medical Waste records and provide a written certification regarding the amounts and the methods of storage, treatment, use and disposal thereof.

(o) FORCE MAJEURE. Landlord shall not be in default hereunder and Tenant shall not be excused from performing any of its obligations hereunder if Landlord is prevented from performing any of its obligations hereunder due to any act of Force Majeure.

(p) FINANCIAL STATEMENTS. Upon written request from Landlord, but not more than once per year, unless publicly available, Tenant shall provide Landlord with Tenant's most recent annual unaudited financials; provided such financials are certified by an officer of Tenant ("**Financial Information**"). Tenant agrees that Landlord may deliver the Financial Information to any lender, prospective lender or prospective purchaser of the Premises, but to no other party without Tenant's express written authority.

(q) EXECUTION. This Lease may be executed in any number of counterparts, all of which together shall be deemed to constitute one instrument, and each of which shall be deemed an original. This Lease may be signed electronically, including through authenticated electronic signature technology, such as DocuSign. The intentional action in electronically signing this Lease shall be evidence of consent to be legally bound by this Lease. The parties further consent and agree that the electronic signatures appearing on this Lease shall be treated, for purposes of validity, enforceability and admissibility, the same as hand-written signatures.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Lease to be effective as of the Date of this Lease.

"LANDLORD"

CHP-HSG NAPERVILLE, LLC,
a Delaware limited liability company

By: _____
Name: KEVIN "KEGE" BROWN
Its: AUTH. SIGNATORY

"TENANT"

ADVOCATE HEALTH AND HOSPITALS CORPORATION, an Illinois not-for-profit corporation

DocuSigned by:
By: William P. Santulli
Name: William P. Santulli
Its: President, Advocate Health – Midwest Region

Signature Page to Lease

EXHIBIT A
LEGAL DESCRIPTION

PARCEL 1:

LOT 13 IN FREEDOM COMMONS SUBDIVISION, BEING A RESUBDIVISION OF LOTS 403 AND 404 IN BELLEMEAD'S SECOND RESUBDIVISION OF NAPERVILLE CORPORATE CENTER, BEING A RESUBDIVISION OF PART OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 38 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, RECORDED NOVEMBER 2, 2000 AS DOCUMENT NUMBER 2000-172090 AND CERTIFICATES OF CORRECTION RECORDED AS DOCUMENT R2000-172091 AND AS DOCUMENT NO.R2000-186395 ACCORDING TO THE PLAT OF SAID FREEDOM COMMONS RECORDED NOVEMBER 30, 2006 AS DOCUMENT NO. R2006-230665, IN DUPAGE COUNTY, ILLINOIS.

PARCEL 2:
NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCEL 1 AS CREATED BY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED MARCH 7, 2007 AS DOCUMENT R2007-040527, AS AMENDED FROM TIME TO TIME, FOR THE PURPOSE OF PEDESTRIAN AND VEHICULAR TRAFFIC OVER, THROUGH AND ACROSS SIDEWALKS, PATHS, CURB CUTS, LANES, WALKS, PARKING AREAS, DRIVEWAYS, DRIVE AISLES AND OTHER INTERNAL ROADWAYS, AS SAME MAY FROM TIME TO TIME EXIST UPON THE LOTS AND COMMON AREAS AS FURTHER DEFINED IN SAID DECLARATION AND ANY AMENDMENTS THERETO.

EXHIBIT B

SITE PLAN OF PREMISES

NAPERVILLE MEDICAL COMMONS

SITE PLAN

EXHIBIT C

LANDLORD'S EXTERIOR WORK AGREEMENT

Landlord shall perform certain exterior Building work and site work adjacent to the Premises described in Attachment 1, which shall include the Landlord Performed Tenant Work (as defined below) (collectively, the "Scope of Landlord's Exterior Work") at Landlord's sole cost and expense in accordance with the terms and conditions of this Exhibit C.

Notwithstanding the foregoing, Tenant shall be solely responsible for the Cost of the Landlord Performed Tenant Work, as further described in this Exhibit C. For purposes hereof, the "Landlord Performed Tenant Work" shall include the following items to be constructed by Landlord on Tenant's behalf (the immediately succeeding references shall apply to the items listed on Attachment 1 hereto): (i) Item 2.3, (ii) Item 2.4, (iii) Item 6.4, (iv) Item 6.7, (v) Item 16.6, and (vi) Item 16.10. Tenant shall pay all costs associated with the Landlord Performed Tenant Work (the "Cost of the Landlord Performed Tenant Work"). The Cost of the Landlord Performed Work includes, but is not limited to, the following: (1) all actual space planning, design, actual architectural and engineering fees and expense for the Landlord Performed Tenant Work; (2) the cost and expense of constructing and installing the Landlord Performed Tenant Work; (3) all of the contractors' actual costs and fees for the Landlord Performed Tenant Work; and (4) any additional permits and taxes incurred with respect to the Landlord Performed Tenant Work. Upon Landlord's completion of the Landlord Performed Tenant Work, Landlord shall provide, for Tenant's review, detailed documentation of the actual Cost of the Landlord Performed Tenant Work, along with as paid bills and receipts from the general contractor performing construction of the Landlord Performed Tenant Work. The final Cost of the Landlord Performed Tenant Work shall be reimbursed by Tenant in the form of a deduction from the Tenant Improvement Allowance due and owing to Tenant pursuant to Section 7(a) of Exhibit D to the Lease. Upon completion of the Landlord Performed Tenant Work, Landlord shall provide written notice to Tenant of the updated Tenant Improvement Allowance for purposes of Exhibit D.

Capitalized terms used, but not defined, in this Exhibit C shall have the respective meanings assigned to them in the Lease. In the event of any inconsistency between the express terms of this Exhibit C and the express terms of the Lease, the terms of the Lease shall govern. In the event of any inconsistency between the Scope of Landlord's Exterior Work and this Exhibit C, the terms of the Scope of Landlord's Exterior Work shall govern. The fact that a subject may be addressed in this Exhibit C and not in the Lease, or vice versa, or that a subject be addressed in the Scope of Landlord's Exterior Work and not in this Exhibit C, or vice versa, shall not constitute an inconsistency for purposes hereof. The entirety of the design and construction required of Landlord hereunder and under the Lease is referred to herein as the "Landlord's Exterior Work".

Subject to the foregoing, Landlord and Tenant agree as follows:

PART 1
PERMITS

Landlord shall obtain any and all zoning, permitting, subdivision and other land use

approvals necessary for the performance of Landlord's Exterior Work in accordance with the Final Construction Documents (defined below).

PART 2
CONSTRUCTION; COSTS OF LANDLORD'S WORK

2.1 Landlord's Exterior Work Plans.

Landlord will prepare detailed plans and specifications consistent with the Scope of Landlord's Exterior Work sufficient to permit the performance of the Landlord's Exterior Work by Landlord's contractor (the "Landlord's Exterior Work Plans") (the Scope of Landlord's Exterior Work and the Landlord's Exterior Work Plans may be referenced collectively as the "Construction Documents"). Tenant shall cooperate as reasonably necessary in connection with Landlord's preparation of the Construction Documents, in a complete and timely manner, and without limiting the foregoing, shall provide to Landlord all information as shall be required by Landlord's architects and engineers to prepare Landlord's Exterior Work Plans pursuant to this Section 2.1. The Construction Documents shall be delivered to Tenant for its review and approval as soon as reasonably possible, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall inform Landlord of any requested changes as soon as possible, but in no event later than ten (10) days following Tenant's receipt of the Construction Documents (and, in the event that Tenant fails to inform Landlord of any requested changes within such 10-day period, then Tenant shall be deemed to have approved the Construction Documents). In the event that Tenant timely notifies Landlord of requested changes to the initial Construction Documents, Landlord and Tenant shall work together in good faith to agree upon mutually acceptable, reasonable modifications to the initial Construction Documents as soon as possible. Any change or modification of the initial Construction Documents shall not be valid or binding unless consented to by Landlord in writing. If any change or modification of the initial Construction Documents requested by Tenant is outside the Scope of Landlord's Exterior Work, Landlord's architect will, as soon as reasonably possible thereafter, prepare a proposed change estimate ("CE") which will set forth the estimated cost of the changes, including construction costs, architectural fees, and related consultant's fees or costs, permits or other fees. Landlord will not be obligated to proceed with any changes which would be affected by a proposed CE until it is approved by Tenant. Tenant shall have seven (7) business days after its receipt of Landlord's estimated CE to approve the same in writing, and if Tenant fails to approve the same within such 7-business day period, such CE shall be deemed rejected. The final Construction Documents, once approved by Landlord and Tenant, are hereinafter referred to as the "Final Construction Documents".

2.2 Change Orders. The Landlord's Exterior Work Plans may be revised by Landlord, at its sole cost and expense, and updated by a written order signed by Landlord authorizing a change in the Landlord's Exterior Work (a "Landlord Change Order") as long as the Landlord's Exterior Work is not diminished to the detriment of Tenant as a result thereof. In the event Tenant seeks to revise Landlord's Exterior Work Plans after the same have been finalized, then Tenant shall be responsible for all increased costs of Landlord's Exterior Work resulting from the revisions to the Landlord's Exterior Work Plans or Final Construction Documents requested by Tenant (a "Tenant Change Order"), including but not limited to construction costs, architectural fees, and related consultant's fees or costs, permits or other fees. Any Tenant Change Order must be signed by Landlord authorizing the change in the Landlord's Exterior Work.

2.3 Construction of Landlord's Exterior Work.

(a) Landlord shall construct the Landlord's Exterior Work in accordance with the Final Construction Documents, any approved Landlord Change Order and Tenant Change Orders and all applicable Laws (including compliance with the Illinois Accessibility Code). Landlord anticipates using Tenant's general contractor, Boldt Construction, as its general contractor for the construction of Landlord's Exterior Work; provided, however, Landlord may competitively bid the Landlord's Exterior Work to additional contractors as determined by Landlord in its sole discretion.

(b) Landlord shall cause Landlord's Exterior Work to be commenced, prosecuted and completed in coordination with Tenant so as not to cause delays in either the performance or completion of the Tenant Improvements or in Tenant's ability to lawfully use and occupy the Premises for the Permitted Use and in accordance with the requirements of the Lease.

(c) Landlord hereby warrants to Tenant that Landlord's Exterior Work shall be performed in a good and workmanlike manner, free from defects in workmanship and materials, and in compliance with the Lease, all applicable Laws and insurance industry underwriting requirements and standards. Landlord further warrants to Tenant that Landlord's Exterior Work will be free from material defects in design, workmanship and materials for one (1) year after the completion of the Landlord's Exterior Work. If there is a breach of the foregoing warranty, Tenant shall notify Landlord within the warranty period specified above, and Landlord shall, at Landlord's cost, repair or cause to be repaired any such defects.

(d) Landlord shall construct the Landlord's Exterior Work free and clear of all liens or claims of lien of any contractor, subcontractor, mechanic, laborer, materialman, architect, surveyor, engineer or other person, other than any lender providing construction financing to Landlord for the Landlord's Exterior Work, if any.

(e) Landlord shall cause its contractors to take all precautionary steps to minimize dust, noise and construction traffic, and to work harmoniously with Tenant's Contractors so that the prosecution of Landlord's Exterior Work does not unreasonably interfere with or delay the commencement, prosecution or completion of Tenant's Improvements.

2.4 Substantial Completion. Landlord's Exterior Work shall be deemed to be "Substantially Completed" when it has been substantially completed in accordance with the Final Construction Documents. Landlord shall use commercially reasonable, good faith efforts, to Substantially Complete Landlord's Exterior Work prior to the commencement of Tenant's business operations within the Building (subject to delays caused by Force Majeure or other delays outside of Landlord's reasonable control). The definition of Substantially Completed shall also define the terms "Substantial Completion" and "Substantially Complete."

2.5 Punchlist. Within fifteen (15) days following the Substantial Completion of Landlord's Exterior Work, Tenant and Landlord shall agree upon a list of items of Landlord's Exterior Work requiring completion ("Punchlist Items"). Landlord shall diligently pursue the completion of all incomplete Landlord's Exterior Work within thirty (30) days following the date upon which the Punchlist Items are finalized and, subject to delays caused by Force Majeure or other delays outside of Landlord's reasonable control, Landlord shall cause all of same to be fully and finally completed within ninety (90) days following the Substantial Completion of Landlord's

Exterior Work.

2.6 As Built Plans. Within ninety (90) days after the Commencement Date, Landlord shall provide Tenant with a set of "as built" plans and specifications for Landlord's Exterior Work which may be in electronic format.

2.7 Representatives. Both Landlord and Tenant shall each identify to the other in writing two individuals who have the responsibility to make changes or decisions as it relates to all items relating to Landlord's Exterior Work.

PART 3

TENANT COORDINATION

3.1 Tenant Improvements. Tenant shall construct the Tenant Improvements in accordance with the terms and conditions of Exhibit D attached to the Lease.

3.2 Coordination of Landlord's Exterior Work and Tenant Improvements. The provisions of this Section 3.2 shall apply to any Landlord's Exterior Work and Tenant Improvements that are constructed concurrently:

(a) Landlord and Tenant shall require all contractors and subcontractors performing work in the Premises on their behalf to provide protection against damage to the Landlord's Exterior Work and Tenant Improvements, respectively, to an extent that is mutually satisfactory to Landlord and Tenant.

(b) Each party and its agents, contractors, workmen and suppliers working in the Premises shall work in harmony with and not unreasonably interfere with or delay contractors for the other. Each party shall cooperate and assist in all reasonable respects in the resolution of any disputes between their respective contractors in the Premises. Without limiting the generality of the effect of the foregoing, each of Landlord and Tenant shall coordinate, and cause its agents and contractors to coordinate, with the other party and its agents, contractors, workmen, suppliers and invitees and their respective employees in relation to, without limitation, the scheduling of construction, delivery of materials and labor and removal of rubbish and construction debris, so as not to impede the completion of Landlord's Exterior Work and Tenant Improvements. Neither Tenant nor Landlord shall permit its contractors to give orders or direction to any of the other party's contractors.

(c) Neither party shall have any responsibility for the adequacy of design of the work to be performed by the other or for construction means, methods or techniques or safety precautions or programs in connection with such work.

SCHEDULE C-1

SCOPE OF LANDLORD'S EXTERIOR WORK

1 Existing Conditions

1.1 Excluded unsuitable soils.
1.2 The proposal excludes dewatering beyond a 2" pump in an adjacent trench.
1.3 All interior finish and partition demolition back to structure will be by tenant.
1.4 All plumbing demolition will be by the tenant scope.
1.5 Demolition of the existing curved stair to the mezzanine will be done by the tenant.
1.6 Demolition, fill, and concrete slab at the pool and hot tub will be by the tenant.
1.7 The existing skylights will be demolished and decked over.
1.8 The existing RTU's will be demolished and unused penetrations will be decked over and patched. Landlord to coordinate timing with Tenant GC.

2 Concrete

2.1 The concrete topping in the recessed floor areas will be by the tenant.
2.2 Trenching and concrete patch for tenant under slab work is by the tenant.
2.3 Landlord to install new concrete ADA ramp at East patient pickup/staff access doorway and provide two 13.5' Patient Pickup parking spaces, per Exhibit B. [LANDLORD PERFORMED TENANT WORK]
2.4 Landlord to install new ramp for deliveries at West Staff/Delivery doorway, per Exhibit B. [LANDLORD PERFORMED TENANT WORK]
2.5 Landlord to replace the sidewalk connection from the main entrance to Independence Avenue to be ADA compliant.

3 Masonry

3.1 The façade of the building will have approximately 10% of the area tuck pointed. The final amount will be determined after field investigation and review with Tenant. The entire façade will be cleaned.

4 Steel

4.1 The second egress stair from the mezzanine will be by the tenant.
4.2 All reinforcement of the existing structure for tenant provided equipment will be by the tenant.

5 Thermal and Moisture Protection

5.1 The exterior caulk joints will be checked and repaired.

6 Doors and Glass

6.1 Sealants, gaskets and caulking will be repaired and replaced as necessary on existing windows that are not to be replaced with spandrel glass per 6.4 below.
6.2 The existing exterior main entrance doors will have automatic operators installed with a push button. Landlord to coordinate installation with Tenant to ensure Tenant provided security hardware will also fit.
6.3 All changes to the interior entrance doors and vestibule will be by the tenant.
6.4 One bay of vision glazing on the east elevation (the southeast window bay in pool area) will be replaced with spandrel. Landlord and Tenant to finalize pool area glass scope. [LANDLORD PERFORMED TENANT WORK]
6.5 The vision glazing on the north elevation will be replaced with spandrel.
6.6 The hollow metal doors will be replaced with new.
6.7 The exterior door servicing the Patient Pickup on the east elevation will be replaced with a new glazed aluminum door with vision glass and a swing door operator. [LANDLORD PERFORMED TENANT WORK]

7 Finishes

7.1 The exterior will have new painted finishes for the:
7.1.1 hollow metal doors.
7.1.2 existing canopy steel.
7.1.3 Gas piping.
7.1.4 Soffits.
7.1.5 Rotunda steel.
7.2 The balance of the interior finishes will be in the tenant improvement scope.

8 Vertical Transportation

8.1 The existing elevator will remain.
8.2 The tenant is responsible for elevator service and maintenance.

9 Fire Protection

9.1 The fire protection system will be left as is. All changes to align with the tenant floor plan will be by the tenant.
9.2 The existing system pressures and flow are assumed to be adequate and do not require a fire pump.

10 Plumbing

10.1 The domestic water piping will be left as is. All demolition will be done by the tenant.
10.2 The existing 6" sanitary service to the building will remain. Tenant to be responsible for distribution inside the building.
10.3 The roof drains will remain. Any required fire wrapping for use in a plenum ceiling will be by the tenant.

11 Heating, Ventilating, and Air Conditioning (HVAC)

11.1 The space will be left as a warm dark shell using the existing equipment.
11.2 Demolition of existing equipment will be coordinated with the tenant provided equipment.
11.3 The tenant will provide all required HVAC equipment and ductwork required for their buildout.
11.4 Exhaust fans will be provided by the tenant.
11.5 Humidification will be by the tenant.
11.6 Medical gas is by the tenant.
11.7 Temperature control and BAS systems will be by the tenant.

12 Electrical

12.1 The light fixtures on the existing site light poles adjacent to the building will be replaced. Tenant requests LED fixtures be utilized, if possible. General check and replacement of all exterior bulbs (including on building) is also requested to ensure all are operational and matching.
12.2 Provide a new generator feed conduit from the generator pad to the electrical room. Generator pad location to be approved by the landlord. Generator and ATS provided by Tenant.
12.3 Demolition of all power distribution and lighting will be done by the tenant.
12.4 Temporary lighting and power will be by the tenant.
12.5 Power to HVAC equipment will be done by the tenant.
12.6 The existing fire alarm system will remain. All changes to the fire alarm system for the tenant layout will be by the tenant.
12.7 Provide one Solar Pedestrian Traffic Sign.
12.8 The balance of the panels, lighting, power distribution, etc. will be in the tenant scope of work.
12.9 Tenant may require increased electrical service. If so, Tenant will coordinate and pay for this upgrade.
12.10 Tenant may install up to three (3) electrical vehicle charging stations adjacent to building utilizing existing parking stalls with Tenant responsible for all approvals, permits and costs associated with the charging stations, including any upgrade for electrical. Final location to be mutually agreed upon.

13 Communications

13.1 Provide 2 new 4" conduit with pull string from the site to the electrical room.
13.2 All low voltage scope is in the tenant improvement scope.

14 Electronic Safety and Security

14.1 All security system work is in the tenant improvement scope.

15 Earthwork

15.1 New topsoil, as required, around the building within the building curb line.

16 Exterior Improvements

16.1 The sidewalks within the building curb will be replaced with new sidewalks.

16.2 The curb at the entrance will be removed and installed in a new layout for a drop off lane with decorative bollards. The new entrance layout will be pending approval by the Landlord, City of Naperville, and PUD amendment.
16.3 The main entrance will have a self-supporting 310 sf canopy for the drop off area to the entrance.
16.3.1 The canopy will be metal framed, finished with custom profile and color ACM panel. There will be 7 LED downlights at underside of the canopy.
16.3.2 The four existing light fixtures adjacent to the main entry will be replaced with new metal and glass sconces.
16.3.3 Six new metal bollards (one with ADA door open push button) will be added near the main entry doors and vehicular drop-off.
16.4 The sidewalk at the entrance will be replaced to align with the new curb line.
16.5 The trash enclosure will be replaced with a new enclosure and gates in accordance with PUD and City Zoning guidelines. The enclosure can accommodate four (4), two (2) yard dumpsters with casters.
16.6 Generator enclosure to be constructed on the west elevation per Exhibit B and will be in accordance with PUD and City Zoning guidelines. [LANDLORD PERFORMED TENANT WORK]
16.7 The parking lot adjacent to the building will be milled, overlayed and restriped.
16.8 The landscaping will be left as is with limited additional planting. Landscaping shall meet City and PUD guidelines.
16.9 New under drains will be installed at the storm manholes adjacent to the main entrance.
16.10 New canopy over the Patient Pickup area at the east elevation with approximate size of 6'x4' [LANDLORD PERFORMED TENANT WORK]

17 **Utilities**

17.1.1 Equipment Pads will be provided for tenant equipment

EXHIBIT D

TENANT IMPROVEMENT AGREEMENT

THIS TENANT IMPROVEMENT AGREEMENT is made and entered into this _____ day of _____, 2024 by and between **CHP-HSG NAPERVILLE, LLC**, a Delaware limited liability company ("Landlord"), and **ADVOCATE HEALTH AND HOSPITALS CORPORATION**, an Illinois not-for-profit corporation ("Tenant").

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

1. WORK

(a) After the Delivery Date, Tenant, at its cost and expense, shall perform, or cause to be performed, all of the work (sometimes referred to herein as the "**Work**" or "**Tenant Improvements**") in the Premises provided for in the Approved Plans (as defined in Section 2 hereof). Subject to Tenant's satisfaction of the conditions specified in this Tenant Improvement Agreement, Tenant shall be entitled to utilize the "Maximum Allowance Amount" (as defined in Section 7(a) below) to be provided by Landlord.

2. PRE-CONSTRUCTION ACTIVITIES.

(a) As soon as reasonably possible after execution and delivery of the Lease Agreement, Landlord and Tenant shall agree on the following information and items relating to the construction of the Premises:

(i) A detailed critical path construction schedule containing the major components of the Work and the time required for each, including plan permit review, the scheduled commencement date of construction of the Work, milestone dates and the estimated date of completion of construction.;

(ii) An itemized statement of estimated construction cost, including fees for permits and architectural and engineering fees, identifying which costs of the Work are expected to be paid or reimbursed as Tenant Improvements;

(iii) The names and addresses of Tenant's contractors (and said contractors' subcontractors and suppliers) to be engaged by Tenant for the Work (individually, a "Tenant Contractor," and collectively, "Tenant's Contractors") and Tenant's architect ("Tenant's Architect");

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

copies of policies or certificates have been delivered to and accepted by Landlord; and

(v) The Plans (as hereinafter defined) for the Work.

(b) Landlord or Tenant will update such information and items by notice to such other party of any changes.

(c) As used herein the term "Approved Plans" shall mean the Plans (as hereinafter defined), as and when approved in writing by Landlord. As used herein, the term "Plans" shall mean the full and detailed architectural, traffic safety and engineering plans and specifications covering the Work (including, without limitation, architectural, mechanical and electrical working drawings for the Work). The Plans shall be subject to Landlord's reasonable approval and the approval of all local governmental authorities requiring approval of the Work and/or the Approved Plans. Landlord shall give its approval or disapproval of the final Plans within ten (10) business days after their delivery to Landlord. Landlord agrees not to unreasonably withhold its approval of said Plans; provided, however, that Landlord shall not be deemed to have acted unreasonably if it withholds its approval of the Plans because, in Landlord's reasonable opinion, the Work as shown in the Plans is likely to adversely affect Building systems or the structure of the Building; the Work as shown on the Plans might impair Landlord's ability to furnish services to Tenant, other tenants in the Building or future tenants; the Work would increase the cost of operating the Building; the Work would violate any applicable Laws (or interpretations thereof); the Work contains or uses Hazardous Substances; the Work would adversely affect the appearance of the Building; or the Work might materially affect the use or occupancy of the other tenants in the Building. The foregoing reasons, however, shall not be exclusive of the reasons for which Landlord may withhold consent, whether or not such other reasons are similar or dissimilar to the foregoing. If Landlord notifies Tenant that changes are required to the final Plans submitted by Tenant, Tenant shall, within ten (10) business days thereafter, submit to Landlord, for its approval, the Plans amended in accordance with the changes so required. The Plans shall also be revised and the Work shall be changed, all at Tenant's cost and expense, to incorporate any work required in the Premises by any local governmental field or building inspector. Landlord's approval of the Plans shall in no way be deemed to be (i) an acceptance or approval of any element therein contained which is in violation of any applicable Laws, or (ii) an assurance that work done pursuant to the Approved Plans will comply with all applicable Laws (or with the interpretations thereof) or satisfy Tenant's objectives and needs. All changes to the Plans during the performance of the Work shall also be approved by Landlord in accordance with this provision; such approval not to be unreasonably withheld.

(d) No Work shall be undertaken or commenced by Tenant in the Premises until (i) Tenant has delivered, and Landlord has approved, all items set forth in Section 2(a) above, and (ii) all necessary building permits have been applied for and obtained by Tenant.

3. **DELAYS**. In the event Tenant fails to deliver or deliver in sufficient and accurate detail the information required under Section 2 above on or before the respective

dates specified in said Section 2, or in the event Tenant, for any reason, fails to complete the Work on or before the Commencement Date, Tenant shall be responsible for payment of the Net Rent and all other obligations set forth in the Lease from the Commencement Date regardless of the degree of completion of the Work on such date, and no such delay in completion of the Work shall relieve Tenant of any of its obligations under the Lease.

4. **CHANGE ORDERS.** All changes to the Approved Plans requested by Tenant must be approved by Landlord in advance of the implementation of such changes as part of the Work; provided, however, no prior Landlord approval shall be required for change orders less than $250,000 and provided that a copy of all such change orders are promptly provided to Landlord by Tenant. All delays caused by Tenant-initiated change orders, including, without limitation, any stoppage of work during the change order review process, are solely the responsibility of Tenant and shall cause no delay in the Commencement Date or the payment of Net Rent and other obligations therein set forth. All increases in the cost of the Work resulting from such change orders shall be borne by Tenant.

5. **STANDARDS OF DESIGN AND CONSTRUCTION AND CONDITIONS OF TENANT'S PERFORMANCE.** The Work shall be performed in accordance with the standards set forth in this Section 5, except as the same may be modified in the Approved Plans approved by or on behalf of Landlord and Tenant.

(a) Tenant's Approved Plans and all design and construction of the Work shall comply with all applicable Laws and industry standards. Tenant shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin in the construction of the Work.

(b) Tenant shall, at its own cost and expense, obtain all required building permits and occupancy permits. Tenant's failure to obtain such permits shall not cause a delay in the Commencement Date or the obligation to pay Net Rent or any other obligations set forth in the Lease.

(c) Tenant's Contractors shall be licensed contractors, possessing good labor relations, capable of performing quality workmanship and working in harmony with any other contractors and subcontractors in the Building. The Work shall be coordinated with any other construction or other work then being performed in the Building or in the adjacent areas in order not to materially affect any construction or maintenance work being performed by or for Landlord or its other buildings and/or tenants.

(d) Tenant shall use only new, first-class materials in the Work, except where explicitly shown in the Approved Plans. The Work shall be performed in a good and workmanlike manner. Tenant shall obtain contractors' warranties of at least one (1) year duration from the completion of the Work against defects in workmanship and materials on all labor performed and materials installed in the Premises as a part of the Work.

(e) Tenant and Tenant's Contractors shall make all efforts and take all steps appropriate to assure that all construction activities undertaken comport with the

reasonable expectations of an occupant of a fully-occupied (or substantially fully occupied) first-class office building and do not unreasonably interfere with the operation of the Building. In any event, Tenant shall comply with all reasonable rules and regulations existing from time to time at the Building. Tenant and Tenant's Contractors shall take all precautionary steps to minimize dust, noise and construction traffic, and to protect their facilities and the facilities of others affected by the Work and to properly police the same. Construction equipment and materials are to be kept within the Premises and delivery and loading of equipment and materials shall be done at such locations and at such time as Landlord shall direct so as not to burden the operation of the Building or adjacent areas.

(f) Throughout the period that the Work is to be performed, Tenant shall be responsible to maintain the Premises in accordance with such reasonable rules and regulations imposed by Landlord, including, without limitation, providing adequate security, keeping the area clean of construction dirt and debris, installing construction fencing where necessary, abiding by commercially reasonable work hours and noise restriction levels and minimizing any disruption of, or to, existing businesses, tenants, employees or visitors to the Building.

(g) Tenant shall permit access to the Premises and the Work shall be subject to inspection by Landlord and Landlord's architects, engineers, contractors and other representatives, at all times during the period in which the Work is being constructed and installed and following completion of the Work.

(h) Tenant shall perform the Work expeditiously, continuously and efficiently, and shall use its best efforts to complete the Work on or before the Commencement Date. Tenant shall notify Landlord upon completion of the Work and shall give Landlord at least 3 days' prior written notice of the date upon which Tenant intends to take occupancy of the Premises for the conduct of business.

(i) Tenant shall have no authority to deviate from the Approved Plans in performance of the Work, except as authorized by Landlord in writing and except for change orders less than $250,000. Tenant shall furnish to Landlord "as-built" drawings of the Work within thirty (30) days after completion of the Work.

(j) Tenant shall impose on and enforce all applicable terms of this Tenant Improvement Agreement against Tenant's architect and Tenant's Contractors.

6. INSURANCE AND INDEMNIFICATION.

(a) In addition to any insurance which may be required under the Lease, Tenant shall secure, pay for and maintain or as it relates to (iii) below cause Tenant's Contractors to secure, pay for and maintain during the performance of the Work, insurance in the following minimum coverages and the following minimum limits of liability:

(i) Worker's Compensation and Employer's Liability Insurance with limits of not less than $500,000.00 or such higher amounts as may be required from time to time by any Employee Benefit Acts or other statutes applicable where the

Work is to be performed, and in any event sufficient to protect Landlord, Tenant and Tenant's Contractors from liability under the aforementioned acts.

(ii) Commercial General Liability Insurance (including Contractors' Protective Liability) in an amount not less than $1,000,000.00 per occurrence, whether involving bodily injury liability (including death resulting therefrom) or property damage liability or a combination thereof with an umbrella coverage with limits not less than $5,000,000.00. Such insurance shall provide for explosion and collapse, completed operations coverage and broad form blanket contractual liability coverage against any and all claims for bodily injury, including death resulting therefrom, and damage to the property of others arising from its operations under the contracts whether such operations are performed by Tenant's Contractors, or by anyone directly or indirectly employed by any of them. Tenant reserves the right to self-insure this obligation provided it is in compliance with Section 14 of the Lease.

(iii) Comprehensive Automobile Liability Insurance, including the ownership, maintenance and operation of any automotive equipment, owned, hired or non-owned in an amount not less than $500,000.00 for each person in one accident, and $1,000,000.00 for injuries sustained by two or more persons in any one accident and property damage liability in an amount not less than $1,000,000.00 for each accident. Such insurance shall insure Tenant's Contractors against any and all claims for bodily injury, including death resulting therefrom, and damage to the property of others arising from its operations under the contracts, whether such operations are performed by Tenant's Contractors, or by anyone directly or indirectly employed by any of them.

(iv) "All-risk" builder's risk insurance upon the entire Work to the full insurable value thereof which may be covered under property insurance. This insurance shall include the interests of Landlord and Tenant (and their respective contractors and subcontractors of any tier to the extent of any insurable interest therein) in the Work and shall insure against the perils of fire and extended coverage and shall include "all-risk" builder's risk insurance for physical loss or damage including, without duplication of coverage, theft vandalism and malicious mischief. If portions of the Work are stored off the site of the Building or in transit to said site are not covered under said "all-risk" builder's risk insurance, then Tenant shall effect and maintain similar property insurance on such portions of the Work. Any loss insured under said "all-risk" builder's risk insurance is to be adjusted with Landlord and Tenant.

(b) All policies shall be endorsed to include as additional insured and/or loss payee parties the parties listed on, or required by, the Lease, and such additional persons as Landlord may reasonably designate. The waiver of subrogation provisions contained in the Lease shall apply to all insurance policies (except the workmen's compensation policy) to be obtained by Tenant pursuant to this Section.

(c) Without limitation of the indemnification provisions contained in the Lease, to the fullest extent permitted by law Tenant agrees to indemnify, protect,

defend and hold harmless Landlord, from and against all claims, liabilities, losses, damages and expenses of whatever nature arising out of or in connection with the Work or the entry of Tenant or Tenant's Contractors into the Building and the Premises, including, without limitation, mechanic's liens, the cost of any repairs to the Premises or Building necessitated by activities of Tenant's Contractors, bodily injury to persons or damage to the property of Tenant, its employees, agents, invitees, licensees or others. It is understood and agreed that the foregoing indemnity shall be in addition to the insurance requirements set forth above and shall not be in discharge of or in substitution for same or any other indemnity or insurance provision of the Lease.

7. **THE ALLOWANCE: EXCESS AMOUNTS.**

(a) As the Work progresses, Tenant shall submit to Landlord, not more than once per month (or in the alternative Tenant may submit all documents at the completion of the project), draw requests together with signed and certified lien waivers, contractors' affidavits, owner (tenant) statements and architect's certificates, in such form as may be required by Landlord, from all parties performing labor or supplying materials or services in connection with the portion of the Work covered by the applicable draw request, showing that such Work has been completed. Provided Tenant complies with the requirements set forth in the preceding sentence and in this Tenant Improvement Agreement, Landlord shall approve the disbursement of funds sufficient to pay each draw request not to exceed $4,243,800.00 (in the aggregate, which is $100.00 per square foot of the rentable area of the Premises) less the Cost of the Landlord Performed Tenant Work (the "**Tenant Improvement Allowance**"), for application to the extent thereof to the cost of the applicable portions of the Work. Landlord, at its option, may hold back and retain up to 10% of the Tenant Improvement Allowance (retainage) until the later of (i) Tenant's completion of the Work and (ii) delivery to Landlord of (A) the documents necessary to confirm that the Building shall not become subject to any lien or claim of lien on account of labor, material or services furnished to or for the benefit of Tenant and (B) a customary roof condition report obtained after Tenant's completion of the Work upon the Premises which provides, to Landlord's reasonable satisfaction, that the condition of the roof shall be consistent with the condition of the roof prior to Tenant's commencement of construction of any Work. To the extent that the cost of the Work exceeds the Tenant Improvement Allowance, Tenant shall have sole responsibility for the payment of such excess cost. The Tenant Improvement Allowance may only be used for "hard" costs of construction (including costs of labor and materials, contractor's overhead and profit, demising costs, permit fees, architectural and engineering fees, computer wiring and cabling costs, but excluding the cost of furniture, furnishings, trade fixtures, equipment, personal property, telephone equipment and telephones and moving costs). Tenant shall not be entitled to any payment or credit for any portion of the Tenant Improvement Allowance not utilized by Tenant to pay for approved costs of the Work. Notwithstanding anything herein to the contrary, Landlord may deduct from the Tenant Improvement Allowance any amounts due to Landlord or its architects or engineers under Section 4 of this Tenant Improvement Agreement before disbursing any other portion of the Tenant Improvement Allowance.

(b) Within one hundred eighty (180) days after final completion of the Work, Tenant shall furnish Landlord with full and final waivers of liens and contractors'

affidavits, owner (tenant) statements and architect's certificates, in such form as may be required by Landlord and Landlord's title insurance company, from all parties performing labor or supplying materials or services in connection with the Work showing that all of said parties have been compensated in full and waiving all liens in connection with the Premises and the Building. Tenant shall concurrently submit to Landlord a detailed breakdown of Tenant's total construction costs, together with such evidence of payment as is reasonably satisfactory to Landlord.

(c) Tenant shall not cause or permit any mechanic's lien to be recorded against the Building in connection with the Work, and if any such mechanic's lien is filed, Tenant, at its expense, shall cause such mechanic's lien to be released (or insured over to Landlord's satisfaction) within ten (10) days after such mechanic's lien is recorded.

8. **MISCELLANEOUS**.

(a) If Tenant fails to make any payment relating to the Work as required hereunder, Landlord, at its option, may complete the Work pursuant to the Approved Plans and continue to hold Tenant liable for the costs thereof and all other costs due to Landlord. Tenant's failure to pay any amounts owed by Tenant hereunder when due or Tenant's failure to perform its obligations hereunder shall also constitute a default under the Lease and Landlord shall have all the rights and remedies granted to Landlord under the Lease for nonpayment of any amounts owed thereunder or failure by Tenant to perform its obligations thereunder.

(b) Notices under this Tenant Improvement Agreement shall be given in the same manner as under the Lease.

(c) This Tenant Improvement Agreement sets forth the entire agreement of Tenant and Landlord regarding the Work.

(d) All amounts due from Tenant hereunder shall be deemed to be "Rent" due under the Lease.

[Signature Page Follows]

DATED the date first above written.

"LANDLORD"

CHP-HSG NAPERVILLE, LLC,
a Delaware limited liability company

By: _____
Name:
Its:

"TENANT"

ADVOCATE HEALTH AND HOSPITALS CORPORATION, an Illinois not-for-profit corporation

By: _____
Name: William P. Santulli
Its: President, Advocate Health – Midwest Region

EXHIBIT E

RULES AND REGULATIONS

BUILDING RULES AND REGULATIONS

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways and corridors of halls shall not be obstructed or used for any purpose other than ingress and egress. The roof is not for the use of the general public, and the Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence, in the judgment of the Landlord, shall be prejudicial to the safety, character, reputation and interests of the Building. No Tenant and no employees of any Tenant shall go upon the roof of the Building without the written consent of Landlord.

2. No awnings or other projections shall be attached to the outside walls of the building. The Property is a "no smoking medical campus" and Landlord shall have the right to enforce a no smoking rule within the Property.

No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant to the exterior of the Building or the Property without the prior written consent of the Landlord. If the Landlord shall have given such consent at the time, whether before or after the execution of this Lease, such consent shall in no way operate as a waiver or release of any of the provisions hereof or of this Lease, and shall be deemed to relate only to the particular sign, advertisement or notice so consented to by the Landlord and shall not be construed as dispensing with the necessity of obtaining the specific written consent of the Landlord with respect to each and every such sign, advertisement or notice other than the particular sign, advertisement or notice, as the case may be, so consented to by the Landlord. In the event of the violation of the foregoing by Tenant, Landlord may remove or stop same without any liability, and may charge the expense incurred in such removal or stopping to Tenant.

3. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant. Tenant shall see that the windows, transoms and doors of the Premises are closed and securely locked before leaving the Building and must observe strict care not to leave windows open when it rains. Tenant shall cooperate with Landlord in obtaining maximum effectiveness of the cooling system by closing window coverings when the sun's rays fall directly on the windows of the Premises.

The toilet rooms, water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were considered, and no sweepings, rubbish, rags or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by the Tenant, or whose subtenants, assignees or any of their servants, employees, agents, visitors or licensees shall have caused the same.

4. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the permitted use of the Premises. No Tenant shall occupy or permit any portion of the Premises to be occupied for the manufacture or

sale of liquor, narcotics, or tobacco (except by a cigarette vending machine for use by Tenant's employees) in any form, without the express written consent of Landlord.

5. Tenant shall not make, or permit to be made any unseemly or disturbing noises or disturb or unreasonably interfere with occupants of this or neighboring buildings or Premises or those having business with them, whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. Tenant shall not throw anything out of doors, windows or skylights or down the passageways.

6. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanisms thereof unless Landlord's prior consent is obtained. Tenant must, upon the termination of its tenancy, restore to Landlord all keys pertaining to the Premises.

7. Tenant shall be responsible for all persons who enter the building with or at the invitation of Tenant and shall be liable to Landlord for all acts of such persons. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the building of any person. In case of an invasion, mob riot, public excitement or other circumstances rendering such action advisable in Landlord's reasonable opinion, Landlord reserves the right, without abatement of rent, to require all persons to vacate the building and to prevent access to the building during the continuance of the same for the safety of the Tenants, the protection of the building, and the property in the building.

8. Tenant shall be responsible for the acts of any persons employed by Tenant to do work in or about the Premises and such persons while in the building and outside of the Premises, shall be subject to and under the control and direction of and Tenant shall be responsible for all acts of such persons.

EXHIBIT F

COMMENCEMENT DATE AGREEMENT

WHEREAS, **CHP-HSG NAPERVILLE, LLC,** a Delaware limited liability company ("Landlord"), with its principal place of business located at 225 West Hubbard Street, Suite 401 Chicago, Illinois, and **ADVOCATE HEALTH AND HOSPITALS CORPORATION**, an Illinois not-for-profit corporation ("Tenant"), with its principal place of business located at _____, entered into a Lease dated _____, 20 (the "Lease") for the Premises (as defined in the Lease) located in Naperville, Illinois.

WHEREAS, all defined terms herein shall have the meaning set forth in the Lease.

NOW, THEREFORE, intended to be legally bound, the parties agree as follows:

The Delivery Date is _____, 20__.

The Commencement Date is _____, 20__.

The Expiration Date (without regard to any extension period) is _____, 20__.

The First Renewal Term would be for the period _____ __, 20__ through _____, 20__.

The Second Renewal Term would be for the period _____ __, 20__ through _____, 20__.

The Third Renewal Term would be for the period _____ __, 20__ through _____, 20__.

As of the Commencement Date of the Lease, the monthly and yearly Net Rent is set forth on Appendix A.

All the terms, covenants, and conditions of the Lease are hereby affirmed, ratified and restated.

The parties have duly executed this Commencement Date Agreement this ____ day of _____, 20__.

"LANDLORD"

CHP-HSG NAPERVILLE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

"TENANT"

ADVOCATE HEALTH AND HOSPITALS CORPORATION,
an Illinois not-for-profit corporation

By: _____
Name: Dia Nichols
Its: President, Central Chicagoland Patient Service Area

Appendix A

Months of Term	/psf	Annual Net Rent	Monthly Net Rent
0 – 12	$29.00	$1,230,702.00	$102,558.50
13 – 24	$29.72	$1,261,469.52	$105,122.46
25 – 36	$30.47	$1,293,006.24	$107,750.52
37 – 48	$31.23	$1,325,331.36	$110,444.28
49 – 60	$32.01	$1,358,464.68	$113,205.39
61 – 72	$32.81	$1,392,426.24	$116,035.52
73 – 84	$33.63	$1,427,236.92	$118,936.41
85 – 96	$34.47	$1,462,917.84	$121,909.82
97 – 108	$35.33	$1,499,490.84	$124,957.57
109 – 120	$36.22	$1,536,978.12	$128,081.51

#24-008

Advocate Aurora Health, Inc.

Consolidated Financial Statements and Supplementary Information
As of and for the Years Ended December 31, 2022 and 2021

Document Dated as of April 11, 2023

ADVOCATE AURORA HEALTH, INC.
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Building a better working world

Ernst & Young LLP
155 North Wacker Drive
Chicago, IL 60606-1787

Tel: +1 312 879 2000
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Report of Independent Auditors

The Board of Directors
Advocate Health, Inc.

Opinion

We have audited the consolidated financial statements of Advocate Aurora Health, Inc. (the Organization), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization at December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Building a better working world

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other information

Management is responsible for the other information. The other information comprises the Condensed Consolidated Financial Statements and Other Information but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Ernst + Young LLP

April 11, 2023

ADVOCATE AURORA HEALTH, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 372,898	$ 703,725
Assets limited as to use	153,557	139,742
Patient accounts receivable	1,796,499	1,816,705
Other current assets	934,604	706,253
Third-party payors receivables	23,400	22,154
Collateral proceeds under securities lending program	17,402	18,550
Total current assets	3,298,360	3,407,129
Assets limited as to use	10,981,192	12,394,605
Property and equipment, net	5,971,542	5,943,011
Other assets		
Reinsurance receivable	116,786	42,100
Goodwill and intangible assets, net	476,564	271,178
Investments in unconsolidated entities	216,176	259,127
Operating lease right-of-use assets	305,311	283,398
Other noncurrent assets	512,339	538,013
Total other assets	1,627,176	1,393,816
Total assets	**$ 21,878,270**	**$ 23,138,561**

(Continued)

ADVOCATE AURORA HEALTH, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31, 2022	December 31, 2021
Current liabilities		
Long-term debt and commercial paper, current portion	$ 101,204	$ 96,185
Long-term debt subject to short-term financing arrangements	165,035	166,350
Operating lease liabilities, current portion	73,026	68,247
Accrued salaries and employee benefits	1,165,861	1,296,458
Accounts payable and other accrued liabilities	1,111,552	1,562,089
Third-party payors payables	357,177	354,186
Accrued insurance and claims costs, current portion	204,592	151,230
Collateral under securities lending program	17,402	18,550
Total current liabilities	3,195,849	3,713,295
Noncurrent liabilities		
Long-term debt, less current portion	3,255,423	3,298,508
Operating lease liabilities, less current portion	276,116	248,062
Accrued insurance and claims cost, less current portion	634,468	615,576
Accrued losses subject to insurance recovery	116,786	42,100
Obligations under swap agreements	29,514	91,217
Other noncurrent liabilities	922,567	798,824
Total noncurrent liabilities	5,234,874	5,094,287
Total liabilities	**8,430,723**	**8,807,582**
Net assets		
Without donor restrictions		
Controlling interest	13,037,580	13,911,862
Noncontrolling interests in subsidiaries	171,791	167,440
Total net assets without donor restrictions	13,209,371	14,079,302
With donor restrictions	238,176	251,677
Total net assets	**13,447,547**	**14,330,979**
Total liabilities and net assets	**$ 21,878,270**	**$ 23,138,561**

See accompanying notes to consolidated financial statements.

ADVOCATE AURORA HEALTH, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
(in thousands)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenue		
Patient service revenue	$ 12,065,771	$ 11,702,581
Capitation revenue	1,197,327	1,196,109
Other revenue	1,281,148	1,163,442
Total revenue	14,544,246	14,062,132
Expenses		
Salaries, wages and benefits	8,560,787	7,665,848
Supplies, purchased services and other	4,735,148	4,530,877
Contracted medical services	518,834	564,586
Depreciation and amortization	599,706	563,409
Interest	118,319	106,101
Total expenses	14,532,794	13,430,821
Operating income before nonrecurring expenses	**11,452**	**631,311**
Nonrecurring expenses	35,339	37,759
Operating (loss) income	**(23,887)**	**593,552**
Nonoperating (loss) income		
Investment (loss) income, net	(723,225)	1,303,546
Loss on debt refinancing	(33)	(14,468)
Change in fair value of interest rate swaps	61,703	27,403
Other nonoperating (loss) income, net	(20,266)	12,220
Total nonoperating (loss) income, net	(681,821)	1,328,701
Revenue (less than) in excess of expenses	(705,708)	1,922,253
Less income attributable to noncontrolling interests	(45,124)	(73,130)
Revenue (less than) in excess of expenses - attributable to controlling interest	**$ (750,832)**	**$ 1,849,123**

(Continued)

ADVOCATE AURORA HEALTH, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

(in thousands)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Net assets without donor restrictions, controlling interest		
Revenue (less than) in excess of expenses - attributable to controlling interest	$ (750,832)	$ 1,849,123
Pension-related changes other than net periodic pension costs	(133,071)	48,236
Net assets released from restrictions for purchase of property and equipment	4,159	9,709
Other, net	5,462	(7,925)
(Decrease) increase in net assets without donor restrictions, controlling interest	(874,282)	1,899,143
Net assets without donor restrictions, noncontrolling interests		
Revenues in excess of expenses	45,124	73,130
Distributions to noncontrolling interests	(40,773)	(60,335)
Increase in net assets without donor restrictions, noncontrolling interests	4,351	12,795
Net assets with donor restrictions		
Contributions	11,702	18,693
Investment (loss) income, net	(8,261)	21,106
Net assets released from restrictions for operations	(12,760)	(11,102)
Net assets released from restrictions for purchase of property and equipment	(3,864)	(9,709)
Other, net	(318)	9
(Decrease) increase in net assets with donor restrictions	(13,501)	18,997
(Decrease) increase in net assets	**(883,432)**	**1,930,935**
Net assets at beginning of period	14,330,979	12,400,044
Net assets at end of period	**$ 13,447,547**	**$ 14,330,979**

See accompanying notes to consolidated financial statements.

ADVOCATE AURORA HEALTH, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Cash flows from operating activities		
(Decrease) Increase in net assets	$ (883,432)	$ 1,930,935
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation, amortization and accretion	590,030	555,983
Amortization of operating lease right-of-use assets	64,119	79,398
Loss on debt refinancing	33	14,468
Loss (gain) on sale of property and equipment	836	(13,117)
Change in fair value of swap agreements	(61,703)	(27,403)
Pension-related changes other than net periodic pension cost	133,071	(48,236)
Net assets released from restrictions for operations	(12,760)	(11,102)
Distribution to noncontrolling interests	46,809	60,335
Distributions from unconsolidated entities	35,746	11,442
Changes in operating assets and liabilities		
Trading securities, net	1,423,034	(1,330,868)
Patient accounts receivable	20,300	(245,966)
Accounts payable and accrued liabilities	(707,054)	(56,718)
Third-party payors receivables and payables, net	1,745	30,163
Other assets and liabilities, net	(83,489)	(342,705)
Net cash provided by operating activities	567,285	606,609
Cash flows from investing activities		
Capital expenditures	(498,759)	(570,166)
Proceeds from sale of property and equipment	3,814	2,019
(Purchases) sales of investments designated as non-trading, net	(303)	4
Investments in unconsolidated entities, net	(18,569)	(38,021)
Acquisition of Senior Helpers, net of cash acquired	—	(183,672)
Acquisition of MobileHelp, net of cash acquired	(286,133)	—
Other	(7,896)	(2,879)
Net cash used in investing activities	(807,846)	(792,715)
Cash flows from financing activities		
Proceeds from issuance of debt	—	182,157
Repayments of long-term debt	(46,898)	(231,668)
Distribution to noncontrolling interests	(46,809)	(60,335)
Proceeds from restricted contributions and income on investments	3,441	39,799
Net cash used in financing activities	(90,266)	(70,047)
Net decrease in cash and cash equivalents	**(330,827)**	**(256,153)**
Cash and cash equivalents at beginning of period	703,725	959,878
Cash and cash equivalents at end of period	**$ 372,898**	**$ 703,725**
Supplemental disclosures of noncash information		
Operating lease right-of-use assets in exchange for new operating lease liabilities	$ 105,805	$ 46,016

See accompanying notes to consolidated financial statements.

ADVOCATE AURORA HEALTH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(dollars in thousands)

1. ORGANIZATION AND BASIS OF PRESENTATION

Description of Business

Advocate Aurora Health, Inc., a Delaware nonprofit corporation (the "Parent Corporation"), owns and operates primarily not-for-profit healthcare facilities in Illinois and Wisconsin. The Parent Corporation is the sole corporate member of Advocate Health Care Network, an Illinois not-for-profit corporation ("Advocate") and Aurora Health Care, Inc., a Wisconsin nonstock not-for-profit corporation ("Aurora"). The Parent Corporation, Advocate, Aurora and their controlled subsidiaries are collectively referred to herein as the "System." The System was formed in furtherance of the parties' common and unifying charitable health care mission to promote and improve the quality and expand the scope and accessibility of affordable health care and health care-related services for the communities they serve.

Effective December 2022, the System and Atrium Health, Inc., a North Carolina not-for-profit corporation, ("Atrium") entered into a joint operating agreement pursuant to which they created Advocate Health, Inc. ("Advocate Health"), a Delaware nonprofit corporation, to manage and oversee an integrated health care delivery and academic system that will focus on meeting patients' needs by redefining how, when and where care is delivered. The System and Atrium are the two corporate members of Advocate Health. The System maintains its separate legal existence and no sale, transfer or other conveyance of assets or assumption of debt and liabilities occurred in connection with the formation of Advocate Health.

The System provides a continuum of care through its 25 acute care hospitals, an integrated children's hospital, a psychiatric hospital, primary and specialty physician services, outpatient centers, physician office buildings, pharmacies, rehabilitation and home health and hospice care in northern Illinois and eastern Wisconsin.

Principles of Consolidation

Included in the System's consolidated financial statements are all of its wholly owned or controlled subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

2. SIGNIFICANT EVENTS

Due to the COVID-19 pandemic, the behavior of businesses and people globally was altered in a manner that had a negative impact on global and local economies including significant investment market volatility, various temporary business closures resulting in increased unemployment and other effects which have and could continue to result in supply disruptions, lower collections on patient accounts receivable and/or decisions to defer medical treatments at the System's facilities.

The continuing and total impact of the COVID-19 pandemic on the System is difficult to predict and could adversely impact the business, investment portfolio, financial condition or results of operations and, accordingly, may have a material adverse impact on the financial condition of the System. The System continues to monitor liquidity and cash flow and has taken, and continues to take, steps to protect its fiscal health, including a focus on maintaining liquidity to meet its obligations. In addition, the System applied for certain COVID-19 related resources, including supplies, financial support,

payroll tax deferrals and relief and other assistance made available through local, state and federal governments.

The System received $1,113 and $34,354 for the years ended December 31, 2022 and 2021, respectively in grant payments from the U.S. Department of Health and Human Services from the Provider Relief Fund established under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which has been recognized as revenue and included in other operating revenue within the accompanying consolidated statement of operations and changes in net assets. Payments from the Provider Relief Fund are intended to cover unreimbursed healthcare related expenses and lost revenue from patient care attributed to COVID-19 and are not required to be repaid provided the recipient attests to and complies with the terms and conditions of the grant funds. Management of the System believes the System is in compliance with the terms and conditions of the Provider Relief Fund distributions and will continue to monitor compliance. The CARES Act also entitled eligible employers to an employee retention tax credit designed to encourage employers to keep employees on their payroll. The refundable tax credit is limited to 50% of up to $10 in qualified wages paid to each employee by an eligible employer whose business had been financially impacted by COVID-19. The System recognized $37,060 for the year ended December 31, 2020 for the employee retention tax credit, this amount is included as a receivable that is included in other current assets in the accompanying consolidated balance sheets as of December 31, 2022 and December 31, 2021. The recognition of the COVID-19 support falls under the grant accounting guidance of accounting principles generally accepted in the United States. This guidance requires all significant terms and conditions to have been met for recognition to occur. Management of the System will continue to monitor compliance with the terms and conditions of the CARES Act grant funds and the impact of the pandemic on the System's revenues and expenses.

In addition, the System received $773,000 for the year ended December 31, 2020 from the Centers for Medicare and Medicaid Services ("CMS") as an advance payment for Medicare services. The funds were provided through the expansion of the Medicare Accelerated and Advance Payment Program to ensure providers and suppliers had the resources needed to combat the COVID-19 pandemic. The advances are being recouped by withholding future Medicare fee-for-service payments for claims until the full accelerated payment has been recouped, unless the System elects to repay the advances prior to full recoupment. Subsequent to the twenty-nine month recoupment period any unpaid remaining balance is subject to an interest charge of 4 percent per annum. For the years ended December 31, 2022 and 2021, CMS payments of approximately $505,000 and $257,000 were recouped, respectively. Medicare accelerated and advance payments of approximately $11,000 and $516,000 are included in accounts payable and other accrued liabilities within the accompanying consolidated balance sheets at December 31, 2022 and December 31, 2021, respectively. The CARES Act also permitted employers to defer the employer portion of social security taxes through December 31, 2020. Employers were required to remit one-half of the amount deferred by December 31, 2021 and the remaining half by December 31, 2022. During 2020 the System deferred approximately $215,000 of these taxes and approximately $107,500 were remitted during 2021 and the remaining amount was remitted during 2022 to fulfill this payment obligation. At December 31, 2022 and December 31, 2021, $0 and approximately $107,500, respectively is included in accrued salaries and employee benefits within the accompanying consolidated balance sheets.

The System was awarded approximately $17,700 in Federal American Rescue Plan Act funds by the Illinois Department of Healthcare and Family Services. These funds were meant to cover premium pay and payroll and benefit expenses for employees who spent time mitigating or responding to COVID-19 from March 2021 through June 2022. The System recognized $12,800 and $4,900 for the years ended December 31, 2022 and 2021, respectively as revenue that is included in other operating revenue within the accompanying consolidated statement of operations and changes in net assets.

The System was awarded approximately $36,000 in Federal Emergency Management Agency funds to reimburse the System for personal protective equipment used during the COVID-19 pandemic. For the year ended December 31, 2022, the entirety of these funds were recognized as revenue and included in other operating revenue within the accompanying consolidated statement of operations and changes in net assets.

On April 1, 2021, the System purchased the stock of SH Corporate Company, Inc. and SHF Acquisition Company, Inc. (collectively “Senior Helpers”) for $183,672, net of cash acquired, to further the System's strategy.

On April 1, 2022, the System purchased MobileHelp Group Holdings, LLC (“MobileHelp”) for $286,133, net of cash acquired, to further the System's strategy.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities and amounts disclosed in the notes to the consolidated financial statements at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Although estimates are considered to be fairly stated at the time made, actual results could differ materially from those estimates.

Cash Equivalents

The System considers all highly liquid investments with a maturity of three months or less when purchased, other than those included in the investment portfolio, to be cash equivalents.

Investments

The System has designated substantially all of its investments as trading. Investments in debt and equity securities with readily determinable fair values are measured at fair value using quoted market prices or otherwise observable inputs. Investments in private equity limited partnerships and derivative products (hedge funds) are reported at fair value using net asset value as a practical expedient. Commingled funds are carried at fair value based on other observable inputs. Investment income or loss (including realized gains and losses, interest, dividends and unrealized gains and losses) is included in the nonoperating section of the accompanying consolidated statements of operations and changes in net assets, unless the income or loss is restricted by donor or law or is related to assets designated for self-insurance programs. Investment income on self-insurance trust funds is reported in other revenue in the accompanying consolidated statements of operations and changes in net assets. Investment income or loss that is restricted by donor or law is reported as a change in net assets with donor restrictions.

Assets Limited as to Use

Assets limited as to use consist of investments set aside by the System for future capital improvements and certain medical education and other health care programs. The System retains control of these investments and may, at its discretion, subsequently use them for other purposes. Additionally, assets limited as to use include investments held by trustees or in trust under debt agreements, self-insurance trusts, assets held in reinsurance trust accounts and donor-restricted funds.

Patient Service Revenue and Accounts Receivable

Patient service revenue is reported at the amount that reflects the consideration to which the System expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including managed care payors and government programs and excludes revenues for services provided to patients under capitated arrangements) and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, patients and third-party payors are billed within days after the services are performed or after discharge. Revenue is recognized as performance obligations are satisfied. Provisions for third-party payor settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and final settlements are determined.

As the System's performance obligations relate to contracts with a duration of less than one year, the System has applied the optional exemption provided in the guidance and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which typically occurs within days or weeks of the end of the reporting period.

The System does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component, due to the expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less.

The System has entered into payment arrangements with patients that allow for payments over a term in excess of one year. The System has evaluated historical collections in excess of one year and current market interest rates to determine whether a significant financing component exists that would require an adjustment to the promised amount of consideration from patients and third-party payors. The System has determined that the impact of implicit financing arrangements for payment agreements in excess of one year is insignificant to the accompanying consolidated statements of operations and changes in net assets.

The System does not incur significant incremental costs in obtaining contracts with patients. Any costs incurred are expensed in the period of occurrence, as the amortization period of any asset that the System would have recognized is one year or less in duration.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is a possibility that recorded estimates will change by a material amount.

Inventories

Inventories, consisting primarily of medical supplies, pharmaceuticals and durable medical equipment, are stated at the lower of cost or net realizable value.

Reinsurance Receivables

Reinsurance receivables are recognized in a manner consistent with the liabilities relating to the underlying reinsured contracts.

Goodwill and Intangible Assets, Net

Goodwill of $267,385 and $151,655 and intangible assets of $209,179 and $119,523 are included in goodwill and intangible assets, net in the accompanying consolidated balance sheets as of December 31, 2022 and 2021, respectively. The System has elected to amortize goodwill prospectively using the straight-line method over a 10-year period. Intangible assets with expected useful lives are amortized over that period. Amortization is included in depreciation and amortization in the accompanying consolidated statements of operations and changes in net assets. Amortization expense was $50,837 and $25,129 for the years ended December 31, 2022 and 2021, respectively.

Asset Impairment

The System considers whether indicators of impairment are present and, if indicators are present, performs the necessary tests to determine if the carrying value of an asset is recoverable. Impairment write-downs are recognized in the accompanying consolidated statements of operations and changes in net assets as a component of operating expense at the time the impairment is identified. There were no material impairment charges recorded for the years ended December 31, 2022 and 2021.

Property and Equipment, Net

Property and equipment are reported at cost or, if donated, at fair value at the date of the gift. Costs of computer software developed or obtained for internal use, including external and internal direct costs of materials and labor directly associated with internal-use software development projects, are capitalized during the application development stage and included in property and equipment. Internal labor and interest expense incurred during the period of construction of significant capital projects are capitalized as a component of the costs of the asset.

Property and equipment capitalized under direct financing leases are recorded at the present value of future lease payments, adding initial direct costs and prepaid lease payments, reduced by any lease incentives. Property and equipment capitalized under direct financing leases are amortized using the straight-line method over the related lease term. Amortization of property and equipment under financing leases is included in the accompanying consolidated statements of operations and changes in net assets in depreciation and amortization expense.

Property and equipment assets are depreciated on the straight-line method over a period ranging from 3 years to 80 years.

Operating Lease Right-of-use Assets

The System records an operating lease right-of-use asset (an asset that represents the System's right to use the leased asset for the lease term) for leases that do not meet the criteria as a sales-type lease or a direct financing lease.

The System records operating lease right-of-use assets at the present value of future lease payments, adding initial direct costs and prepaid lease payments, reduced by any lease incentives. Operating lease right-of-use assets are amortized using the straight-line method over the related lease term. Amortization of operating lease right-of-use assets is included in supplies, purchased services and other expense in the accompanying consolidated statements of operations and changes in net assets.

Investments in Unconsolidated Entities

Investments in unconsolidated entities are accounted for using the equity method or as an equity security without a readily determinable fair value. The System applies the equity method of accounting for investments in unconsolidated entities when its ownership or membership interest is 50% or less and the System has the ability to exercise significant influence over the operating and financial policies of the investee. The income (loss) on these unconsolidated entities is included in other revenue in the accompanying consolidated statements of operations and changes in net assets. All other unconsolidated entities are accounted for as an equity security without a readily determinable fair value. These unconsolidated entities are initially recorded at cost, tested for impairment at least annually and adjusted as market transactions occur that would indicate a fair value adjustment is needed. The income (loss) on these unconsolidated entities is included in nonoperating (loss) income in the accompanying consolidated statements of operations and changes in net assets.

Derivative Financial Instruments

The System enters into transactions to manage its interest rate, credit and market risks. Derivative financial instruments, including exchange-traded and over-the-counter derivative contracts and interest rate swaps, are recorded as either assets or liabilities at fair value. Subsequent changes in a derivative's fair value are recognized in nonoperating (loss) income, net.

Bond Issuance Costs, Discounts and Premiums

Bond issuance costs, discounts and premiums are amortized over the term of the bonds using the effective interest method and are included in long-term debt, less current portion in the accompanying consolidated balance sheets.

General and Professional Liability Risks

The provision for self-insured general and professional liability claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. The System measures the cost of its unfunded obligations under such programs based upon actuarial calculations and records a liability on a discounted basis.

Net Assets With Donor Restrictions

Net assets with donor restrictions are those assets whose use by the System has been limited by donors to a specific time period or purpose or consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity. Net assets with donor restrictions are used in accordance with the donor's wishes primarily to purchase property and equipment, to fund medical education or to fund health programs.

Assets released from restrictions to fund purchases of property and equipment are reported as increases to net assets without donor restrictions in the accompanying consolidated statements of operations and changes in net assets. Those assets released from restriction for operating purposes are reported in the accompanying consolidated statements of operations and changes in net assets as other revenue. When restricted, earnings are recorded as net assets with donor restrictions until amounts are expended in accordance with the donor's specifications.

Nonrecurring Expenses

The System has incurred salaries, purchased services and other expenses in connection with the implementation of an enterprise resource planning system in 2022 and 2021, which was placed into service on April 1, 2022. Also included in nonrecurring expenses are costs related to the joint operating agreement with Atrium as described in Note 1. ORGANIZATION AND BASIS OF PRESENTATION. Due to the nature of these expenses, the costs were reported as nonrecurring in the accompanying consolidated statements of operations and changes in net assets.

Other Nonoperating (Loss) Income, Net

Revenues and expenses related to the delivery of health care services are reported in operations. Income and losses that arise from transactions that are peripheral or incidental to the System's main purpose are included in other nonoperating (loss) income, net. Other nonoperating (loss) income, net primarily consists of fund-raising expenses, contributions to charitable organizations, income taxes and the net non-service components of the periodic benefit expense of the System's pension plans.

Revenue (Less Than) in Excess of Expenses and Changes in Net Assets

The accompanying consolidated statements of operations and changes in net assets includes the revenue (less than) in excess of expenses as the performance indicator. Changes in net assets without donor restrictions, which are excluded from revenue (less than) in excess of expenses, primarily include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets), pension-related changes other than net periodic pension costs and distributions to noncontrolling interests.

Accounting Pronouncements Not Yet Adopted

In March 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This guidance provides optional expedients and exceptions for applying current GAAP to contracts, hedging relationships and other transactions affected by the transition from the use of London Interbank Offered Rate (“LIBOR”) to an alternative reference rate. In response to concerns about structural risks of interbank offered rates, and, particularly, the risk of cessation of LIBOR, regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable or transaction based and less susceptible to manipulation. This guidance provides companies the option to ease the potential accounting burden associated with transitioning away from reference rates that are expected to be discontinued. In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*, which adds implementation guidance to ASU 2020-04 to clarify certain optional expedients in Topic 848. In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848,* which defers the sunset date of Topic 848 to December 31, 2024. Management has evaluated the impact of this guidance and does not expect it to have a material impact on the System's consolidated financial statements.

4. COMMUNITY BENEFIT

The System provides health care services without charge to patients who meet the criteria of its charity care policies. Charity care services are not reported as patient service revenue, because payment is not anticipated while the related costs to provide the health care are included in operating expenses. Qualifying patients can receive up to 100% discounts from charges and extended payment plans. The

System's cost of providing charity care was $102,000 and $126,600 for the years ended December 31, 2022 and 2021, respectively, as determined using total cost to charge ratios.

In addition to the provision of charity care, the System provides significant financial support to its communities to sustain and improve health care services.

These activities include:

- The unreimbursed cost of providing care to patients covered by the Medicare and Medicaid programs.
- The cost of providing services that are not self-sustaining, for which patient service revenues are less than the costs required to provide the services. Such services benefit uninsured and low-income patients, as well as the broader community, but are not expected to be financially self-supporting.
- Other community benefits include the unreimbursed costs of community benefits programs and services for the general community, not solely for those demonstrating financial need, including the unreimbursed cost of medical education, health education, immunizations for children, support groups, health screenings and fairs.

5. REVENUE AND RECEIVABLES

Patient service revenue

Patient service revenue is reported at the amount that reflects the consideration to which the System expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including managed care payors and government programs and excludes revenues for services provided to patients under capitated arrangements) and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, patients and third-party payors are billed shortly after discharge. Revenue is recognized as performance obligations are satisfied.

Performance obligations are identified based on the nature of the services provided. Revenue associated with performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. Performance obligations satisfied over time relate to patients receiving inpatient acute care services. The System measures the performance obligation from admission into the hospital to the point when there are no further services required for the patient, which is generally the time of discharge. For outpatient services, the performance obligation is satisfied as the patient simultaneously receives and consumes the benefits provided as the services are performed. In the case of these outpatient services, recognition of the obligation over time yields the same result as recognizing the obligation at a point in time. Management believes this method provides a faithful depiction of the transfer of services over the term of performance obligations based on the inputs needed to satisfy the obligations.

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

The System determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, reduced by explicit and implicit price concessions,

including contractual adjustments provided to third-party payors, discounts provided to uninsured and underinsured patients in accordance with policy and/or implicit price concessions based on the historical collection experience of patient accounts. The System determines the transaction price associated with services provided to patients who have third-party payor coverage based on reimbursement terms per contractual agreements, discount policies and historical experience. For uninsured patients who do not qualify for charity care, the System determines the transaction price associated with services based on charges reduced by implicit price concessions. Implicit price concessions included in the estimate of the transaction price are based on historical collection experience for applicable patient portfolios. Patients who meet the System's criteria for charity care are provided care without charge; such amounts are not reported as revenue. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care using the most likely outcome method. These settlements are estimated based on the terms of the payment agreements with the payor, correspondence from the payor and historical settlement activity, including an assessment to ensure it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as new information becomes available or as years are settled or are no longer subject to such audits, reviews and investigations.

For the years ended December 31, 2022 and 2021, changes in the System’s estimates of implicit price concessions, discounts and contractual adjustments or other reductions to expected payments for performance obligations related to prior years were not significant.

In the normal course of business, the System does receive payments in advance for certain services provided and would consider these amounts to represent contract liabilities. The amounts received in the normal course of business at December 31, 2022 and 2021 were not material. In 2020 the CMS accelerated and advance payments received in relation to the COVID-19 pandemic for Medicare services are deemed contract liabilities at December 31, 2022 and 2021. See Note 2. SIGNIFICANT EVENTS.

Currently, the State of Illinois utilizes supplemental reimbursement programs to increase reimbursement to providers to offset a portion of the cost of providing care to Medicaid and indigent patients. These programs are designed with input from the CMS and are funded with a combination of state and federal resources, including assessments levied on the providers. Under these supplemental programs, the System recognizes revenue and related expenses in the period in which amounts are estimable and collection is reasonably assured. Reimbursement and the assessment under these programs are reflected in the accompanying consolidated statements of operations and changes in net assets are as follows:

	Classification	Year Ended December 31, 2022	Year Ended December 31, 2021
Reimbursement	Patient service revenue	$ 331,438	$ 321,123
Assessment	Supplies, purchased services and other	173,141	181,784

The State of Wisconsin assesses a fee or tax on gross patient service revenue. The revenues from this assessment are used to increase payments made to hospitals for services provided to Medicaid and other medically indigent patients. The System's patient service revenue reflects this increase in payment for services to Medicaid and other medically indigent patients and hospital tax assessment expense reflects the fees assessed by the State. Reimbursement and the assessment under these programs are reflected in the accompanying consolidated statements of operations and changes in net assets are as follows:

	Classification	Year Ended December 31, 2022	Year Ended December 31, 2021
Reimbursement	Patient service revenue	$ 123,358	$ 136,679
Assessment	Supplies, purchased services and other	99,010	99,140

Management has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the payor's geographical location, the line of business that renders services to patients and the timing of when revenue is recognized and billed.

The composition of patient service revenue by payor is asfollows:

	Year Ended December 31, 2022		Year Ended December 31, 2021	
Managed care	$ 6,506,440	53 %	$ 6,534,404	55 %
Medicare	3,813,381	32 %	3,371,753	29 %
Medicaid - Illinois	909,095	8 %	825,834	7 %
Medicaid - Wisconsin	534,105	4 %	539,922	5 %
Self-pay and other	302,750	3 %	430,668	4 %
	$ 12,065,771	100 %	$ 11,702,581	100 %

Deductibles, copayments and coinsurance under third-party payment programs which are the patient's responsibility are included within the primary payor category in the table above.

Capitation Revenue

The System has agreements with various managed care organizations under which the System provides or arranges for medical care to members of the organizations in return for a monthly payment per member. Revenue is earned each month as a result of the System agreeing to provide or arrange for their medical care.

Other Revenue

Other revenue is recognized at an amount that reflects the consideration to which the System expects to be entitled in exchange for providing goods and services. The amounts recognized reflect consideration due from customers, third-party payors and others. Primary categories of other revenue include grant revenue related to the COVID-19 pandemic as described in Note 2. SIGNIFICANT EVENTS, retail pharmacy revenue, clinical integration revenue, managed care risk/quality shared savings revenue and other miscellaneous revenue.

Revenue disaggregation by state and business line are asfollows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Illinois	$ 6,614,232	$ 6,388,560
Wisconsin	6,648,866	6,510,130
Total patient service revenue and capitation	13,263,098	12,898,690
Other revenue	1,281,148	1,163,442
Total revenue	$ 14,544,246	$ 14,062,132
Hospital	$ 8,910,925	$ 8,640,613
Clinic	2,773,500	2,711,468
Home Care	267,091	259,692
Other	114,255	90,808
Total patient service revenue	12,065,771	11,702,581
Capitated revenue	1,197,327	1,196,109
Other revenue	1,281,148	1,163,442
Total revenue	$ 14,544,246	$ 14,062,132

Patient accounts receivable

The System's patient accounts receivable is reported at the amount that reflects the consideration to which it expects to be entitled, in exchange for providing patient care. Patient accounts receivable are reported at net realizable value based on certain assumptions. For third-party payors, including Medicare, Medicaid and Managed Care, the net realizable value is based on the estimated contractual reimbursement percentage, which is based on current contract prices or historical paid claims data by payor. For self-pay, the net realizable value is determined using estimates of historical collection experience including an analysis by aging category. These estimates are adjusted for expected recoveries and any anticipated changes in trends, including significant changes in payor mix and economic conditions or trends in federal and state governmental health care coverage.

The composition of patient accounts receivable is summarized as follows:

	December 31, 2022		December 31, 2021	
Managed care	$ 913,665	51 %	$ 935,709	52 %
Medicare	390,456	22 %	356,959	20 %
Medicaid - Illinois	105,857	6 %	177,188	10 %
Medicaid - Wisconsin	48,172	3 %	50,111	3 %
Self-pay and other	338,349	18 %	296,738	15 %
	$ 1,796,499	100 %	$ 1,816,705	100 %

The self-pay patient accounts receivable above includes amounts due from patients for co-insurance, deductibles, installment payment plans and amounts due from patients without insurance.

6. INVESTMENTS

The System invests in a diversified portfolio of investments, including alternative investments, such as real asset funds, hedge funds and private equity limited partnerships, whose fair value was $5,990,443 and $5,856,960 at December 31, 2022 and 2021, respectively. Collectively, these funds have liquidity terms ranging from daily to annual with notice periods typically ranging from 1 to 90 days. Certain of these investments have redemption restrictions that may restrict redemption for up to 11 years. However, the potential for the System to sell its interest in these funds in a secondary market prior to the end of the fund term does exist for prices at or other than the carrying value.

At December 31, 2022, the System had additional commitments to fund alternative investments, including recallable distributions of $2,040,918 over the next seven years.

In the normal course of operations and within established investment policy guidelines, the System may enter into various exchange-traded and over-the-counter derivative contracts for trading purposes, including futures, options and forward contracts. These instruments are used primarily to maintain the System's strategic asset allocation and hedge security price movements. These instruments require the System to deposit cash or securities collateral with the broker or custodian. Collateral provided was $7,529 and $16,589 at December 31, 2022 and 2021, respectively. The gross notional value of the derivatives outstanding was $331,094 and $282,289 at December 31, 2022 and 2021, respectively.

By using derivative financial instruments, the System exposes itself to credit and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contracts. When the fair value of a derivative contract is positive, the counterparty owes the System, which creates credit risk for the System. When the fair value of a derivative contract is negative, the System owes the counterparty and, therefore, it does not possess credit risk. The System minimizes the credit risk in derivative instruments by entering into transactions that may require the counterparty to post collateral for the benefit of the System based on the credit rating of the counterparty and the fair value of the derivative contract. Market risk is the adverse effect on the value of a financial instrument that results from a change in the underlying reference security. The market risk associated with market changes is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Receivables and payables for investment trades not settled are presented within other current assets and accounts payable and other accrued liabilities in the accompanying consolidated balance sheets. Unsettled sales resulted in receivables due from brokers of $13,769 and $25,384 at December 31, 2022 and 2021, respectively. Unsettled purchases resulted in payables due to brokers of $69,023 and $135,997 at December 31, 2022 and 2021, respectively.

Investment returns for assets limited as to use and cash and cash equivalents are composed of the following:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Interest income and dividends	$ 61,893	$ 99,332
Income from alternative investments	327,168	926,066
Net realized gains	63,760	273,325
Net unrealized (losses) gains	(1,134,151)	79,580
Total	$ (681,330)	$ 1,378,303

Investment returns are included in the accompanying consolidated statements of operations and changes in net assets as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Other revenue	$ 50,156	$ 53,651
Investment (loss) income, net	(723,225)	1,303,546
Net assets with donor restrictions	(8,261)	21,106
Total	$ (681,330)	$ 1,378,303

The cash and cash equivalents and assets limited as to use presented within the accompanying consolidated balance sheets are comprised of the following:

	December 31, 2022	December 31, 2021
Internally designated for capital and other	$ 10,301,972	$ 11,572,323
Held for self-insurance	564,195	649,513
Donor restricted	98,293	155,009
Investments under securities lending program	16,732	17,760
Total noncurrent assets limited as to use	10,981,192	12,394,605
Cash and cash equivalents	372,898	703,725
Current assets limited as to use	153,557	139,742
Total cash and cash equivalents and assets limited as to use	$ 11,507,647	$ 13,238,072

As part of the management of the investment portfolio, the System has entered into an arrangement whereby securities owned by the System are loaned primarily to brokers and investment banks. The loans are arranged through a bank. Borrowers are required to post collateral for securities borrowed equal to no less than 102% of the value of the security on a daily basis, at a minimum. The bank is responsible for reviewing the creditworthiness of the borrowers. The System has also entered into an arrangement whereby the bank is responsible for the risk of borrower bankruptcy and default. At December 31, 2022 and 2021, the System loaned $16,732 and $17,760, respectively, in securities and accepted collateral for these loans in the amount $17,402 and $18,550, respectively, which represents cash and governmental securities, and are included in current liabilities and current assets, respectively, in the accompanying consolidated balance sheets.

7. FAIR VALUE

The System accounts for certain assets and liabilities at fair value and categorizes assets and liabilities measured at fair value in the accompanying consolidated financial statements based upon whether the inputs used to determine their fair values are observable or unobservable. Observable inputs are inputs that are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about pricing the asset or liability, based on the best information available under the circumstances.

The fair value of all assets and liabilities recognized or disclosed at fair value are classified based on the lowest level of significant inputs. Assets and liabilities that are measured at fair value are disclosed and classified in one of the three categories. Category inputs are defined as follows:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities on the reporting date.

Level 2 — Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs that are unobservable for the asset or liability for which there is little or no market data.

The following section describes the valuation methodologies used by the System to measure financial assets and liabilities at fair value. In general, where applicable, the System uses quoted prices in active markets for identical assets and liabilities to determine fair value. This pricing methodology applies to

Level 1 investments, such as domestic and international equities, exchange-traded funds and agency securities.

If quoted prices in active markets for identical assets and liabilities are not available to determine the fair value, then quoted prices for similar assets and liabilities or inputs other than quoted prices that are observable either directly or indirectly are used. These investments are included in Level 2 and consist primarily of corporate notes and bonds, foreign government bonds, mortgage-backed securities, fixed-income securities, including fixed-income government obligations, commercial paper and certain agency, United States and international equities, which are not traded on an active exchange. The fair value for the obligations under swap agreements included in Level 2 is estimated using industry-standard valuation models. These models project future cash flows and discount the future amounts to a present value using market-based observable inputs, including interest rate curves. The fair values of the obligation under swap agreements include adjustments related to the System's credit risk.

Investments owned by the System are exposed to various kinds and levels of risk. Equity securities and equity funds expose the System to market risk, performance risk and liquidity risk for both domestic and international investments. Market risk is the risk associated with major movements of the equity markets. Performance risk is the risk associated with a company's operating performance. Fixed-income securities and fixed-income mutual funds expose the System to interest rate risk, credit risk and liquidity risk. As interest rates change, the value of many fixed-income securities is affected, including those with fixed interest rates. Credit risk is the risk that the obligor of the security will not fulfill its obligations. Liquidity risk is affected by the willingness of market participants to buy and sell particular securities. Liquidity risk tends to be higher for equities related to small capitalization companies and certain alternative investments. Due to the volatility in the capital markets, there is a reasonable possibility of subsequent changes in fair value, resulting in additional gains and losses in the near term.

The carrying values of cash and cash equivalents, accounts receivable and payable, other current assets and accrued liabilities are reasonable estimates of their fair values, due to the short-term nature of these financial instruments.

The fair values of financial assets and liabilities measured at fair value on a recurring basis are as follows:

	December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Cash and short-term investments	$ 789,689	$ 540,092	$ 249,597	$ —
Corporate bonds and other debt securities	720,424	—	720,424	—
United States government bonds	586,517	—	586,517	—
Bond and other debt security funds	465,762	96,219	369,543	—
Non-government fixed-income obligations	32,307	—	32,307	—
Equity securities	761,237	746,574	14,663	—
Equity funds	2,143,486	121,424	2,022,062	—
	5,499,422	$ 1,504,309	$ 3,995,113	$ —
Investments at net asset value				
Alternative investments	6,008,225			
Total investments	$ 11,507,647			
Collateral proceeds received under securities lending program	$ 17,402		$ 17,402	
Liabilities				
Obligations under swap agreements	$ (29,514)		$ (29,514)	
Obligations to return capital under securities lending program	$ (17,402)		$ (17,402)	

	December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Cash and short-term investments	$ 1,251,915	$ 895,856	$ 356,059	$ —
Corporate bonds and other debt securities	816,147	—	816,147	—
United States government bonds	667,877	—	667,877	—
Bond and other debt security funds	559,769	99,237	460,532	—
Non-government fixed-income obligations	34,374	—	34,374	—
Equity securities	1,202,388	1,174,214	28,174	—
Equity funds	2,819,140	147,118	2,672,022	—
	7,351,610	$ 2,316,425	$ 5,035,185	—
Investments at net asset value				
Alternative investments	5,886,462			
Total investments	$ 13,238,072			
Collateral proceeds received under securities lending program	$ 18,550		$ 18,550	
Liabilities				
Obligations under swap agreements	$ (91,217)		$ (91,217)	
Obligations to return capital under securities lending program	$ (18,550)		$ (18,550)	

8. PROPERTY AND EQUIPMENT, NET

The components of property and equipment, net are summarized as follows:

	December 31, 2022	December 31, 2021
Land and improvements	$ 479,733	$ 470,257
Buildings and fixed equipment	8,570,318	7,819,014
Movable equipment and computer software	2,726,704	2,554,215
Construction-in-progress	279,791	629,941
	12,056,546	11,473,427
Accumulated depreciation and amortization	(6,085,004)	(5,530,416)
Property and equipment, net	$ 5,971,542	$ 5,943,011

Property and equipment, net include assets recorded as finance leases and under other financing arrangements. See additional disclosure in Note 9. LEASES.

Depreciation expense was $549,086 and $536,567 for the years ended December 31, 2022 and 2021, respectively.

9. LEASES

The System leases office and clinical space, land and equipment. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets. The System combines lease and non-lease components, except for medical equipment leases.

The depreciable lives of assets are limited by the expected lease terms. Most leases include options to renew. The majority of leases do not provide an implicit rate; therefore, the System has elected to use its incremental borrowing rate, which is the interest rate the System would borrow on a collateralized basis over a similar term, as the discount rate. The System used its incremental borrowing rate on January 1, 2019 for operating leases that commenced prior to that date.

Operating and finance leases are classified as follows within the accompanying consolidated balance sheets:

Leases	Classification	December 31, 2022	December 31, 2021
Assets			
Operating	Operating lease right-of-use assets	$ 305,311	$ 283,398
Finance	Property and equipment, net	226,039	226,766
Total lease assets		$ 531,350	$ 510,164
Liabilities			
Current			
Operating	Operating lease liabilities, current portion	$ 73,026	$ 68,247
Finance	Long-term debt and commercial paper, current portion	17,942	16,669
Noncurrent			
Operating	Operating lease liabilities, less current portion	276,116	248,062
Finance	Long-term debt, less current portion	247,979	248,069
Total lease liabilities		$ 615,063	$ 581,047

Finance lease assets are recorded net of accumulated amortization of $90,244 and $69,861 as of December 31, 2022 and 2021, respectively.

Lease costs are classified as follows within the accompanying consolidated statements of operations and changes in net assets:

Lease cost	Classification	December 31, 2022	December 31, 2021
Operating lease cost	Supplies, purchased services and other	$ 76,869	$ 82,822
Short term lease cost	Supplies, purchased services and other	17,187	13,956
Variable lease cost	Supplies, purchased services and other	37,133	36,358
Finance lease cost			
Amortization of lease assets	Depreciation and amortization	18,795	11,998
Interest on lease liabilities	Interest	18,898	11,482
Sublease income	Other revenue	(2,140)	(2,503)
Net lease cost		$ 166,742	$ 154,113

Lease terms, discount rates and other supplemental information are as follows:

	December 31, 2022	December 31, 2021
Weighted average remaining lease term (in years)		
Operating	6.0	5.2
Finance	9.6	10.4
Weighted average discount rate		
Operating	2.39 %	2.05 %
Finance	8.17 %	8.52 %
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 81,534	$ 86,743
Operating cash flows from finance leases	18,898	11,482
Financing cash flows from finance leases	17,370	9,246

Future maturities of lease liabilities at December 31, 2022 are as follows:

	Operating Leases	Finance Leases	Total
2023	$ 80,121	$ 34,990	$ 115,111
2024	68,669	38,435	107,104
2025	61,602	37,817	99,419
2026	54,196	37,858	92,054
2027	36,978	37,133	74,111
Thereafter	75,628	204,879	280,507
Future minimum lease payments	377,194	391,112	768,306
Less remaining imputed interest	28,052	125,191	153,243
Total	$ 349,142	$ 265,921	$ 615,063

10. INTEREST IN MASONIC FAMILY HEALTH FOUNDATION

The System has an interest in the net assets of the Masonic Family Health Foundation ("MFHF"), an independent organization, under the terms of an asset purchase agreement (the "Agreement"). Substantially all of MFHF's net assets are designated to support the operations and/or capital needs of one of the System's medical facilities. Additionally, 90% of MFHF's investment yield, net of expenses, on substantially all of MFHF's investments is designated for the support of one of the System's medical facilities. MFHF must pay the System, annually, 90% of the investment yield or an agreed-upon percentage of the beginning of the year net assets.

The interest in the net assets of MFHF amounted to $94,302 and $122,793 at December 31, 2022 and 2021, respectively, and is presented within investments in unconsolidated entities in the accompanying consolidated balance sheets. The System's interest in the investment (loss) income is reflected in the investment (loss) income, net line in the accompanying consolidated statements of operations and changes in net assets and amounted to $(23,905) and $17,853 for the years ended December 31, 2022 and 2021, respectively. Cash distributions of $4,077 and $3,584 were received by the System from MFHF under terms of the Agreement during the years ended December 31, 2022 and 2021, respectively. In addition, MFHF made $0 and $694 in contributions to the System for program support during the years ended December 31, 2022 and 2021, respectively.

The summarized financial position and results of operations for MFHF accounted for under the equity method as of and for the periods ended is outlined below:

	December 31, 2022	December 31, 2021
Total assets	$ 99,802	$ 127,838
Total liabilities	4,786	4,440
Net assets	95,016	123,398
Total revenue	$ (22,495)	$ 19,867
Revenue (less than) in excess of expenses	(28,382)	14,014

11. LONG-TERM DEBT

Long-term debt, net of unamortized original issue discount or premium and unamortized deferred bond issuance costs, consisted of the following:

	December 31, 2022	December 31, 2021
Revenue bonds and revenue refunding bonds		
Series 2003A (weighted average rate of 1.38% during 2022 and 2021), principal payable in varying annual installments through November 2022; interest based on prevailing market conditions at time of remarketing	$ —	$ 2,637
Series 2003C (weighted average rate of 1.60% during 2022 and 2021), principal payable in varying annual installments through November 2022; interest based on prevailing market conditions at time of remarketing	—	2,640
Series 2008A (weighted average rate of 4.35% during 2022 and 2021), principal payable in varying annual installments through November 2030; interest based on prevailing market conditions at time of remarketing	111,901	114,310
Series 2008C (weighted average rate of 1.22% and 0.05% during 2022 and 2021, respectively), principal payable in varying annual installments through November 2038; interest based on prevailing market conditions at time of remarketing	271,703	271,672
Series 2011A, 4.00%, principal payable in annual installments through April 2022	—	221
Series 2011B (weighted average rate of 1.49% and 0.34% during 2022 and 2021, respectively), principal payable in varying annual installments through April 2051, subject to a put provision that provides for a cumulative seven-month notice and remarketing period; interest tied to a market index plusa spread	69,029	69,006
Series 2011C (weighted average rate of 2.05% and 0.67% during 2022 and 2021, respectively), principal payable in varying annual installments through April 2049, subject to a put provision on September 3 ,2024; interest tied to a market index plus a spread	49,601	49,570
Series 2011D (weighted average rate of 2.05% and 0.67% during 2022 and 2021, respectively), principal payable in varying annual installments through April 2049, subject to a put provision on September 3, 2024; interest tied to a market index plus a spread	49,601	49,570
Series 2013A, 5.00%, principal payable in varying annual installments through June 2024	13,213	15,014
Series 2014, 4.00% to 5.00%, principal payable in varying annual installments through August 2038	88,293	97,886
Series 2015, 4.13%, principal payable in varying annual installments through May 2045	31,306	31,342
Series 2015B, 4.00% to 5.00%, principal payable in varying annual installments through May 2044	13,997	15,980
Series 2018A, 4.00% to 5.00%, principal payable in varying annual installments through August 2044	104,023	104,603
Series 2018B (weighted average rate of 5.00% during 2022 and 2021), principal payable in varying annual installments through August 2054; interest based on prevailing market conditions at time of remarketing	192,279	197,045
Series 2018C (weighted average rate of 2.37% and 1.31% during 2022 and 2021, respectively), principal payable in varying annual installments through August 2054, interest tied to a market index plus a spread or prevailing market conditions at remarketing	195,087	196,879
	1,190,033	1,218,375

	December 31, 2022	December 31, 2021
Taxable bonds		
Taxable Bond Series 2018, 3.83% to 4.27%, principal payable in varying annual installments through August 2048	802,466	803,497
Taxable Bond Series 2019, 3.39%, principal payable in October 2049	442,107	442,067
Taxable Bond Series 2020A, 2.21% to 3.01%, principal payable in varying annual installments through June 2050	696,196	696,009
	1,940,769	1,941,573
Finance lease obligations and financing arrangements	270,423	270,876
Commercial paper, weighted average interest rate of 1.74% and 0.14% during 2022 and 2021, respectively	50,000	50,000
Taxable Term Loan, (weighted average rate of 2.68% during 2022 and 2021), principal payable in varying annual installments through September 2024	70,437	80,219
	3,521,662	3,561,043
Less amounts classified as current		
Long-term debt, current portion	(51,204)	(46,185)
Commercial paper	(50,000)	(50,000)
Long-term debt and commercial paper, current portion	(101,204)	(96,185)
Long-term debt subject to short-term financing arrangements	(165,035)	(166,350)
	(266,239)	(262,535)
	$ 3,255,423	$ 3,298,508

Maturities of long-term debt, capital leases, and sinking fund requirements, assuming remarketing of the variable rate demand revenue refunding bonds, for the five years ending December 31, 2027, are as follows: 2023 - $51,204; 2024 - $123,605; 2025 - $47,416; 2026 - $42,072; and 2027 - $43,502.

The System's outstanding bonds are secured by obligations issued under the Second Amended and Restated Master Trust Indenture dated as of August 1, 2018, as the same may be amended from time to time, between Advocate Aurora Health, Inc., the other affiliates identified therein as the Members of the Obligated Group and U.S. Bank National Association, as master trustee ("the System Master Indenture"). Under the terms of the bond indentures and other arrangements, various amounts are to be on deposit with trustees, and certain specified payments are required for bond redemption and interest payments. The System Master Indenture and other debt agreements, including bank agreements, also place restrictions on the System and require the System to maintain certain financial ratios.

The System's unsecured variable rate revenue bonds, Series 2011B of $69,660, Series 2018B-2 of $46,310 and Series 2018C-3 of $49,065, while subject to a long-term amortization period, may be put to the System at the option of the bondholders in connection with certain remarketing dates. To the extent that bondholders may, under the terms of the debt, put their bonds within 12 months after December 31, 2022, the principal amount of such bonds has been classified as a current obligation as long-term debt subject to short-term financing arrangements in the accompanying consolidated balance sheets. Management believes the likelihood of a material amount of bonds being put to the System is remote. However, to address this possibility, the System has taken steps to provide various sources of liquidity, including assessing alternate sources of financing, including lines of credit and/or net assets without donor restrictions as a source of self-liquidity.

The System has standby bond purchase agreements with banks to provide liquidity support for the Series 2008C Bonds. In the event of a failed remarketing of a Series 2008C Bond upon its tender by an existing holder and subject to compliance with the terms of the standby bond purchase agreement, the standby bank would provide the funds for the purchase of such tendered bonds, and the System would

be obligated to repay the bank for the funds it provided for such bond purchase (if such bond is not subsequently remarketed), with the first installment of such repayment commencing on the date one year and one day after the bank purchases the bond. As of December 31, 2022, there were no bank-purchased bonds outstanding. To the extent that the standby bond purchase agreement expiration date is within 12 months after December 31, 2022, the principal amount of such bonds would be classified as a current obligation in the accompanying consolidated balance sheets. The standby bond purchase agreements expire as follows: $87,694 in September 2024, $58,225 in September 2025 and $129,456 in January 2026.

In April 2021, the System issued additional Series 2018 Taxable Bonds in the principal amount of $85,000 and additional Series 2019 Taxable Bonds in the principal amount of $85,210 ("Additional Taxable Bonds"). The proceeds of the Additional Taxable Bonds were used to refinance a portion of the Series 2012, Series 2013A, Series 2014, Series 2015 Bonds and to pay certain financing costs. In connection with this transaction, the System recognized a loss on refinancing in the amount of $14,421.

As of December 31, 2022, the System authorized the issuance of up to $1,000,000 in commercial paper aggregate principal outstanding. As of December 31, 2022, $50,000 of commercial paper notes was outstanding, with maturities ranging from 9 to 41 days. As of December 31, 2021, $50,000 of commercial paper was outstanding, with maturities ranging from 7 to 48 days.

At December 31, 2022, the System had lines of credit with banks aggregating to $1,150,000 in available commitments. These lines of credit provide for various interest rates and payment terms and as of December 31, 2022 expire as follows: $350,000 in December 2023, $150,000 in August 2024, $325,000 in December 2024 and $325,000 in December 2025. These lines of credit may be used to redeem bonded indebtedness, to pay costs related to such redemptions, for capital expenditures for general working capital purposes or to provide for certain letters of credit. At December 31, 2022, letters of credit totaling $65,550 have been issued under one of these lines. At December 31, 2022, no amounts were outstanding on these lines or letters of credit.

The System maintains an interest rate swap program on certain of its variable rate debt, as described in Note 12. INTEREST RATE SWAP PROGRAM.

The System’s interest paid amount includes all debt agreements including revenue bonds and revenue refunding bonds, taxable bonds, finance lease obligations, financing arrangements and interest rate swaps. The System's interest paid, net of capitalized interest, amounted to $126,333 and $113,633 for the years ended December 31, 2022 and 2021, respectively. The System capitalized interest of $5,698 and $13,027 for the years ended December 31, 2022 and 2021, respectively.

12. INTEREST RATE SWAP PROGRAM

The System has interest rate-related derivative instruments to manage the exposure of its variable rate debt instruments. By using derivative financial instruments to manage the risk of changes in interest rates, the System exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contracts. When the fair value of a derivative contract is positive, the counterparty owes the System, which creates credit risk for the System. When the fair value of a derivative contract is negative, the System owes the counterparty and, therefore, it does not possess credit risk. The System minimizes the credit risk in derivative instruments by entering into transactions that may require the counterparty to post collateral for the benefit of the System based on the credit rating of the counterparty and the fair value of the derivative contract. Market risk is the adverse effect on the value of a derivative financial instrument that results from a change in interest rates. The market risk associated with interest rate changes is managed by

establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken. The System also mitigates risk through periodic reviews of its derivative positions in the context of its total blended cost of capital.

At December 31, 2022, the System maintains an interest rate swap program on its Series 2008C variable rate demand revenue bonds. These bonds expose the System to variability in interest payments due to changes in interest rates. The System believes that it is prudent to limit the variability of its interest payments. To meet this objective and to take advantage of low interest rates, the System entered into various interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk. These swaps convert the variable rate cash flow exposure on the variable rate demand revenue bonds to synthetically fixed cash flows. The notional amount under each interest rate swap agreement is reduced over the term of the respective agreement to correspond with reductions in the principal outstanding under various bond series.

The System has two swaps that are being held as a swap portfolio as the related debt is no longer outstanding.

The following is a summary of the outstanding positions under these interest rate swap agreements at December 31, 2022:

Bond Series	Notional Amount	Maturity Date	Rate Received	Rate Paid
2008C-1	$ 129,900	November 1, 2038	61.7% of LIBOR + 26bps	3.605 %
2008C-2B	58,425	November 1, 2038	61.7% of LIBOR + 26bps	3.605 %
2008C-3A	88,000	November 1, 2038	61.7% of LIBOR + 26bps	3.605 %
Swap portfolio	50,000	November 1, 2038	61.7% of LIBOR + 26bps	3.605 %
Swap portfolio	24,265	February 1, 2038	70.0% of LIBOR	3.314 %

The swaps are not designated as hedging instruments and, therefore, hedge accounting has not been applied. As such, unrealized changes in fair value of the swaps are classified as changes in fair value of swaps in the accompanying consolidated statements of operations and changes in net assets. The net cash settlement payments, representing the realized changes in fair value of the swaps, are included as interest expense in the accompanying consolidated statements of operations and changes in net assets.

The fair value of the interest rate swap agreements was a liability of $29,514 and $91,217 as of December 31, 2022 and 2021, respectively. No collateral was posted under these swap agreements as of December 31, 2022 and 2021.

Amounts recorded in the accompanying consolidated statements of operations and changes in net assets are as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Net cash payments on interest rate swap agreements (interest expense)	$ 8,432	$ 11,487
Change in fair value of interest rate swaps	$ 61,703	$ 27,403

The interest rate swap instruments contain provisions that require the System to maintain an investment grade credit rating on its bonds from certain major credit rating agencies. If the System's bonds were to fall below investment grade, it would be in violation of these provisions and the counterparties to the swap instruments could request immediate payment or demand immediate and ongoing full overnight collateralization on interest rate swap instruments in net liability positions.

13. RETIREMENT PLANS

The System maintains various employee retirement benefit plans available to qualifying employees and retirees.

The Advocate Health Care Network Pension Plan ("Advocate Plan") was frozen effective December 31, 2019 to new participants and participants ceased accruing additional pension benefits. The accompanying consolidated balance sheets contain an other noncurrent liability related to the Advocate Plan totaling $174,023 and $75,012 at December 31, 2022 and December 31, 2021, respectively. During the years ended December 31, 2022 and 2021, $0 and $30,000, respectively, in cash contributions were made to the Advocate Plan.

The Advocate Aurora Health Pension Plan ("AAH Plan") was created through a merger of the Condell Health Network Retirement Plan (frozen effective January 1, 2008) and the Aurora Health Care, Inc. Pension Plan (frozen effective December 31, 2012). The accompanying consolidated balance sheets contain an other noncurrent liability related to the AAH Plan of $105,335 and $57,617 at December 31, 2022 and December 31, 2021, respectively. During the years ended December 31, 2022 and 2021, no contributions were made to the AAH Plan.

A summary of changes in the plan assets, projected benefit obligation and the resulting funded status for the year ended December 31, 2022 is as follows:

	Advocate	AAH	Total
Change in plan assets:			
Plan assets at fair value at beginning of period	$ 982,077	$ 1,405,674	$ 2,387,751
Actual return on plan assets	(55,218)	(378,408)	(433,626)
Benefits paid	(63,650)	(44,774)	(108,424)
Plan assets at fair value at end of period	$ 863,209	$ 982,492	$ 1,845,701
Change in projected benefit obligation:			
Projected benefit obligation at beginning of period	$ 1,057,089	$ 1,463,291	$ 2,520,380
Interest cost	39,130	43,849	82,979
Actuarial loss (gain)	4,663	(374,539)	(369,876)
Benefits paid	(63,650)	(44,774)	(108,424)
Projected benefit obligation at end of period	$ 1,037,232	$ 1,087,827	$ 2,125,059
Plan assets less than projected benefit obligation	$ (174,023)	$ (105,335)	$ (279,358)
Accumulated benefit obligation at end of period	$ 1,037,232	$ 1,087,827	$ 2,125,059

A summary of changes in the plan assets, projected benefit obligation and the resulting funded status for the year ended December 31, 2021 is as follows:

	Advocate	AAH	Total
Change in plan assets:			
Plan assets at fair value at beginning of period	$ 952,588	$ 1,449,588	$ 2,402,176
Actual return on plan assets	53,662	(2,694)	50,968
Employer contributions	30,000	—	30,000
Benefits paid	(54,173)	(41,220)	(95,393)
Plan assets at fair value at end of period	$ 982,077	$ 1,405,674	$ 2,387,751
Change in projected benefit obligation:			
Projected benefit obligation at beginning of period	$ 1,086,913	$ 1,516,082	$ 2,602,995
Interest cost	28,119	41,650	69,769
Actuarial gain	(3,770)	(53,221)	(56,991)
Benefits paid	(54,173)	(41,220)	(95,393)
Projected benefit obligation at end of period	$ 1,057,089	$ 1,463,291	$ 2,520,380
Plan assets less than projected benefit obligation	$ (75,012)	$ (57,617)	$ (132,629)
Accumulated benefit obligation at end of period	$ 1,057,089	$ 1,463,291	$ 2,520,380

The AAH Plan actuarial gain of $374,539 for the year ending December 31, 2022 was primarily driven by an increase in discount rates and an increase in the expected long-term rate of return on plan assets. The AAH Plan actuarial gain of $53,221 for the year ending December 31, 2021 was primarily driven by an increase in discount rates which was slightly offset by an actuarial loss due to updated mortality improvement assumptions.

The Advocate Plan paid lump sums totaling $60,526 and $51,104 in 2022 and 2021, respectively. The amount in 2022 and 2021 was greater than the sum of the Advocate Plan's service cost and interest cost, resulting in a settlement charge in the amount of $17,789 and $12,102, respectively.

Pension plan expense included in the accompanying consolidated statements of operations and changes in net assets is as follows for the year ended December 31, 2022:

	Advocate	AAH	Total
Interest cost	$ 39,130	$ 43,849	$ 82,979
Expected return on plan assets	(44,909)	(52,179)	(97,088)
Amortization of:			
Actuarial loss	3,491	6,034	9,525
Prior service cost	—	3	3
Settlement	17,789	—	17,789
Net pension expense (income)	$ 15,501	$ (2,293)	$ 13,208

Pension plan expense included in the accompanying consolidated statements of operations and changes in net assets is as follows for the year ended December 31, 2021:

	Advocate	AAH	Total
Interest cost	28,119	41,650	69,769
Expected return on plan assets	(42,421)	(43,487)	(85,908)
Amortization of:			
Actuarial loss	4,477	10,410	14,887
Prior service cost	—	3	3
Settlement	12,102	—	12,102
Net pension expense	$ 2,277	$ 8,576	$ 10,853

The components of net periodic benefit costs, other than the service cost component, are included in other nonoperating (loss) income, net in the accompanying consolidated statements of operations and changes in net assets.

The net change recognized in net assets without donor restrictions as a component of pension-related changes other than net periodic pension cost was as follows for the year ended December 31, 2022:

	Advocate	AAH	Total
Net change recognized	$ 83,510	$ 50,011	$ 133,521

The net change recognized in net assets without donor restrictions as a component of pension-related changes other than net periodic pension cost was as follows for the year ended December 31, 2021:

	Advocate	AAH	Total
Net change recognized	$ 31,590	$ 17,454	$ 49,044

Included in net assets without donor restrictions at December 31, 2022 are the following amounts that have not yet been recognized in net pension expense:

	Advocate	AAH	Total
Unrecognized prior credit	$ —	$ 93	$ 93
Unrecognized actuarial loss	327,637	390,465	718,102
	$ 327,637	$ 390,558	$ 718,195

Expected employee benefit payments to be paid from the pension plans are as follows:

	Advocate	AAH	Total
2023	$ 67,536	$ 54,663	$ 122,199
2024	68,730	58,219	126,949
2025	69,244	61,099	130,343
2026	67,474	64,485	131,959
2027	67,999	66,946	134,945
2028-2032	352,072	363,684	715,756
Total	$ 693,055	$ 669,096	$ 1,362,151

Expected contributions to the pension plans are as follows:

	Advocate	AAH	Total
2023	$ 10,000	$ —	$ 10,000

Employer contributions were paid from employer assets. No plan assets are expected to be returned to the employer. All benefits paid under the Advocate Plan and AAH Plan (collectively referred to as the "Plans") were paid from the Plans' assets.

The System's asset allocation and investment strategies are designed to earn returns on plan assets consistent with a reasonable and prudent level of risk. Investments are diversified across classes, economic sectors and manager style to minimize the risk of loss. The System utilizes investment managers specializing in each asset category and, where appropriate, provides the investment manager with specific guidelines that include allowable and/or prohibited investment types. The System regularly monitors manager performance and compliance with investment guidelines.

The System's target and actual pension asset allocations for the Plans are as follows:

	December 31, 2022		December 31, 2021	
Asset Category - Advocate Plan	**Target**	**Actual**	**Target**	**Actual**
De-risking portfolio	70 %	70 %	70 %	70 %
Domestic and international equity securities	21	20	21	21
Alternative investments	6	7	6	6
Cash and fixed-income securities	3	3	3	3
	100 %	100 %	100 %	100 %

	December 31, 2022		December 31, 2021	
Asset Category - AAH Plan	**Target**	**Actual**	**Target**	**Actual**
De-risking portfolio	85 %	82 %	85 %	83 %
Domestic and international equity securities	12	15	12	14
Real estate	1	1	1	1
Cash and fixed-income securities	2	2	2	2
	100 %	100 %	100 %	100 %

The de-risking portfolio is comprised of cash and fixed-income instruments designed to hedge Plan liabilities.

At December 31, 2022, the Advocate Plan had commitments to fund alternative investments, including recallable distributions of $15,026 over the next four years.

In the normal course of operations and within established investment policy guidelines, the Plans may enter into various exchange-traded and over-the-counter derivative contracts for trading purposes, including futures, options and forward contracts. These instruments are used primarily to maintain the Plans' strategic asset allocation and hedge security price movements. These instruments require the Plans to deposit cash collateral with the broker or custodian.

Derivative contract information at December 31, 2022 are as follows:

	Advocate	AAH	Total
Cash and security collateral provided	$ 15,659	$ 6,819	$ 22,478
Gross notional value	$ (398,544)	$ 232,011	$ (166,533)

Derivative contract information at December 31, 2021 are as follows:

	Advocate	AAH	Total
Cash and security collateral provided	$ 15,978	$ 6,065	$ 22,043
Gross notional value	$ (539,122)	$ 262,962	$ (276,160)

By using derivative financial instruments, the System exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contracts. When the fair value of a derivative contract is positive, the counterparty owes the System, which creates credit risk for the System. When the fair value of a derivative contract is negative, the System owes the counterparty and, therefore, it does not possess credit risk. The System minimizes the credit risk in derivative instruments by entering into transactions that may require the counterparty to post collateral for the benefit of the System based on the credit rating of the counterparty and the fair value of the derivative contract. Market risk is the adverse effect on the value of a financial instrument that results from a change in the underlying reference security. The market risk associated with market changes is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Receivables and payables for investment trades not settled are presented within Advocate Plan assets. Unsettled sales resulted in receivables due from brokers of $118 and $8,515 at December 31, 2022 and 2021, respectively. Unsettled purchases resulted in payables of $647 and $17,265 at December 31, 2022 and 2021, respectively.

Receivables and payables for investment trades not settled are presented within AAH Plan assets. Unsettled sales resulted in receivables due from brokers of $9 and $7,808 at December 31, 2022 and 2021, respectively. Unsettled purchases resulted in payables of $995 and $16,500 at December 31, 2022 and 2021, respectively.

Fair value methodologies for Level 1 and Level 2 are consistent with the inputs described in Note 7. FAIR VALUE. Real estate commingled funds for which an active market exists are included in Level 2. The System opted to use the net asset value per share, or its equivalent, as a practical expedient for the fair value of the Plans' interest in hedge funds, private equity limited partnerships and real estate commingled funds. There is inherent uncertainty in such valuations and the estimated fair values may differ from the values that would have been used had a ready market for these investments existed. Private equity limited partnerships and real estate commingled funds typically have finite lives ranging from five to ten years, at the end of which all invested capital is returned. For hedge funds, the typical lockup period is one year, after which invested capital can be redeemed on a quarterly basis with at least 30 days' but no more than 90 days' notice. The Plans' investment assets are exposed to the same kinds and levels of risk as described in Note 7. FAIR VALUE.

The following are the Plans' financial instruments at December 31, 2022, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 7. FAIR VALUE:

Description	December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and short-term investments	$ 87,955	$ 627	$ 87,328	$ —
Corporate bonds and other debt securities	748,185	—	748,185	—
United States government obligations	540,677	—	540,677	—
Bond and other debt security funds	44,071	—	44,071	—
Equity securities	13,393	13,393	—	—
Equity funds	335,434	9,418	326,016	—
Real estate funds	16,407	—	16,407	—
	1,786,122	$ 23,438	$ 1,762,684	$ —
Investments at net asset value				
Alternative investments	59,579			
Total investments	$ 1,845,701			

The following are the Plans' financial instruments at December 31, 2021, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 7. FAIR VALUE:

Description	December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and short-term investments	$ 78,247	$ 43,778	$ 34,469	$ —
Corporate bonds and other debt securities	984,539	—	984,539	—
United States government obligations	740,439	—	740,439	—
Bond and other debt security funds	53,923	—	53,923	—
Equity securities	19,900	19,900	—	—
Equity funds	432,928	12,474	420,454	—
Real estate funds	16,180	—	16,180	—
	2,326,156	$ 76,152	$ 2,250,004	$ —
Investments at net asset value				
Alternative investments	61,595			
Total investments	$ 2,387,751			

Assumptions used to determine benefit obligations are as follows:

	December 31, 2022	December 31, 2021
Discount rate - Advocate Plan	5.19 %	2.85 %
Discount rate - AAH Plan	5.23 %	3.05 %
Assumed rate of return on assets - Advocate Plan	6.00 %	4.50 %
Assumed rate of return on assets - AAH Plan	4.50 %	3.80 %
Interest crediting rate - Advocate Plan	4.10 %	1.80 %

Assumptions used to determine net pension expense are as follows:

	December 31, 2022	December 31, 2021
Discount rate - Advocate Plan	2.85 %	2.49 %
Discount rate - AAH Plan	3.05 %	2.79 %
Assumed rate of return on assets - Advocate Plan	4.50 %	4.40 %
Assumed rate of return on assets - AAH Plan	3.80 %	3.40 %
Interest crediting rate - Advocate Plan	1.80 %	1.35 %

The assumed rate of return on each of the Plan's assets is based on historical and projected rates of return for asset classes in which the portfolio is invested.

The 2022 and 2021 mortality assumption for the Plans was the amounts-weighted aggregate rates from the Pri-2012 mortality study, with white-collar adjustments projected generationally from 2012 with Scale MP-2021.

In addition to these Plans, the System sponsors a defined contribution plan for its employees. Expense related to the plan, is included in salaries, wages and benefits expense in the accompanying consolidated statements of operations and changes in net assets, were $312,816 and $296,894 for the years ended December 31, 2022 and 2021, respectively.

14. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	December 31, 2022	December 31, 2021
Purchases of property and equipment	$ 19,422	$ 17,579
Medical education and other health care programs	218,754	234,098
	$ 238,176	$ 251,677

15. FUNCTIONAL OPERATING EXPENSES

Operating expenses directly attributable to a specific functional area of the System are reported as expenses of those functional areas. Expenses other than interest expense are directly allocated to functional departments at the time they are incurred. Interest expense that relates to debt financing is allocated based on the use of the related funds. General and administrative expenses primarily include legal, finance, marketing, purchasing and human resources. Health care services require the benefit of and the expense of general and administrative services; therefore, these costs are further allocated to health care services. A majority of fundraising costs are reported as other nonoperating (loss) income, net in the accompanying consolidated statements of operations and changes in net assets.

Functional operating expenses for the year ended December 31, 2022 are as follows:

	Health care services	General and administrative	Consolidated
Salaries, wages and benefits	$ 7,810,612	$ 750,010	$ 8,560,622
Supplies, purchased services and other	4,139,707	630,728	4,770,435
Contracted medical services	518,834	—	518,834
Depreciation and amortization	563,195	36,728	599,923
Interest	118,319	—	118,319
Total operating expenses	13,150,667	1,417,466	14,568,133
Allocation of general and administrative	1,417,466	(1,417,466)	—
Total operating expenses after allocation	$ 14,568,133	$ —	$ 14,568,133

Functional operating expenses for the year ended December 31, 2021 are as follows:

	Health care services	General and administrative	Consolidated
Salaries, wages and benefits	$ 6,936,615	$ 727,322	$ 7,663,937
Supplies, purchased services and other	3,937,999	632,548	4,570,547
Contracted medical services	564,586	—	564,586
Depreciation and amortization	495,608	67,801	563,409
Interest	106,101	—	106,101
Total operating expenses	12,040,909	1,427,671	13,468,580
Allocation of general and administrative	1,427,671	(1,427,671)	—
Total operating expenses after allocation	$ 13,468,580	$ —	$ 13,468,580

16. LIQUIDITY

The System's financial assets available within one year of the consolidated balance sheets date for general expenditures are as follows:

	December 31, 2022	December 31, 2021
Current assets		
Cash and cash equivalents	$ 372,898	$ 703,725
Assets limited as to use	153,557	139,742
Patient accounts receivable	1,796,499	1,816,705
Third-party payors receivables	23,400	22,154
Collateral proceeds under securities lending program	17,402	18,550
Total current assets	2,363,756	2,700,876
Assets limited as to use		
Internally designated for capital and other	10,301,972	11,572,323
Held for self-insurance	564,195	649,513
Donor restricted	98,293	155,009
Investments under securities lending program	16,732	17,760
Total assets limited as to use	10,981,192	12,394,605
Total financial assets	$ 13,344,948	$ 15,095,481
Less		
Amounts unavailable for general expenditures		
Alternative investments	(3,000,238)	(2,727,059)
Total amounts unavailable for general expenditure	(3,000,238)	(2,727,059)
Amounts unavailable to management without approval		
Held for self-insurance	(717,752)	(789,255)
Donor restricted	(98,293)	(155,009)
Investments under securities lending program	(16,732)	(17,760)
Total amounts unavailable to management without approval	(832,777)	(962,024)
Total financial assets available to management for general expenditure within one year	$ 9,511,933	$ 11,406,398

17. COMMITMENTS AND CONTINGENCIES

Aurora West Allis Medical Center has the right to operate the hospital under the terms of a lease agreement with the City of West Allis ("the City"). In accordance with the lease agreement, the City has title to all assets and any subsequent additions (with the exception of certain equipment used by Aurora for laboratory services). Aurora West Allis Medical Center has an exclusive right to the use of the assets and the obligation to maintain and replace them. The historical cost to the System of the leased facilities is included within the System's property and equipment, net. The agreement provides for annual payments of less than $100 in lieu of annual lease payments and includes payment escalations each subsequent year. The lease expires in 2063.

The System is committed to constructing additions and renovations to its medical facilities that are expected to be completed in future years. The estimated cost of these commitments is $879,407, of which $553,775 has been incurred as of December 31, 2022.

The System entered into agreements for information technology services provided by third parties. The maximum amount of future payments that the System could be required to make under these agreements is approximately $102,000 over the next eight years and approximately $3,000 and $22,000 is included in accounts payable and other accrued liabilities and other noncurrent liabilities, respectively in the accompanying consolidated balance sheets at December 31, 2022. The System has

also entered into various other agreements. The future commitments under these agreements are $27,500 over the next three years.

18. GENERAL AND PROFESSIONAL LIABILITY RISKS

The System is self-insured for substantially all general and professional liability risks. The self-insurance programs combine various levels of self-insured retention with excess commercial insurance coverage. In addition, various umbrella insurance policies have been purchased to provide coverage in excess of the self-insured limits. Revocable trust funds, administered by a trustee and captive insurance companies, have been established for the self-insurance programs. Actuarial consultants have been retained to determine the estimated cost of claims, as well as to determine the amount to fund into the irrevocable trust and captive insurance companies.

The System's hospitals, clinics, surgery centers, physicians and certified registered nurse anesthetist providers that provide health care in Wisconsin are qualified health care providers that are fully covered for losses in excess of statutory limits through mandatory participation in the State of Wisconsin Injured Patients and Families Compensation Fund.

The estimated cost of claims is actuarially determined based on past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. Accrued insurance liabilities and contributions to the trust were determined using a discount rate of 3.00% as of December 31, 2022 and 2021. Total accrued insurance liabilities would have been $81,651 and $78,450 greater at December 31, 2022 and 2021, respectively, had these liabilities not been discounted.

The System entities are defendants in certain litigation related to professional and general liability risks, and other matters. Although the outcome of the litigations cannot be determined with certainty, management believes, after consultation with legal counsel, that the ultimate resolution of the litigations will not have a material adverse effect on the System’s operations or financial condition.

19. LEGAL, REGULATORY AND OTHER CONTINGENCIES

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. During the last few years, due to nationwide investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, exclusion from the Medicare and Medicaid programs and revocation of federal or state tax-exempt status. Moreover, the System expects that the level of review and audit to which it and other health care providers are subject will increase.

Various federal and state agencies have initiated investigations, which are in various stages of discovery, relating to reimbursement, billing practices and other matters of the System. There can be no assurance that regulatory authorities will not challenge the System’s compliance with these laws and regulations, and it is not possible to determine the impact, if any, such claims or penalties would have on the System. To foster compliance with applicable laws and regulations, the System maintains a compliance program designed to detect and correct potential violations of laws and regulations related to its programs.

20. INCOME TAXES AND TAX STATUS

The subsidiaries of the System are primarily tax-exempt organizations under Internal Revenue Code Section 501(c)(3) and their related income is exempt from federal income tax. Accordingly, no income taxes are recorded for the majority of the income in the accompanying consolidated financial statements for these entities. Unrelated business income is generated by certain of these entities through the provision of services or other activities not directly related to the provision of patient care.

At December 31, 2022, the System had $153,352 of federal and $113,825 of state net operating loss carryforwards with unutilized amounts of state net operating loss carryforwards expiring between 2022 and 2039. At December 31, 2021, the System had $98,410 of federal and $113,825 of state net operating loss carryforwards with unutilized amounts of state net operating loss carryforwards expiring between 2021 and 2037. As a result of the Tax Cuts and Jobs Act of 2017, net operating losses generated after 2017 do not expire for federal purposes. Of the $153,352 of federal net operating loss carryforwards at December 31, 2022, $138,431 was generated after 2017.

The System calculated income taxes for its taxable subsidiaries. Taxable income differs from pretax book income primarily due to certain income and deductions for tax purposes being recorded in the consolidated financial statements in different periods. Deferred income tax assets and liabilities are recorded for the tax effect of these differences using enacted tax rates for the years in which the differences are expected to reverse.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which those temporary differences become deductible.

The System had deferred tax assets of $71,943 and $51,248, including $41,562 and $30,326 related to net operating loss carryforwards, as of December 31, 2022 and 2021, respectively. These deferred tax assets were partially offset by valuation allowances of $40,580 and $14,534, respectively, which were recorded due to the uncertainty regarding the use of the deferred tax assets.

The System had deferred tax liabilities of $30,748 and $23,655 as of December 31, 2022 and 2021, respectively, resulting in a net deferred tax asset of $615 and $13,059 as of December 31, 2022 and 2021, respectively.

Provisions (credits) for federal, state and deferred income taxes are included in other nonoperating (loss) income, net in the accompanying consolidated statements of operations and changes in net assets as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Federal	$ (15,041)	$ (1,019)
State	—	(303)
Deferred	12,443	(8,668)
	$ (2,598)	$ (9,990)

21 SUBSEQUENT EVENTS

The System evaluated events and transactions subsequent to December 31, 2022 through April 11, 2023, the date of consolidated financial statement issuance.

In January 2023, $46,310 of the Series 2018B-2 Bonds were remarketed for a new long-term rate period and will next be subject to mandatory purchase on June 24, 2026. In connection with the remarketing, $3,260 of the Series 2018B-2 Bonds were redeemed and a loss on refinancing was recorded in the amount of $19.

In January 2023, $49,065 of the Series 2018C-3 Bonds were remarketed for a new long-term rate period and will next be subject to mandatory purchase on June 24, 2026. In connection with the remarketing, $3,455 of the Series 2018C-3 Bonds were redeemed and a loss on refinancing was recorded in the amount of $21.

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#24-008

Supplementary Information

Building a better working world

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Report of Independent Auditors on Supplementary Information

The Board of Directors

Advocate Health, Inc.

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

Ernst + Young LLP

April 11, 2023

ADVOCATE AURORA HEALTH, INC.

CONSOLIDATING BALANCE SHEET

December 31, 2022

(in thousands)

	Credit Group	Noncredit Group	Eliminations	Consolidated
Assets				
Current assets				
Cash and cash equivalents	$ 686,524	$ (313,626)	$ —	$ 372,898
Assets limited as to use	142,005	11,552	—	153,557
Patient accounts receivable	1,591,249	224,273	(19,023)	1,796,499
Other current assets	768,824	165,780	—	934,604
Third-party payors receivables	21,037	2,363	—	23,400
Receivable from subsidiaries	418,484	300,078	(718,562)	—
Collateral proceeds under securities lending program	17,402	—	—	17,402
Total current assets	3,645,525	390,420	(737,585)	3,298,360
Assets limited as to use	10,925,235	365,931	(309,974)	10,981,192
Note receivable from subsidiaries	172,635	—	(172,635)	—
Property and equipment, net	5,494,587	476,955	—	5,971,542
Other assets				
Reinsurance receivable	116,786	—	—	116,786
Goodwill and intangible assets, net	47,689	428,875	—	476,564
Investment in subsidiaries	1,012,938	—	(1,012,938)	—
Investments in unconsolidated entities	172,226	43,950	—	216,176
Operating lease right-of-use assets	259,408	45,903	—	305,311
Other noncurrent assets	491,921	20,418	—	512,339
Total other assets	2,100,968	539,146	(1,012,938)	1,627,176
Total assets	**$ 22,338,950**	**$ 1,772,452**	**$ (2,233,132)**	**$ 21,878,270**

ADVOCATE AURORA HEALTH, INC.

CONSOLIDATING BALANCE SHEET

December 31, 2022

(in thousands)

	Credit Group	Noncredit Group	Eliminations	Consolidated
Current liabilities				
Long-term debt and commercial paper, current portion	$ 98,345	$ 25,014	$ (22,155)	$ 101,204
Long-term debt subject to short-term financing arrangements	165,035	—	—	165,035
Operating lease liabilities, current portion	61,210	11,816	—	73,026
Accrued salaries and employee benefits	1,072,374	93,487	—	1,165,861
Accounts payable and accrued liabilities	848,605	281,970	(19,023)	1,111,552
Third-party payors payables	356,693	484	—	357,177
Accrued insurance and claims costs, current portion	191,738	12,854	—	204,592
Accounts payable to subsidiaries	288,749	407,658	(696,407)	—
Collateral under securities lending program	17,402	—	—	17,402
Total current liabilities	3,100,151	833,283	(737,585)	3,195,849
Noncurrent liabilities				
Long-term debt, less current portion	3,252,131	175,927	(172,635)	3,255,423
Operating lease liabilities, less current portion	235,957	40,159	—	276,116
Accrued insurance and claims cost, less current portion	592,926	41,542	—	634,468
Accrued losses subject to insurance recovery	116,786	—	—	116,786
Obligations under swap agreements	29,514	—	—	29,514
Due to subsidiaries	309,974	—	(309,974)	—
Other noncurrent liabilities	870,746	51,821	—	922,567
Total noncurrent liabilities	5,408,034	309,449	(482,609)	5,234,874
Total liabilities	**8,508,185**	**1,142,732**	**(1,220,194)**	**8,430,723**
Net assets				
Without donor restrictions				
Controlling interest	13,666,706	110,259	(739,385)	13,037,580
Noncontrolling interests in subsidiaries	—	445,344	(273,553)	171,791
Total net assets without donor restrictions	13,666,706	555,603	(1,012,938)	13,209,371
With donor restrictions	164,059	74,117	—	238,176
Total net assets	**13,830,765**	**629,720**	**(1,012,938)**	**13,447,547**
Total liabilities and net assets	**$ 22,338,950**	**$ 1,772,452**	**$ (2,233,132)**	**$ 21,878,270**

ADVOCATE AURORA HEALTH, INC.

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended December 31, 2022

(in thousands)

	Credit Group	Noncredit Group	Eliminations	Consolidated
Revenue				
Patient service revenue	$ 10,812,322	$ 1,597,719	$ (344,270)	$ 12,065,771
Capitation revenue	557,744	643,841	(4,258)	1,197,327
Other revenue	700,071	936,489	(355,412)	1,281,148
Total revenue	12,070,137	3,178,049	(703,940)	14,544,246
Expenses				
Salaries, wages and benefits	7,497,794	1,088,848	(25,855)	8,560,787
Supplies, purchased services and other	3,692,346	1,296,096	(253,294)	4,735,148
Contracted medical services	179,908	689,605	(350,679)	518,834
Depreciation and amortization	499,940	99,766	—	599,706
Interest	112,642	15,903	(10,226)	118,319
Total expenses	11,982,630	3,190,218	(640,054)	14,532,794
Operating income (loss) before nonrecurring expenses	**87,507**	**(12,169)**	**(63,886)**	**11,452**
Nonrecurring expenses	35,339	—	—	35,339
Operating income (loss)	**52,168**	**(12,169)**	**(63,886)**	**(23,887)**
Nonoperating (loss) income				
Investment loss, net	(698,863)	(24,362)	—	(723,225)
Loss on debt refinancing	(33)	—	—	(33)
Change in fair value of interest rate swaps	61,703	—	—	61,703
Other nonoperating (loss) income, net	(12,518)	(7,752)	4	(20,266)
Total nonoperating (loss) income, net	(649,711)	(32,114)	4	(681,821)
Revenue less than expenses	(597,543)	(44,283)	(63,882)	(705,708)
Less income attributable to noncontrolling interests	—	(109,006)	63,882	(45,124)
Revenue less than expenses- attributable to controlling interests	**$ (597,543)**	**$ (153,289)**	**$ —**	**$ (750,832)**

Notes to Supplementary Information

1. Credit Group

The supplementary financial information for the Credit Group is in accordance with the Second Amended and Restated Master Trust Indenture dated as of August 1, 2018 between Advocate Aurora Health, Inc, the other affiliates identified therein as the Members of the Obligated Group, the Restricted Affiliates, and U.S. Bank National Association, as master trustee ("the System Master Indenture").

2. Credit Group Members

The Credit Group is comprised of the Obligated Group in combination with the Restricted Affiliates. The Obligated Group includes Advocate Aurora Health, Inc.; Advocate Health Care Network; Advocate Health and Hospitals Corporation; Advocate North Side Health Network; Advocate Condell Medical Center; Advocate Sherman Hospital; Aurora Health Care, Inc.; Aurora Health Care Metro, Inc.; Aurora Health Care Southern Lakes, Inc.; Aurora Health Care Central, Inc. d/b/a Aurora Sheboygan Memorial Medical Center; Aurora Medical Center of Washington County, Inc.; Aurora Health Care North, Inc. d/b/a Aurora Medical Center Manitowoc County; Aurora Medical Center of Oshkosh, Inc.; Aurora Medical Group, Inc.; Aurora Medical Center Grafton LLC; and Aurora Medical Center Bay Area, Inc. The Restricted Affiliates include Advocate Charitable Foundation; Advocate Home Care Products, Inc.; EHS Home Health Care Services, Inc.; Evangelical Services Corporation, d/b/a Advocate Network Services, Inc.; High Technology, Inc.; Meridian Hospice; and West Allis Memorial Hospital Inc. d/b/a Aurora West Allis Medical Center. The Credit Group is with U.S. Bank National Association, as master trustee ("the System Master Indenture").

#24-008

AGC
THE CONSTRUCTION ASSOCIATION

JULY

2022

CONSTRUCTION INFLATION ALERT

For more than two years the U.S. construction industry has been buffeted by unprecedented increases in materials costs, supply-chain bottlenecks, and a tight labor market. To help project owners, government officials, and the public understand how these conditions are affecting contractors and their workers, the Associated General Contractors of America (AGC) has posted frequent updates of the Construction Inflation Alert.

Several recent developments have raised the specter of a sharp slowdown or even a recession in the U.S. economy. Inflation is at a 40-year high, sapping consumers' purchasing power despite elevated wage increases. Major stock indexes have declined sharply—a frequent but not foolproof harbinger of recession. A growing number of companies have announced layoffs, although the job market remains vibrant, as indicated by large monthly employment increases, near-record job openings, and a persistently low unemployment rate

However, a recession is far from certain. Demand for infrastructure, manufacturing, and power construction appears to be strong and likely to strengthen further, perhaps for several years to come. In any case, the cost of construction materials and labor does not generally move in sync with the overall economy. In short, owners should not assume that delaying projects will enable them to avoid volatility and disruptions in construction costs, delivery times, and labor supply, even if the economy slows significantly.

Meanwhile, Russia's ongoing attack on Ukraine and Western sanctions against Russia have disrupted production and transport of dozens of commodities. China's prolonged lockdown of Shanghai and other areas in an attempt to control the spread of covid has also affected production and shipping. New variants of covid, as well as a growing number of people with lingering or recurrent symptoms ("long-haul covid"), add to uncertainty about labor supply.

This version of the Alert is the seventh update since the first edition was posted in March 2021—an indication that the situation remains far from "normal." This document will continue to be revised to keep it timely as conditions affecting demand for construction, labor supply, and materials costs and availability change. Each new version is posted here: https://www.agc.org/learn/construction-data/agc-construction-inflation-alert

Please send comments and feedback, along with "Dear Valued Customer" letters or other information about materials costs and supply-chain issues, to AGC of America's chief economist, Ken Simonson, ken.simonson@agc.org.

Recent changes in input costs

Previous editions of this guide have highlighted the extreme runup in materials costs that began in early 2020. More recently, prices have moved in divergent directions for different materials. But, on balance, they continue to climb at a much higher rate than the consumer price index.

The extent of these increases is documented by the Bureau of Labor Statistics (BLS). BLS posts producer price indexes (PPIs) around the middle of each month for thousands of products and services (at www.bls.gov/ppi). Most PPIs are based on the prices that sellers say they charged for a specific item on the 11th day of the preceding month. Producers include manufacturers and fabricators, intermediaries such as steel service centers and distributors, and providers of services ranging from design to trucking.

Figure 1 shows the magnitude of the increases for seven widely used categories of construction inputs. From April 2020, the low point for prices of many goods during the early stage of the pandemic, to June 2022, the PPI for steel mill products more than doubled (up 124% in 26 months). There were increases of more than 60% in the indexes for copper and brass mill shapes (up 68%) and lumber and plywood (up 61%). PPIs rose by more than half for plastic construction products (up 55%) and aluminum mill shapes (up 53%). The index for gypsum products increased 44% and the PPI for truck transportation climbed 40%. Numerous other indexes rose by more than the 23% increase in the "bid price" index.

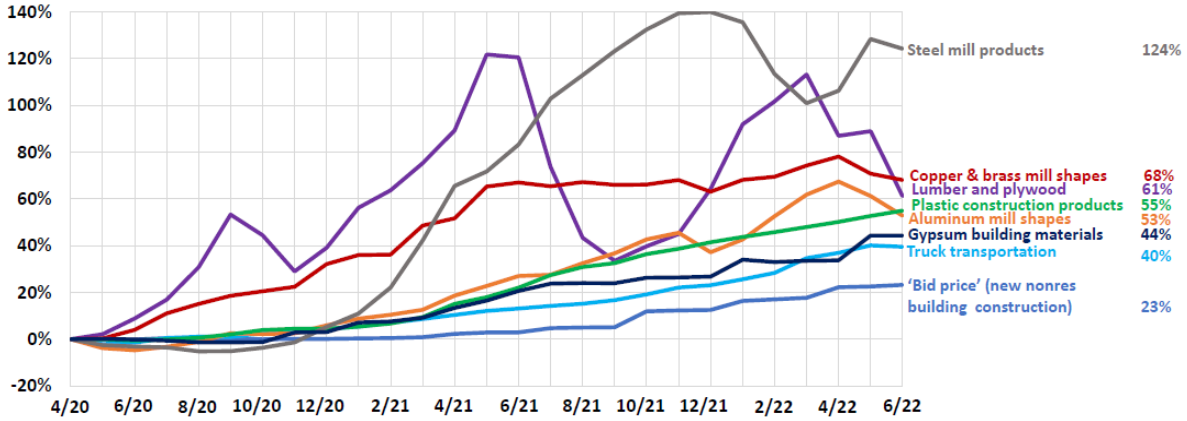
124%

The PPI for steel mill products rose 124% in 26 months

Figure 1

PPIs for construction bid prices and selected inputs

cumulative change in PPIs, April 2020-June 2022 (not seasonally adjusted)



Source: Bureau of Labor Statistics, producer price indexes, www.bls.gov/ppi

Supply-chain issues

From the first days of the pandemic, availability and delivery times for materials have been never-ending headaches for construction firms. Problems began as early as February 2020, when factories in China and northern Italy were shut down, causing shortages of items as diverse as elevator parts, floor tiles, and kitchen appliances. Two years later, another round of covid-related restrictions in China disrupted production and shipping from that country.

Russia's attack on Ukraine, Western countermeasures against Russia, and diversions or blockages of cargo ships are impeding or cutting off supplies of items as diverse as pig iron used in steelmaking, neon for lasers used in semiconductor manufacturing and other applications, and Ukrainian clay used in producing ceramic tile exported to the U.S. from Italy and Spain. Some of these impacts are far down the supply chain from the actual construction item. For instance, a producer of electrical switchgear reported in May that the time for delivering products from its plant had doubled from 20 weeks to 40, in part because of difficulty acquiring a fire-retardant chemical produced in Europe that goes into a plastic resin used to make the housing for its switchgear.

Adding to these pandemic- and conflict-induced problems, a series of unusual mishaps interfered with output or delivery of numerous goods. The biggest impact for construction came from the severe freeze in Texas in February 2021 that damaged all of the petrochemical plants producing resins for a host of construction plastics. Damage to the electrical grid in Louisiana from Hurricane Ida last September further interfered with the production of some plastics inputs. Some cement plants have incurred unusually long outages, in part because of delays in sourcing replacement parts.

466,000

The number of job openings at the end of May, a record for the month

Contractors have also been affected by the much-publicized shortage of computer chips. Not only is the construction industry a major buyer of pickup trucks that are in short supply, but deliveries of construction equipment also have been held up by a lack of semiconductors.

Contractors have reported being quoted exceptionally long lead times and/or allocations (less-than-full shipments, generally tied to previously ordered quantities) for inputs as varied as electrical transformers, traffic signal equipment, highway striping paint, wallboard, insulation, windows, and roofing fasteners. Strong demand, plant outages, and truck driver shortages have meant long delays in completing ready-mix concrete pours in several states in the Southeast and West.

So far, there is little sign that the supply chain will consistently improve before 2023—or even 2024, in the case of some computer chips. While the lead time for some items has shortened, deliveries for many materials remain delayed or unpredictable. In fact, the expiration of labor contracts for West Coast longshore workers and rail workers nationwide could result in new disruptions of shipments later this year.

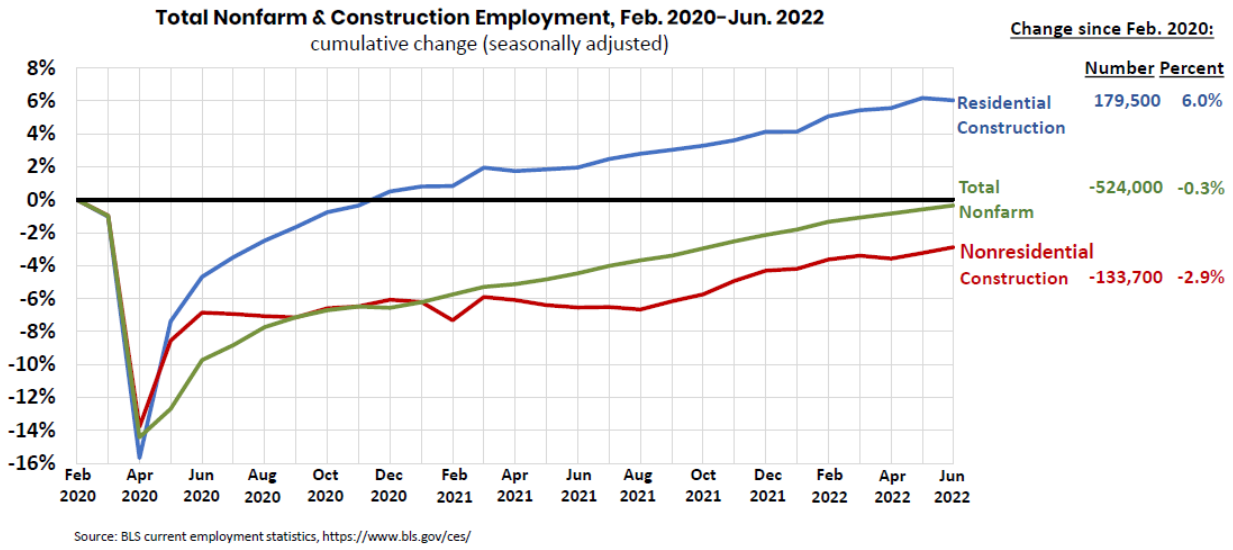
Labor supply and cost

Construction employment has bounced back well from the early months of the pandemic. However, construction firms are far short of the number of workers they have been seeking. They have partially closed the gap by getting more overtime from the workers they have, but this cannot continue indefinitely.

The construction industry lost 1.1 million employees from February to April 2020—a 15% decline in just two months. While both residential and nonresidential construction employment rebounded somewhat in May 2020, employment stalled for more than a year after that among nonresidential firms—nonresidential building and specialty trade contractors plus civil and heavy engineering construction firms. During that period, thousands of experienced workers moved into residential construction (homebuilding and remodeling), found jobs in other sectors, or left the workforce completely.

By June 2022, seasonally adjusted construction employment totaled 7,670,000—modestly higher than the 7,624,000 employed in February 2020. But there was a large shift between residential and nonresidential subsectors. Compared to February 2020 levels, residential construction firms had added nearly 180,000 workers, while employment in nonresidential construction was still down 134,000 employees or 2.9%, as shown in Figure 2.

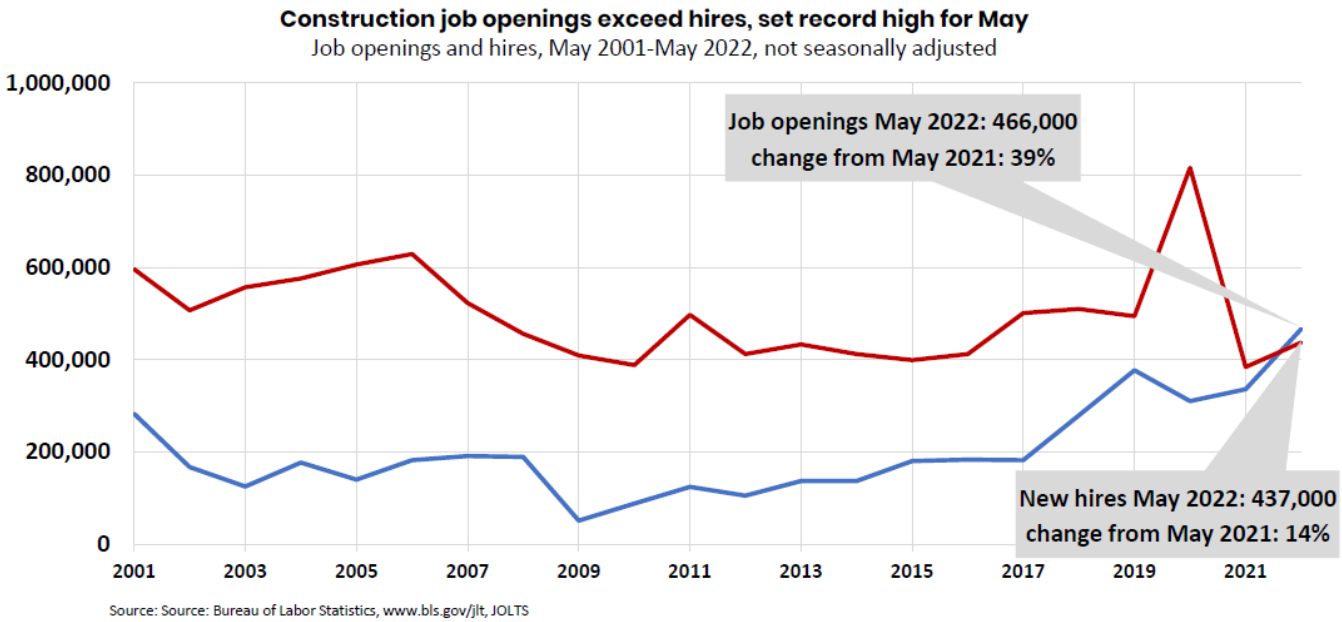
Figure 2



Source: BLS current employment statistics, https://www.bls.gov/ces/

There is strong evidence that the construction industry would have added many more workers if they had been available. Job openings in construction at the end of May totaled 466,000 (not seasonally adjusted), a jump of 130,000 or 39% from a year earlier and by far the largest May total in the 22-year history of the data, as shown in Figure 3. In fact, job openings exceeded the 437,000 workers hired in May, implying that construction firms would have hired twice as many workers that month as they were able to, if there had been enough qualified applicants.

Figure 3



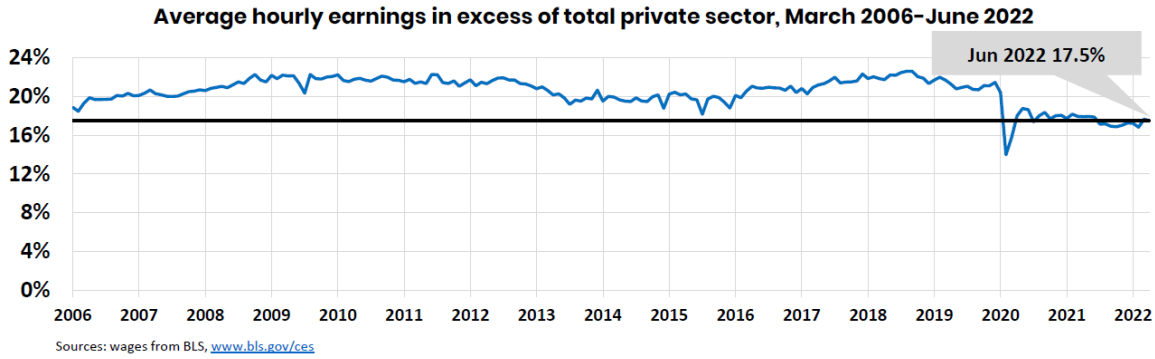
Source: Source: Bureau of Labor Statistics, www.bls.gov/jlt, JOLTS

In order to attract, retain, and bring back workers, construction firms are raising pay. Average hourly earnings in construction for "production and nonsupervisory employees"—mainly hourly craft workers—rose 6.0% from June 2021 to June 2022. That compared with increases of 4.0% in the previous 12 months and 2.8% in the 12 months ending in June 2000.
Despite the acceleration in wages, construction pay has not risen as fast as in other industries. Historically, as shown in Figure 4, contractors paid a "premium" to attract workers willing to work in the conditions, locations, and hours required for construction. Specifically, average hourly earnings for production workers in construction typically averaged 20% to 23% more than for all private sector employees, up until the onset of the pandemic. This premium shrank to less that 18% since the start of the pandemic as restaurants, warehouses, delivery services, and other industries drastically increased pay. Other sectors were also able to offer greater flexibility regarding hours and worksites, including work from home, that are not possible for construction.

Figure 4

Wage premium for construction has shrunk

- "Premium" for construction wages relative to total private sector has shrunk from 20-23% pre-pandemic to 17.5% for production & nonsupervisory employees as other sectors boost pay, benefits and offer flexible hours and locations
- Implications: Contractors will have raise pay still more, pay more overtime, invest more in labor-saving software and equipment



Sources: wages from BLS, www.bls.gov/ces

These differences imply that construction wages will have to rise even more steeply to restore (and perhaps expand) the pay "premium." In addition, it is likely that contractors will pay more overtime to make up for the workers they don't have. They may also turn more to offsite production and onsite drones, robotics, 3-D printers, and other ways of reducing the number or skill level of the workers they employ.

Changes in bid prices

The extreme runup in so many input costs caused financial hardship for many contractors and subcontractors, especially for those whose purchases are concentrated in materials with extra-steep increases.

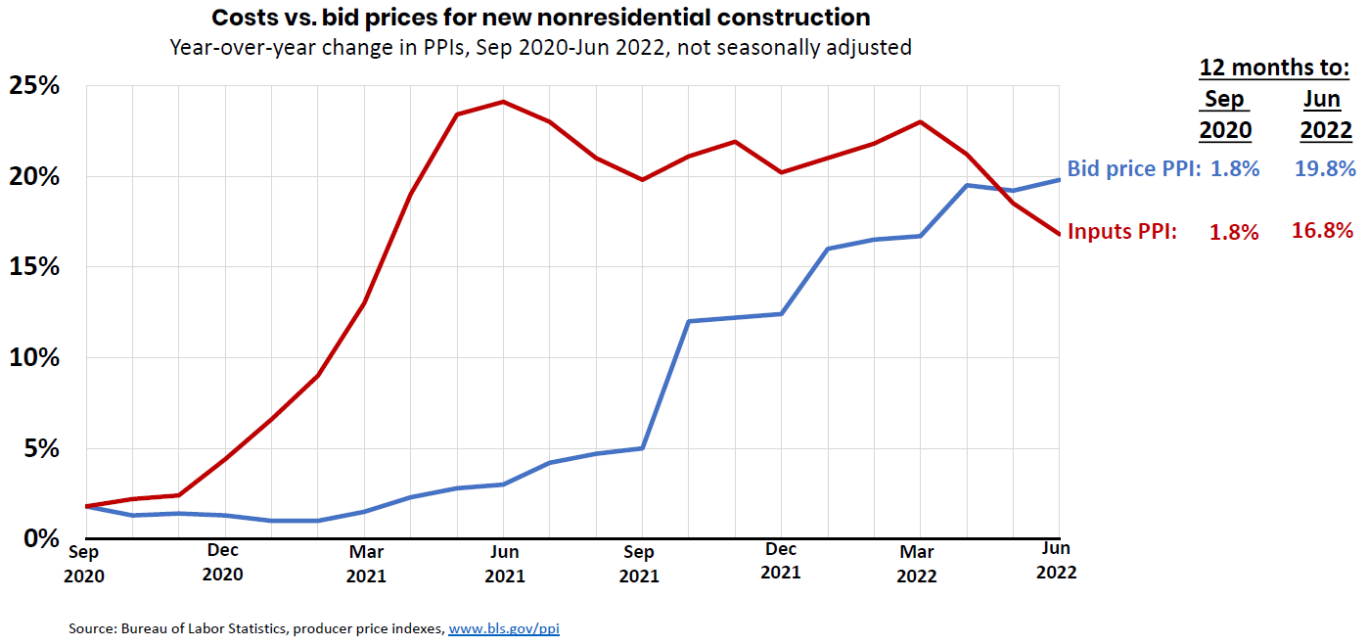
BLS posts several PPIs for new nonresidential construction. Since every construction project is unique, it is not possible to collect prices for identical construction "products" in the same way as for most goods and services. Instead, the agency creates "bid price" PPIs (BLS refers to them as output price indexes) through a two-step process. Each quarter it receives data from construction cost-estimating firms regarding the cost of a package of installed components or "assemblies" of a particular nonresidential building. Every month BLS asks a fixed group of contractors the amount of overhead and profit they would charge to erect that building—the same building that contractor was asked about previously. BLS combines the answers from a set of contractors to create PPIs for new warehouse, school, office, industrial, and healthcare building construction, along with a weighted average of these building types for an overall index for new nonresidential building construction.

BLS also creates PPIs for inputs to construction--weighted averages of the cost of materials and services purchased for every type of project.

As shown in Figure 5, the PPI for bid prices rose at the same rate as the PPI for inputs from September 2019 to September 2020, 1.8% year-over-year. The bid-price PPI continued rising at a modest rate through mid-2021, while the year-over-year change in input prices accelerated to more than 24% by June 2021.

Since mid-2001, the bid-price PPI also has accelerated considerably, as contractors attempt to pass on their rising materials and labor costs. By June 2022, the bid-price index was climbing at a 19.8% year-over-year rate, compared to 16.8% for the PPI for inputs to new nonresidential construction.

Figure 5



Source: Bureau of Labor Statistics, producer price indexes, www.bls.gov/ppi

The bid-price index only indicates the price contractors propose for new starts. On projects for which they had already submitted a bid or begun work, contractors were stuck with paying elevated materials prices that they could not pass on.

What's next for bid prices?

There is no fixed relationship between input costs and bid prices. For every firm and time period, the relationship depends on specific market conditions and expectations.

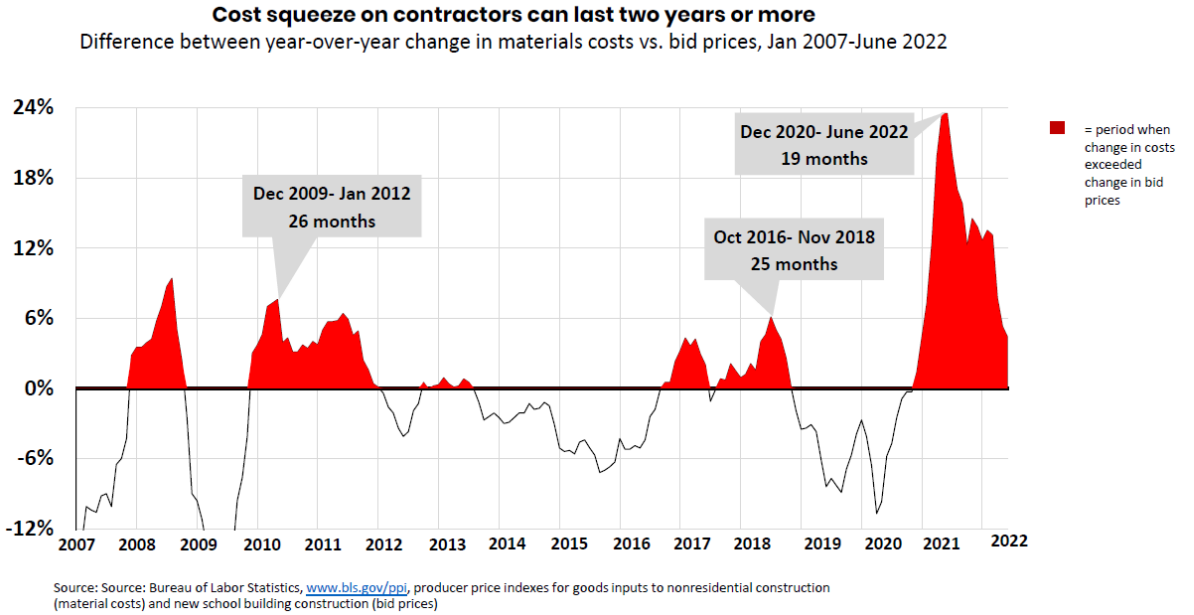
However, it is possible to look at past relationships. Figure 6 shows the difference between the year-over-year change in the PPI for materials costs for goods inputs to construction and the bid-price index for new school construction. The areas in red indicate periods in which the year-over-year change in the PPI for exceeded the bid-price PPI for schools. (Similar patterns exist for the bid-price indexes for new warehouse, office, industrial and healthcare buildings.)

Materials costs outran bid prices for as long as 26 months from late 2009 to early 2012 and for 25 months from late 2016 to late 2018. The current gap hasn't lasted as long but the peak was more than twice as high as in previous episodes, indicating the pain for contractors has been that much more intense.

26 months

The year-over-year change in materials costs may exceed the change in bid prices for 2 years or more

Figure 6



Source: Source: Bureau of Labor Statistics, www.bls.gov/ppi, producer price indexes for goods inputs to nonresidential construction (material costs) and new school building construction (bid prices)

What can contractors and owners do?

Contractors can provide project owners with timely and credible third-party information about changes in relevant material costs and supply-chain snarls that may impact the cost and completion time for a project that is underway or for which a bid has already been submitted.

Owners can authorize appropriate adjustments to design, completion date, and payments to accommodate or work around these impediments. Nobody welcomes a higher bill, but the alternative of having a contractor go out of business because of impossible costs or timing is likely to be worse for many owners.

For projects that have not been awarded or started, owners should start with realistic expectations about current costs and the likelihood of increases. They should provide potential bidders with accurate and complete design information to enable bidders to prepare bids that minimize the likelihood of unpleasant surprises for either party.

Owners and bidders may want to consider price-adjustment clauses that would protect both parties from unanticipated swings in materials prices. Such contract terms can enable the contractor to include a smaller contingency in its bid, while providing the owner an opportunity to share in any savings from downward price movements (as has occurred recently with lumber, diesel fuel, and some metals prices). The ConsensusDocs set of contract documents (www.consensusdocs.org) is one source of industry-standard model language for such terms. The ConsensusDocs website includes a price escalation resource center (https://www.consensusdocs.org/price-escalation-clause/).

The parties may also want to discuss the best timing for ordering materials and components. Buying items earlier than usual can provide protection against cost increases. But purchase before use entails paying sooner for the items; potentially paying for storage, security against theft and damage, and insurance; and the possibility of design changes that make early purchase unwise.

Conclusion

The construction industry is in the midst of a period of exceptionally steep and fast-rising costs for a variety of materials, compounded by major supply-chain disruptions and difficulty finding enough workers—a combination that threatens the financial health of many contractors. No single solution will resolve the situation, but there are steps that government officials, owners, and contractors can take to lessen the pain.

Federal trade policy officials can act immediately to end tariffs and quotas on imported products and materials. With many U.S. mills and factories already at capacity, bringing in more imports at competitive prices will cool the overheated price spiral and enable many users of products that are in short supply to avoid layoffs and shutdowns.

The federal government can improve the labor supply by allowing employers to sponsor more foreign-born workers to fill positions for which there are not enough qualified applicants. In addition, the federal government should fund and approve more apprenticeship and training programs to enable students and career-switchers to acquire the skills needed for construction trades.

Officials at all levels of government should review all regulations, policies, and enforcement actions that may be unnecessarily driving up costs and slowing importation, domestic production, transport, and delivery of raw materials, components, and finished goods.

Owners need to recognize that fast-changing materials costs and availability require a quick decision regarding bids and requests for changes. For new and planned projects, owners should expect quite different pricing from previous estimates. They may want to consider building in more flexibility regarding design, timing, or cost-sharing.

Contractors need, more than ever, to closely monitor costs and delivery schedules for materials and to communicate information with owners, both before submitting bids and throughout the construction process.

Materials prices do eventually reverse course. Owners and contractors alike will benefit when that happens. Until then, cooperation and communication can help reduce the damage.

AGC resources

This document will be updated if market conditions warrant. Check for the latest edition at:
https://www.agc.org/learn/construction-data/agc-construction-inflation-alert for the latest edition

The AGC website, www.agc.org, has a variety of resources available to contractors, owners, and others wanting to know more about the construction industry.

AGC posts tables showing changes in PPIs and national, state, and metro construction employment each month at:
https://www.agc.org/learn/construction-data

AGC's Data DIGest is a weekly one-page summary of economic news relevant to construction. Subscribe at:
https://store.agc.org/Store/Store/StoreLayouts/Item_Detail.aspx?iProductCode=4401
or email chief economist Ken Simonson at ken.simonson@agc.org.

Construction documents are available for viewing and purchase from ConsensusDocs at www.consensusdocs.org, including the price escalation resource center, www.consensusdocs.org/price-escalation-clause/