

24-031

RECEIVED

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

SEP 17 2024

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

HEALTH FACILITIES &
SERVICES REVIEW BOARD

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	Riverside Orthopedic and Spine Center		
Street Address:	100 Riverside Drive		
City and Zip Code:	Bourbonnais 60914		
County:	Bourbonnais	Health Service Area:	009 Health Planning Area: 091

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

Exact Legal Name:	Riverside Medical Center
Street Address:	350 N. Wall Street
City and Zip Code:	Kankakee 60901
Name of Registered Agent:	Phillip M. Kambic
Registered Agent Street Address:	350 N. Wall Street
Registered Agent City and Zip Code:	Kankakee 60901
Name of Chief Executive Officer:	Phillip M. Kambic
CEO Street Address:	350 N. Wall Street
CEO City and Zip Code:	Kankakee 60901
CEO Telephone Number:	815-935-7549

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:	Joe Ourth
Title:	Partner
Company Name:	Saul Ewing LLP
Address:	161 North Clark Street, Suite 4200, Chicago, Illinois 60601
Telephone Number:	312-876-7815
E-mail Address:	joe.ourth@saul.com
Fax Number:	312-876-6215

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

Name:	Paula M. Jacobi
Title:	General Counsel
Company Name:	Riverside Medical Center
Address:	350 N. Wall Street, Kankakee Illinois 60901
Telephone Number:	815-922-5231
E-mail Address:	pjacobi@rhc.net
Fax Number:	815-933-0798

**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.

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Street Address:	100 Riverside Drive		
City and Zip Code:	Bourbonnais 60914		
County:	Bourbonnais	Health Service Area:	009 Health Planning Area: 091

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

Exact Legal Name:	Riverside Health System d/b/a Riverside Healthcare
Street Address:	350 N. Wall Street
City and Zip Code:	Kankakee 60901
Name of Registered Agent:	Phillip M. Kambic
Registered Agent Street Address:	350 N. Wall Street
Registered Agent City and Zip Code:	Kankakee 60901
Name of Chief Executive Officer:	Phillip M. Kambic
CEO Street Address:	350 N. Wall Street
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E-mail Address:	pjacobi@rhc.net
Fax Number:	815-933-0798

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:	Paula M. Jacobi
Title:	General Counsel
Company Name:	Riverside Medical Center
Address:	350 N. Wall Street, Kankakee, Illinois 60901
Telephone Number:	815-922-5231
E-mail Address:	pjacobi@rhc.net
Fax Number:	815-933-0798

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Riverside Medical Center
Address of Site Owner:	350 N. Wall Street, Kankakee, Illinois 60901
Street Address or Legal Description of the Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.	
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Operating Identity/Licensee

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

Exact Legal Name:	Riverside Medical Center		
Address:	350 N. Wall Street, Kankakee, Illinois 60901		
☒ Non-profit Corporation	☐ Partnership		
☐ For-profit Corporation	☐ Governmental		
☐ Limited Liability Company	☐ Sole Proprietorship	☐ Other	
- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. - Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.			
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification :

- ☐ Substantive
- ☒ Non-substantive

2. Narrative Description

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

Riverside Medical Center ("Riverside") proposes building out 11,393 square foot of shell space on the third floor of its Orthopedics and Spine Center located at 100 Riverside Drive, Bourbonnais, Illinois ("the Project"). The Review Board approved the original project unanimously as Project No. 19-052 which included the third floor as shell space. Consistent with the Board's regulations, Riverside committed to return to the Board for a permit before it undertook any construction in the shell space. A permit would not be required for this Project except for the commitment to seek a permit relating to the shell space.

Since the original construction of the medical office building completed in 2021, the orthopedic and neurosurgery service lines have expanded to meet a growing patient demand. The new construction builds out approximately half of the shell space and will house clinic space for two interventional pain providers and one neurosurgeon and neuro advanced practice provider added in the past year. The third floor space will also free up space on the second floor for additional orthopedic providers being recruited for sports medicine, non-operative sports medicine and hand specialties.

The proposed Project is "non-substantive" because it will have no inpatient services, no HFSRB designated "categories of service" and will not be a licensed surgery center. This permit application is being filed solely because of the shell space build out.

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		\$0	\$0
Site Survey and Soil Investigation		\$0	\$0
Site Preparation			
Off Site Work			
New Construction Contracts		\$4,827,670	\$4,827,670
Modernization Contracts			
Contingencies		\$482,767	\$482,767
Architectural/Engineering Fees		\$145,995	\$145,995
Consulting and Other Fees		\$88,000	\$88,000
Movable or Other Equipment (not in construction contracts)		\$370,000	\$370,000
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		\$5,914,432	\$5,914,432
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities		\$5,914,432	\$5,914,432
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS		\$5,914,432	\$5,914,432
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):
December 31, 2025

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

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

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

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable?

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

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

Cost Space Requirements

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

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

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

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

Facility Bed Capacity and Utilization

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

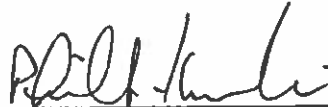
FACILITY NAME: Riverside Medical Center		CITY: Kankakee			
REPORTING PERIOD DATES: From: January 1, 2023 to: December 31, 2023					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	163	5,205	23,528	0	163
Obstetrics	30	830	1,908	0	30
Pediatrics					
Intensive Care	31	904	3,535	0	31
Comprehensive Physical Rehabilitation	30	780	7,957	0	30
Acute/Chronic Mental Illness	64	1,661	13,471	0	64
Neonatal Intensive Care					
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:	318	9,380	50,399	0	318

CERTIFICATION

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

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

This Application is filed on the behalf of Riverside Medical Center * 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

Phillip Kambic
PRINTED NAME

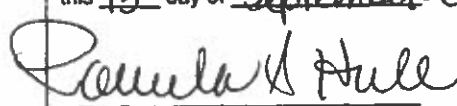
President & CEO
PRINTED TITLE


SIGNATURE

Paula Jacobi
PRINTED NAME

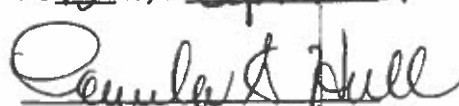
General Counsel
PRINTED TITLE

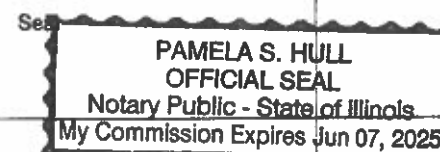
Notarization:
Subscribed and sworn to before me
this 13 day of September 2024


Signature of Notary



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


Signature of Notary

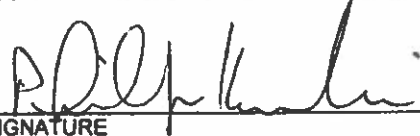


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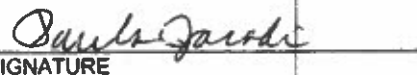
- in the case of a corporation, any two of its officers or members of its Board of Directors.
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist).
- in the case of a partnership, two of its 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 Riverside Health System d/b/a Riverside Healthcare 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

Phillip Kambic
PRINTED NAME

President & CEO
PRINTED TITLE

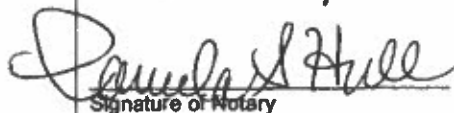

SIGNATURE

Paula Jacobi
PRINTED NAME

General Counsel
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 13 day of September 2024

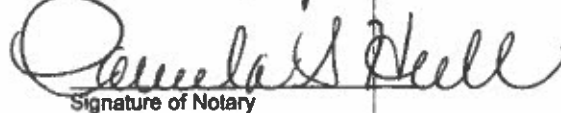

Signature of Notary

Seal

PAMELA S. HULL
OFFICIAL SEAL
*Insert the EX-909 Legal State of Illinois Applicant
My Commission Expires Jun 07, 2025

Notarization:

Subscribed and sworn to before me
this 13 day of September 2024


Signature of Notary

Seal

PAMELA S. HULL
OFFICIAL SEAL
Notary Public - State of Illinois
My Commission Expires Jun 07, 2025

SECTION II. DISCONTINUATION

This Section is applicable to the discontinuation of a health care facility or the discontinuation of more than one category of service in a 6-month period. If the project is solely for a discontinuation of a health care facility the **Background of the Applicant(s) and Purpose of Project MUST** be addressed. **A copy of the Notices listed in Item 7 below MUST be submitted with this Application for Discontinuation** <https://www.ilga.gov/legislation/ilcs/documents/002039600K8.7.htm>

Criterion 1110.290 – Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that are to be discontinued.
2. Identify all the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be maintained.
6. Provide copies of the notices that were provided to the local media that would routinely be notified about facility events.
7. **For applications involving the discontinuation of an entire facility, provide copies of the notices that were sent to the municipality in which the facility is located, the State Representative and State Senator of the district in which the health care facility is located, the Director of Public Health, and the Director of Healthcare and Family Services. These notices shall have been made at least 30 days prior to filing of the application.**
8. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.290(b) for examples.

IMPACT ON ACCESS

1. Document whether the discontinuation of each service or of the entire facility will have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within the **geographic service area**.

APPEND DOCUMENTATION AS ATTACHMENT 10, 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 ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.110(b) & (d)

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

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

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

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

ALTERNATIVES

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

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost.
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes.
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality, and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
 - 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

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

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

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

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

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

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

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

PROJECT SERVICES UTILIZATION:

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

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

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

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET 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.

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]:

\$5,914,432	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.
_____	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.
\$5,914,432	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	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

SECTION X. SAFETY NET IMPACT STATEMENT

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

1. The project's material impact, if any, on essential safety net services in the community, *including the impact on racial and health care disparities in the community*, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in each community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

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

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
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: Riverside Medical Center 350 N. Wall Street
(Name) (Address)
Kankakee IL 60901 815/902-5231
(City) (State) (ZIP Code) (Telephone Number)

2. Project Location: 100 Riverside Drive Bourbonnais IL
(Address) (City) (State)
Kankakee
(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 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)

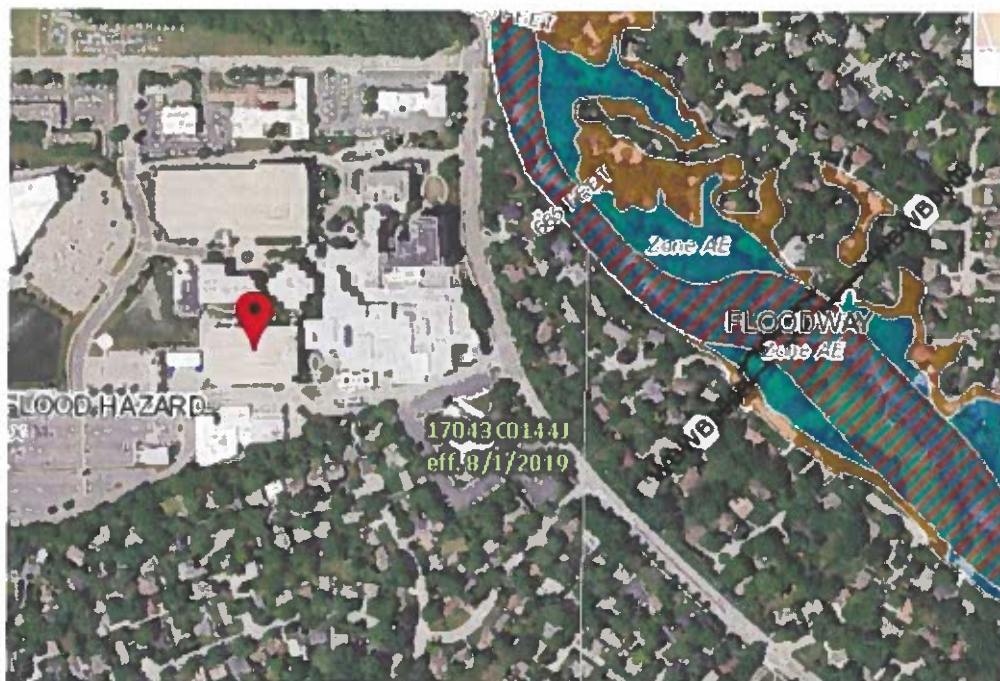
Signature: _____ Date: _____

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.

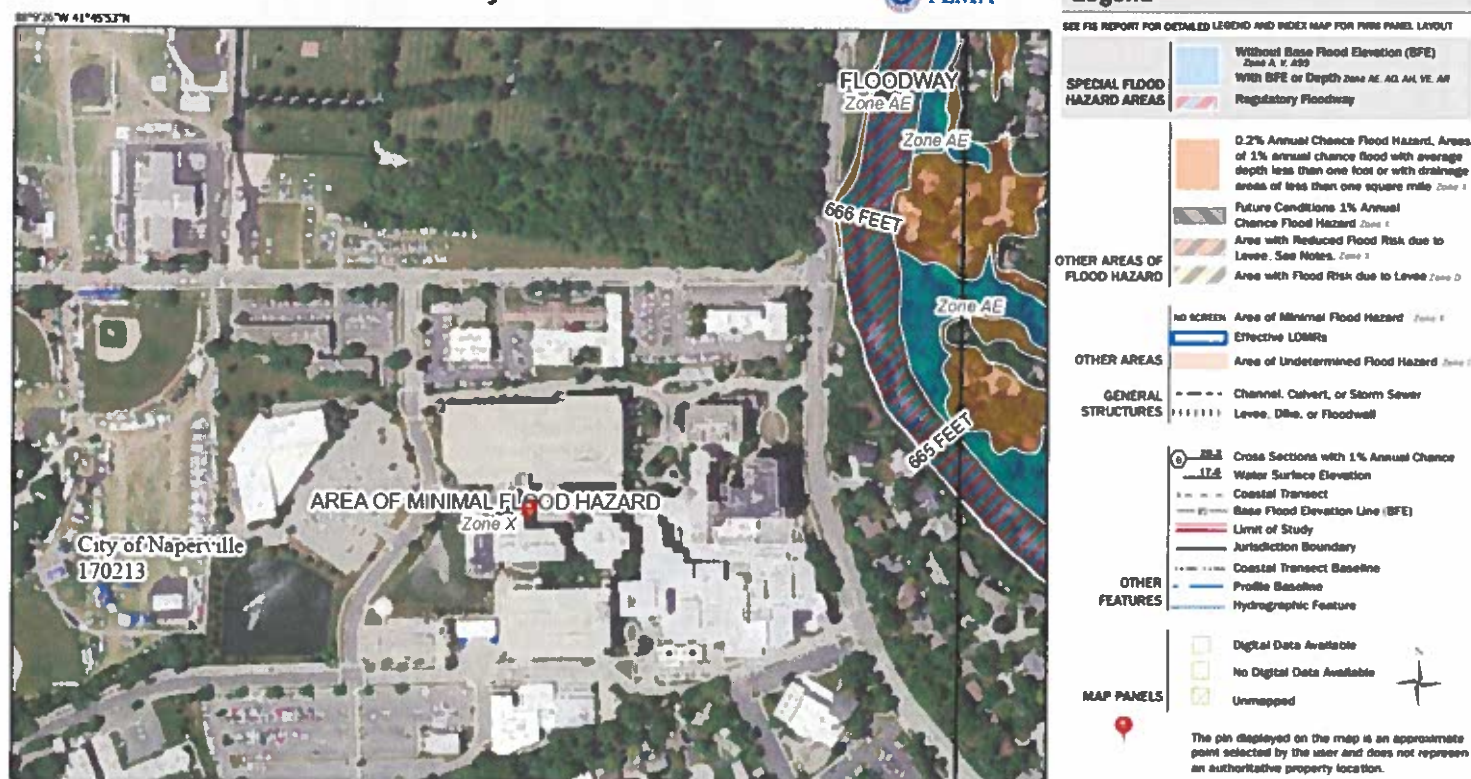
If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428

Floodplain Map Example

The image below is an example of the floodplain mapping required as part of the IDPH swimming facility construction permit showing that the swimming pool, to undergo a major alteration, is outside the mapped floodplain.



National Flood Hazard Layer FIRMette



Section I, Type of Ownership of Applicant/Co-Applicant

Attachment 1

1. **Riverside Medical Center (“Hospital”)**: The Hospital is an Illinois not-for-profit organization. A copy of the Hospital’s Good Standing Certificate is attached.

2. **Riverside Health System, d/b/a Riverside Healthcare (“System”)**: The System is an Illinois not-for-profit organization. A copy of the System’s Good Standing Certificate is attached.

File Number

5265-328-2



To all to whom these Presents Shall Come, Greeting:

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

RIVERSIDE HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 19, 1982, 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.



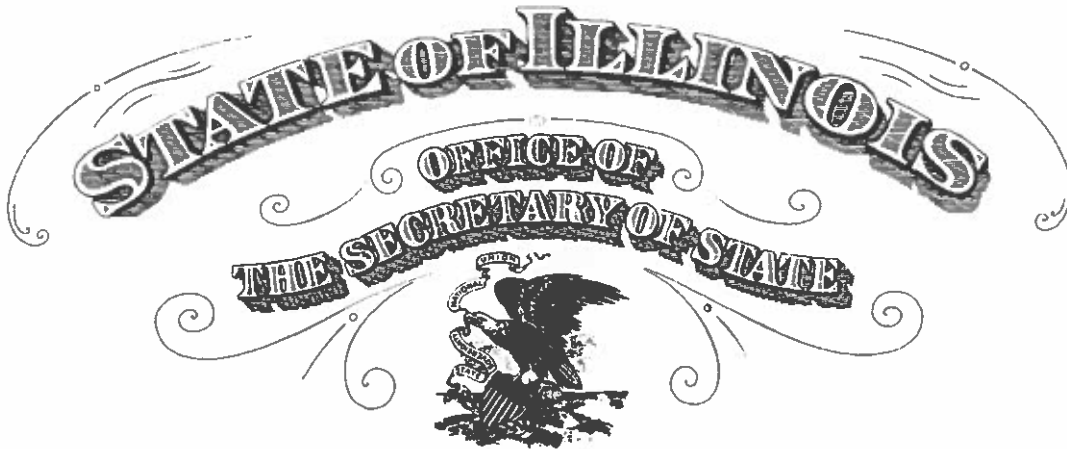
Authentication #: 2328201690 verifiable until 10/09/2024
Authenticate at: <https://www.sos.gov>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 9TH day of OCTOBER A.D. 2023 .

Alexi Giannoulis
SECRETARY OF STATE

File Number

3882-598-4



To all to whom these Presents Shall Come, Greeting:

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

RIVERSIDE MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 20, 1959, 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.



Authentication #: 2328201710 verifiable until 10/09/2024
Authenticate at: <https://www.ilsos.gov>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 9TH day of OCTOBER A.D. 2023 .

Alexi Giannoulas
SECRETARY OF STATE

Section I, Site Ownership

Attachment 2

Attached is a copy of the 2023 tax bill for the site, which shows that Hospital owns the site.

Property Information		
Parcel Number 17-09-08-100-021	Site Address 85 E 4500 N RD BOURBONNAIS, IL 60914	Owner Name & Address RIVERSIDE MEDICAL CENTER 350 N WALL STREET KANKAKEE, IL, 60901-2901
Tax Year 2023 (Payable 2024) ▼		
Sale Status None		
Property Class 0060 - IMPROVED	Tax Code 17027 - BOURBONNAIS 27	Tax Status Taxable
Net Taxable Value 1,538,491	Tax Rate 8.226400	Total Tax \$126,562.42
Township BOURBONNAIS	Acres 0.0000	Mailing Address
Legal Description RIVERSIDE BOURBONNAIS CAMPUS LT 4 4.06AC 08-31-12E		

Assessments							
Level	Homesite	Dwelling	Farm Land	Farm Building	Mineral	Total	Partial Building
DOR Equalized	232,297	1,306,194	0	0	0	1,538,491	No
Department of Revenue	232,297	1,306,194	0	0	0	1,538,491	No
Board of Review Equalized	232,297	1,306,194	0	0	0	1,538,491	No
Board of Review	232,297	1,306,194	0	0	0	1,538,491	No
S of A Equalized	232,297	1,306,194	0	0	0	1,538,491	No
Supervisor of Assessments	232,297	1,306,194	0	0	0	1,538,491	No
Township Assessor	232,297	1,306,194	0	0	0	1,538,491	No

Billing			
	1st Installment (Due 06/27/2024)	2nd Installment (Due 09/05/2024)	Totals
Tax Billed	\$63,281.21	\$63,281.21	\$126,562.42
Penalty Billed	\$0.00	\$0.00	\$0.00
Cost Billed	\$0.00	\$0.00	\$0.00
Drainage Billed	\$0.00	\$0.00	\$0.00
Total Billed	\$63,281.21	\$63,281.21	\$126,562.42
Amount Paid	\$63,281.21	\$63,281.21	\$126,562.42
Total Unpaid	\$0.00	\$0.00	\$0.00
Paid By	Riverside Health System	Riverside Health System	
Date Paid	6/24/2024	8/29/2024	

No Exemptions

No Farmland Information

Parcel Genealogy					
Relationship	Parcel Number	Action	Year	Change Effective Year	Completed
Parent Parcel	170908100013	Split	2023	2023	Yes

Related Names

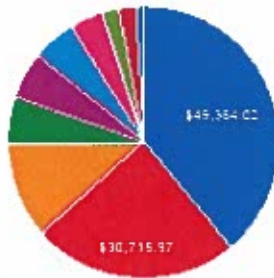
Parcel Owner RIVERSIDE MEDICAL CENTER
350 N WALL STREET
KANKAKEE, IL, 60901-2901

No Redemptions

No Sales History Information

Taxing Bodies

District	Tax Rate	Extension
BOURBONNAIS SD #53	3.209900	\$49,384.02
BRADLEY-BOURB. HS #307	1.996500	\$30,715.97
KANKAKEE COUNTY	0.952700	\$14,657.21
KANKAKEE CC #520	0.459500	\$7,069.37
VILLAGE OF BOURBONNAIS	0.443300	\$6,820.13
BOURBONNAIS FIRE	0.428800	\$6,597.05
BOURBONNAIS TWP PARK	0.318700	\$4,903.17
BOURBONNAIS LIBRARY	0.173300	\$2,666.20
BOURBONNAIS TOWNSHIP ROAD	0.166800	\$2,566.20
BOURBONNAIS TOWNSHIP	0.076900	\$1,183.10
TOTAL	8.226400	\$126,562.42



- BOURBONNAIS SD #53
- BRADLEY-BOURB. HS #307
- KANKAKEE COUNTY
- KANKAKEE CC #520
- VILLAGE OF BOURBONNAIS
- BOURBONNAIS FIRE
- BOURBONNAIS TWP PARK
- BOURBONNAIS LIBRARY
- BOURBONNAIS TOWNSHIP ROAD
- BOURBONNAIS TOWNSHIP

Disclaimer

New this year, you may reprint your tax bill for no additional fee. **THE TAX BILL MUST HAVE A BARCODE!** If we receive your payment without a barcode a \$5 fee will apply.

Please note that we continuously process payments taken at our local banks. If this system shows you have not paid your taxes, and you paid at a bank, it's because your payment has not been processed yet. All payments taken at our local banks before the due dates posted are considered ON-TIME. We appreciate your patience and understanding. **IF YOU ARE RESEARCHING DELINQUENT PROPERTIES DURING THIS TIME, YOU ARE ADVISED THAT THE ACCURACY OF INFORMATION ON THIS SYSTEM CANNOT BE GUARANTEED.**

1st Installment Due June 27, 2024

2nd Installment Due September 5, 2024

NO PERSONAL OR BUSINESS CHECKS WILL BE ACCEPTED AFTER SEPTEMBER 26, 2024.

Section I, Operating Identity/Licensee

Attachment 3

Riverside Medical Center (“RMC”) is an Illinois not-for-profit organization. A copy of RMC’s Good Standing Certificate is included in Attachment 1.

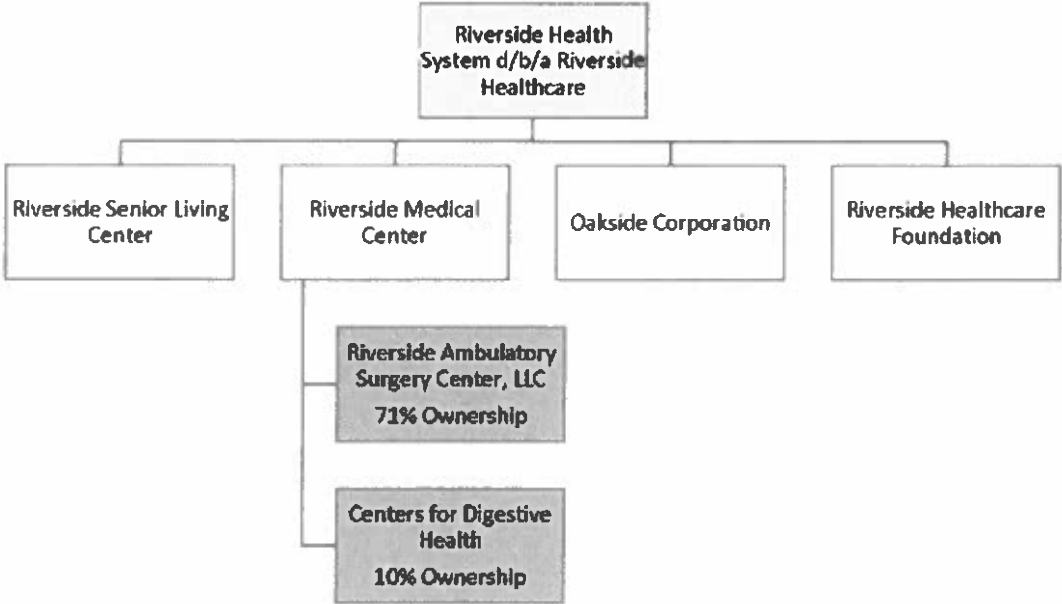
Section I, Organizational Relationships

Attachment 4

A copy of Riverside Healthcare's organizational chart is attached.

**Riverside Health System
d/b/a Riverside Healthcare**

Organizational Chart

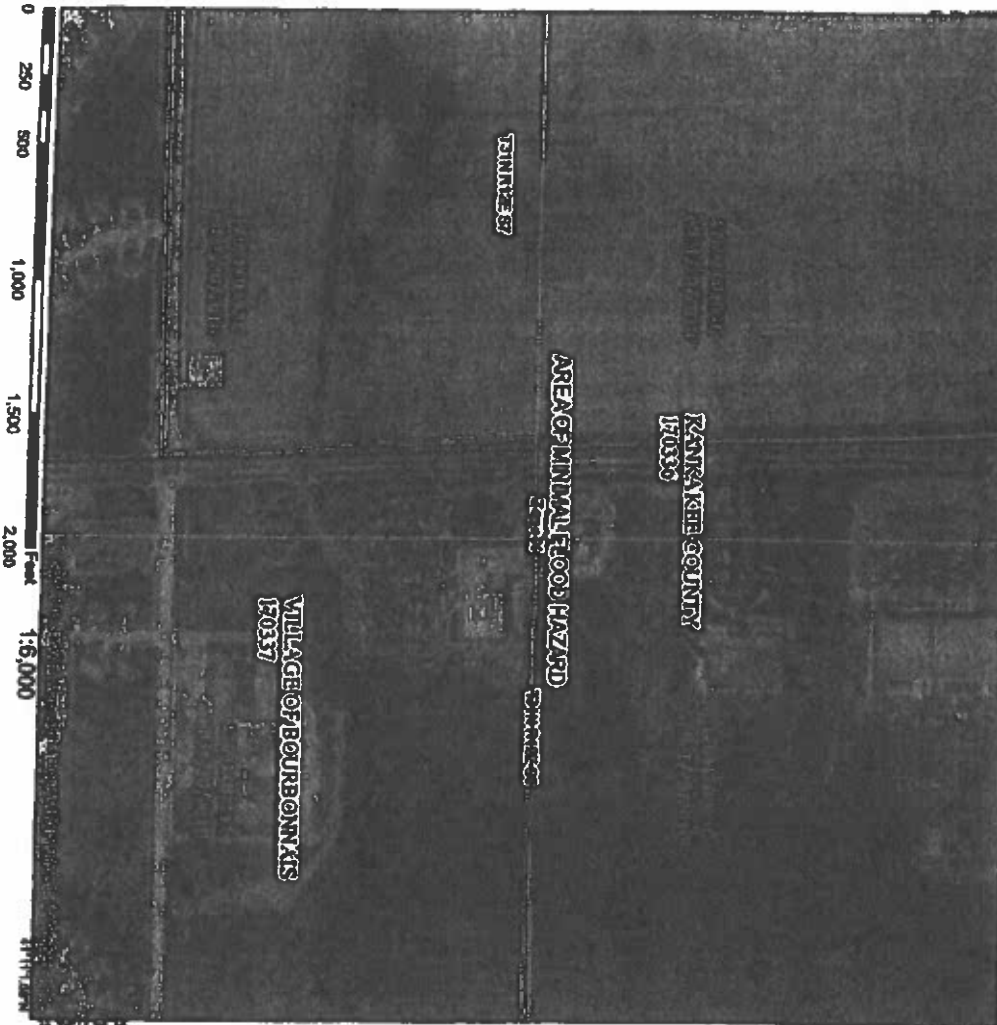


Section I, Flood Plain Requirement

Attachment 5

As shown on the attached FEMA map the site of the Project is not located in a flood plain and that the Project complies with the Flood Plain Rules under Illinois Executive Order #2006-5.

National Flood Hazard Layer FIRMette



ATTACHMENT-5

Legend

0.5% Annual Chance Flood Hazard Area of 25 annual chance flood with average depth less than one foot or with existing water of less than one square mile (see map)

1% Annual Chance Flood Hazard Area of 1% annual chance flood with average depth less than one foot or with existing water of less than one square mile (see map)

Other Areas of Flood Hazard

Other Areas of Flood Hazard

Other Areas of Flood Hazard

OTHER AREAS

General Structures

Other Areas of Flood Hazard

Other Areas of Flood Hazard

Other Areas of Flood Hazard

OTHER FEATURES

Other Features

Other Features

Other Features

MAP PANELS

Map Panels

Map Panels

Map Panels

The map is displayed on the map is an approximate representation of the data and does not represent an authoritative property boundary.

The map is displayed on the map is an approximate representation of the data and does not represent an authoritative property boundary.

The map is displayed on the map is an approximate representation of the data and does not represent an authoritative property boundary.

Section I, Historic Resources Preservation Act Requirements

Attachment 6

The Project is to construct a portion of the shell space in an existing medical office building. A letter to the Illinois Department of Natural Resources is attached, which includes the DNR letter from 2019 showing that there was no historical significance at the time of construction of the medical office building.

SAUL EWING

LLP

Joe Ourth
Phone: 312.876.7815
Fax: 312.876.6215
joe.ourth@saul.com
www.saul.com

September 13, 2024

Via electronic mail – SHPO.Review@Illinois.gov

Robert F. Appleman
Deputy State Historic Preservation Officer
State Historic Preservation Office
Illinois Department of Natural Resources
Attn: Review & Compliance
1 Old State Capitol Plaza
Springfield, Illinois 62701-1512

RE: Review to Determine Impact Upon Historic Resources
100 Riverside Drive, Bourbonnais, Illinois
Certificate of Need Application

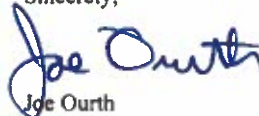
Dear Mr. Appleman:

This letter requests your comments as to whether a proposed project has historical, architectural or archeological impact. This request is made in connection with a Certificate of Need application being filed with the Illinois Health Facilities and Services Review Board.

The proposed project is the build out of shell space in an existing medical office building located at 100 Riverside Drive in Bourbonnais, Illinois 60914. The building is recent construction and we had previously made similar inquiry as part of the CON process in 2019. Enclosed is your letter from that time that the site did not have historical or other pertinent resources at that time. Enclosed please find a map showing the property together with a street view and satellite view. The building was constructed within the last five years.

We would appreciate a letter in response that we can include as part of the CON application. If you have questions or comments, or need additional information, please contact me at (312) 876-7815. I appreciate your assistance.

Sincerely,



Joe Ourth

JRO:pg
Enclosures
53032404 1 09/13/2024

161 North Clark • Suite 4200 • Chicago, IL 60601
Phone: (312) 876-7100 • Fax: (312) 876-0288

DELAWARE FLORIDA ILLINOIS MARYLAND MASSACHUSETTS MINNESOTA NEW JERSEY NEW YORK PENNSYLVANIA WASHINGTON, DC
A DELAWARE LIMITED LIABILITY PARTNERSHIP

#19-052



Illinois Department of Natural Resources

www.dnr.illinois.gov

JB Pritzker, Governor
Colleen Callahan, Director

Mailing address: State Historic Preservation Office, 1 Old State Capitol Plaza, Springfield, IL 62701

Kankakee County
Bourbonnais
NE of Burns Road & Route 45, Section:8-Township:31N-Range:12E
JHPSRB
New construction, Riverside Medical Center

PLEASE REFER TO: SHPO LOG #002081519

August 29, 2019

Paula M. Jacobi
Riverside Healthcare
350 North Wall Street
Kankakee, IL 60901

Dear Ms. Jacobi:

The Illinois State Historic Preservation Office is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. Pursuant to this, we have received information regarding the referenced project for our comment.

Our staff has reviewed the specifications under the state law and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

If further assistance is needed please contact Jeff Kruchten, Chief Archaeologist at 217/783-1279 or jeffery.kruchten@illinois.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert F. Appleman".

Robert F. Appleman
Deputy State Historic
Preservation Officer

Google Maps Riverside Orthopedic & Spine Center



Sara Barr

Photo - Jul 2021

Image capture: Jul 2021 Images may be subject to copyright.

All

Street View & 360°



Google Maps



Imagery ©2024 Airbus, CNES / Airbus, Maxar Technologies, Map data ©2024 200 ft

Section I, Project Costs and Source of Funds

Attachment 7 Section 1120.110, Project Costs and Sources of Funds

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs		\$0	\$0
Site Survey and Soil Investigation		\$0	\$0
Site Preparation			
Off Site Work			
New Construction Contracts		\$4,827,670	\$4,827,670
Modernization Contracts			
Contingencies		\$438,879	\$438,879
Architectural/Engineering Fees		\$145,995	\$145,995
Consulting and Other Fees		\$88,000	\$88,000
Movable or Other Equipment (not in construction contracts)		\$370,000	\$370,000
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		\$5,914,432	\$5,914,432
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities		\$5,914,432	\$5,914,432
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS		\$5,914,432	\$5,914,432

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

**Riverside Orthopedics and Spine Center
Bourbonnais Campus
Proposed Cost Detail
Attachment 7**

New Construction Contracts **\$4,827,670**

Buildout of 11,393 square feet in existing
Orthopedics and Spine Center building

Contingencies **\$482,767**

Contingencies are 10% of the new constructions
line item

Architectural and Engineers **\$145,995**

Architectural and Engineering fees are
budgeted at 2.75% of construction plus
contingencies

Movable or Other Equipment **\$370,000**

Clinic Furniture
Exam Tables
Stools
Scale
Wheel Chairs
Cast Removal
Hand Scale
Public Space Furniture
Coffee Bar
Visio TVs
Artwork

Consulting and Other Fees **\$ _____**

CON Filing Fee	\$13,000
CON Legal Fees	\$50,000
Municipal Building Permits	\$25,000

Grand Total **\$ 5,914,432**

Section I, Cost Space Requirements

Attachment 9

Cost Space Requirements

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
	0	0	0	0	0	0	0
Total Clinical							
NON-REVIEWABLE							
Procedure	\$372,686	0	537	537	0	0	0
Public	\$573,896	0	979	979	0	0	0
Clinic	\$2,880,158	0	4,150	4,150	0	0	0
Staff Support	\$497,750	0	1,080	1,080	0	0	0
Building Systems	\$140,454	0	379	379	0	0	0
Circulation	\$1,449,392	0	4,268	4,268	0	0	0
Total Non-clinical	\$5,914,432		11,393	11,393			
TOTAL	\$5,914,432		11,393	11,393			

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

This Project is to build out approximately 11,393 square feet of shell space on the third floor of the Orthopedics and Spine Center building in Bourbonnais.

Section III, Background of Applicant

Attachment 11

Section 1110.230, Background, Purpose of the Project and Alternatives

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

A copy of Riverside Medical Center's ("Hospital") full general hospital license #0002014, effective January 1, 2024, issued by IDPH, is attached. The Hospital's most recent of accreditation from DNV is also attached.

Riverside Healthcare and/or Riverside Medical Center has ownership interest in the following facilities:

FACILITY	LOCATION	LICENSE NO.	ACCREDITATION NUMBER
Riverside Senior Living Center d/b/a Miller Rehabilitation (100%)	1601 Butterfield Trail Kankakee, IL 60901	40659	N/A
Riverside Ambulatory Treatment Center, LLC(72%)	300 Riverside Drive Bourbonnais, IL 60914	7003049	70608
Center for Digestive Health (10%)	1615 N. Convent Bourbonnais, IL 60814	7002876	AAAHC #65640

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

By their signatures on the Certification pages to this application, each of the Applicants attest that no adverse action has been taken against any facility owned and/or operated by them during the three (3) years prior to the filing of this application.

3. Authorization permitting HFSRB and DPH access to 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.

By their signatures to the Certification pages to this application, each of the Applicants authorize HFSRB and IDPH access to any documents necessary to verify the information submitted, including, but not limited to: (i) official records of IDPH or other State agencies; (ii) the licensing or certification records of other states, when applicable; and (iii) the records of nationally recognized accreditation organizations.



ILLINOIS DEPARTMENT OF PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

HF129160

Sameer Vohra, MD,JD,MA
Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	LIC. NUMBER
12/31/2024	General Hospital	0002014
Effective: 01/01/2024		

Riverside Medical Center
350 N Wall Street
Kankakee, IL 60901

The face of this license has a colored background • Printed by Authority of the State of Illinois • P.O. #4422001 10M 3/22



HEALTHCARE CERTIFICATE

Certificate no.:
10000486636-MSC-CMS-USA

Initial certification date:
24 January, 2013

Valid:
25 August, 2002 – 25 August, 2024

This is to certify that the management system of
Riverside Medical Center
350 North Wall Street, Kankakee, IL, 60901, USA

has been found to comply with the requirements of the:
NIAHO® Hospital Accreditation Program

Pursuant to the authority granted to DNV Healthcare USA Inc. by the U.S.
Department of Health and Human Services, Centers for Medicare and Medicaid
Services, this organization is deemed in compliance with the Medicare Conditions of
Participation for Hospitals (42 C.F.R. §482).

Place and date:
Milford, OH, 24 August, 2021



For the issuing office:
DNV Healthcare USA Inc.
400 Techne Center Drive, Suite 100,
Milford, OH, 45150, USA

Patrick Morine
Management Representative

Lack of fulfillment of conditions as set out in the Certification Agreement may render this Certificate invalid.
ACCREDITED UNIT: DNV Healthcare USA Inc., 400 Techne Center Drive, Suite 100, Milford, OH, 45150, USA - TEL: +1 513-947-8343. www.dnvhealthcare.com

State of Illinois
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Dr. Sameer Vohra Director	Issued under the authority of The State of Illinois Department of Public Health
--	---

EXPIRATION DATE 09/30/2025	ISS. NUMBER 0040659
---	--

UNRESTRICTED	
Long-Term Care License	
Skilled	160
160 Total Beds	

BUSINESS ADDRESS

LICENSEE

Riverside Senior Living Center

Miller Health Care Center
1601 Butterfield Trail
Kankakee, IL 60901

EFFECTIVE DATE: 10/01/2023

The face of this license has a colored background. Printed by Authority of the State of Illinois • 5/16

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

11/21/2023

Miller Health Care Center
 1601 Butterfield Trail
 Kankakee, IL 60901



Illinois Department of
PUBLIC HEALTH

HF 126202

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Sameer Vohra, MD,JD,MA
 Director

Issued under the authority of
 the Illinois Department of
 Public Health

EXPIRATION DATE	CATEGORY	ID NUMBER
11/30/2023		7003049

Ambulatory Surgery Treatment Center

 Effective: 12/01/2022

Riverside Ambulatory Surgery Center
 300 Riverside Dr Ste 1100
 Bourbonnais, IL 60914

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18



ILLINOIS DEPARTMENT OF
PUBLIC HEALTH

HF129108

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Sameer Vohra, MD,JD,MA
 Director

Issued under the authority of
 the Illinois Department of
 Public Health

EXPIRATION DATE	CATEGORY	ID NUMBER
11/30/2024		7003049

Ambulatory Surgery Treatment Center

 Effective: 12/01/2023

Riverside Ambulatory Surgery Center
 300 Riverside Dr Ste 1100
 Bourbonnais, IL 60914

The face of this license has a colored background. • Printed by Authority of the State of Illinois • P.O. #4422001 10M 3/22



CERTIFICATE OF ACCREDITATION

RIVERSIDE AMBULATORY SURGERY CENTER

300 RIVERSIDE DR, SUITE 1100
BOURBONNAIS, IL 60914-4997

In recognition of satisfying accreditation requirements and demonstrating its commitment to high quality care and patient safety for Ambulatory Accreditation.



70608

MARCH 31, 2026

Organization Identification Number

The Award of Accreditation Expires on the above date

David Suarreal

DAVID SUAREZ, MD
Chair of the Board

Nora M. Adair

NORA M. ADAIR, MBA
President and CEO

AAAHC • 5250 OLD ORCHARD RD, STE 200 • SKOKIE, IL 60077
847.853.6060 • AAAHC.ORG

Section III, Purpose of Project

Attachment 12

Section 1110.230(b), Purpose of Project

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

Riverside Orthopedics and Spine Center currently serves patients in its primary service area. As the number of patient visits grow, it is necessary to expand physician and related clinical services space to serve those patient needs.

This Project is consistent with the goals and objectives of Project No. 19-052 approved by the Review Board to construct the present medical office building. As part of that original project Riverside anticipated that the demand would grow and sought, and received HFSRB approval for shell space to meet future growth.

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

Riverside Medical Center and its medical group serve patients from the following areas:

Patient Encounter Volumes BY Zip Code

Date Range: 09/01/2023 – 08/31/2024

60901	21.91%	Kankakee
60914	17.06%	Bourbonnais
60950	7.56%	Manteno
60915	6.31%	Bradley
60481	4.51%	Wilmington
60954	3.86%	Momence
60970	3.82%	Watseka
60964	3.19%	St. Anne
60468	2.08%	Peotone
60940	1.79%	Grant Park
60408	1.73%	Braidwood
60416	1.70%	Coal City
60958	1.45%	Hopkins Park
60922	1.23%	Chebanse
60927	1.19%	Clifton
60941	0.91%	Herscher
60401	0.90%	Beecher
60938	0.87%	Gilman
60913	0.87%	Bonfield
60423	0.77%	Frankfort
60449	0.72%	Monee
60966	0.71%	Sheldon
60911	0.69%	Ashkum
60420	0.64%	Dwight
60953	0.60%	Milford
60951	0.56%	Martinton
60935	0.54%	Essex
60955	0.52%	Onarga
60424	0.44%	Gardner
60407	0.44%	Coal City
60442	0.42%	Manhattan
60930	0.42%	Danforth
60928	0.40%	Crescent City
60450	0.38%	Morris
60931	0.31%	Donovan
60961	0.28%	Reddick
60912	0.28%	Beaverville

60451	0.27%	New Lenox
60917	0.26%	Buckingham
60910	0.26%	Aroma Park
60448	0.25%	Mokena
60417	0.24%	Crete
60959	0.23%	Piper City
OTHER	6.43%	

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

Riverside has recently recruited two pain specialists, a neurosurgeon and other advanced practice providers. Riverside is also actively recruiting additional hand and sports medicine specialists. The additional space is needed to accommodate recently recruited providers and others being recruited that would provide care at Riverside Orthopedic and Spine Center.

4. Cite the sources of the information provided as documentation.

To determine need for additional physician recruitment and the space to accommodate same, Riverside evaluated RMG office visits, admissions and appointment wait time statistics available in EPIC EMR. External data, including CompData and MGMA were also considered in the development of the medical staff recruitment plan.

5. Detail how the project will address or improve the previously referenced issues or problems.

The addition of 11,393 s.f. of new physician office space will provide a much-needed location for newly recruited physicians in the coming years.

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

The goal of the construction of the shell space is to provide quality and easily accessible office space for RMG providers needed at this time. Riverside anticipates building out the remainder of the shell space as demand continues to grow.

Section III, Alternatives

Attachment 13

Alternatives

Riverside proposes the build out of a portion of the shell space on the third floor of the three-story Orthopedics and Spine Center medical office building in Bourbonnais. Riverside considered the following alternatives:

1. Maintain Status Quo

Maintaining the status quo would leave the existing shell space open. This would do nothing to alleviate the current capacity issues of the Riverside Medical Group (“RMG”). Further, it would not address the growing demand for physician services at the Orthopedics and Spine Center. Because of the need for additional physician space, maintaining the status quo was rejected as an alternative.

2. Joint Venture with Other Providers

A typical venture for a physician’s office building would be to partner with physicians. Riverside is an integrated health system and the physician group, RMG, is already part of Riverside. The Project will be collaborative with RMG physicians, but will not be a joint venture between different entities because RMG is part of Riverside.

3. Build Out Entire Shell Space on Third Floor

Riverside strongly considered building out all of the existing shell space on the third floor at this time. Of the approximately 25,000 square feet of shell space on the third floor, Riverside proposes to build out 11,393 feet of space, or roughly one-half of the space. Riverside considered building out the entire space as part of this Project. Doing so would have avoided the need for an additional certificate of need in the future for this space. This would have made the

Project more than twice as expensive, however, and there is not an immediate need for the additional space.

4. Construct Proposed Project

Riverside anticipated that it would need additional space for its orthopedics services when it applied to HFSRB to construct the MOB in Project No. 19-052. As expected, patient visits have increased and there is need for additional physician space. The proposed build out meets Riverside's immediate space needs and reserves the additional shell space for subsequent growth.

Comparison of Alternatives

Alternative – Riverside MOB Orthopedic Specialty	Cost	Pros	Cons
Maintain Status Quo	\$0	No additional costs	Does not address the current issues to accommodate current and future needs of Riverside Medical Group (“RMG”)
Joint Venture Project	- N/A - RMG physicians are already part of Riverside	N/A	N/A
Build Out Entire Third Floor Shell Space	Est \$10 million plus	Avoids need for future certificate of need	Remainder of shell space is not needed at present
Proposed Project	\$5 million construction cost	The Project meets the immediate and short term needs of RMG at a lower cost than building and shell space at this time	- Construction period will mean current space constraints will continue until the Project is complete; - Riverside will need to pursue an additional CON for the remaining shell space

Section IV, Project Scope, Utilization, and Unfinished/Shell Space

Attachment 14

Project Scope, Utilization and Unfinished/Shell Space

1. **Document that the amount of physical space for the proposed project is necessary and not excessive.**

This Project is to build out a portion of the shell space approved as part of the permit to construct the original medical office building in Project No. 19-052. The original Project was for a three story, 75,000 square foot building near other Riverside medical office buildings. The third floor, approximately 25,000 sf, was approved as shell space for future use. At that time Riverside committed to the Review Board that it would return for a permit when it undertook any construction on the third floor. The proposed Project is a modest build out of 11,393 sf, approximately half, of that shell space. The additional space is physician and related space for which there are no state standards and which HFSRB has traditionally classified at “non-reviewable”.

The additional space is being constructed in similar size as like space in the existing portion of the building. Other portions of this application have documented the increase in patient visits at the Orthopedics and Spine Center and how this increase in patient visits have generated the need to construct additional space. Riverside determined that the build out of 11,393 sf at this time was sufficient to meeting its present needs and that additional space will be constructed as growth continues and will return to the Board when that need arises.

A table showing the square footage of the space is shown below and schematic drawings of the third-floor space is included in this attachment.

2. SIZE OF PROJECT

Department/Service	Proposed DGSF	State Standard	Difference	Met Standard?
Procedure	537	N/A	N/A	N/A
Public	979	N/A	N/A	N/A
Physician/Clinic	4,150	N/A	N/A	N/A
Staff Support	1,080	N/A	N/A	N/A
Building Systems	379	N/A	N/A	N/A
Circulation	4,268	N/A	N/A	N/A
TOTAL	11,393			



Section IV, Project Services Utilization

Attachment 15

Appendix B, Project Services Utilization

This Project continues the planned expansion of Riverside's Orthopedics and Spine Center's services. Riverside planned for this expansion when it constructed this building pursuant to Project 19-052 and included shell space on the third floor. This Project builds out approximately one half, 11,393 square feet, of the shell space. The new construction will house physicians, space for two interventional pain providers, one neurosurgeon and advanced practice providers added in the past year. The new space will also free up space on the other two floors for additional physician recruitment.

Included in this Attachment 15 and schematic drawings for the third floor showing the space for this Project. The space is physician office space and other related space for which there are no state standards. The third floor space will be built out with size consistent with physician space on the first two floors of the building. The two pain procedure rooms will be used for office based procedures not requiring licensure as a surgery center. Utilization of office visits and orthopedics and spine center are shown in table below.

Orthopedic and Spine Center Office Visits					
	2021	2022	2023	2024	2024 (Annualized)
Ortho	15,336	16,830	17,619	11,749	17,624
Podiatry	4,893	6,873	8,017	6,015	9,023
Pain	1,955	2,453	3,173	1,516	2,274
Neurosurgery (OSC)	1,354	2,079	2,401	1,675	2,513
Total	25,559	30,257	33,233	22,979	31,433

Section IV Unfinished or Shell Space

Attachment 16

Because the current project does not involve construction of new shell space, it appears Attachments 16 and 17 may not apply, but Riverside is providing information to assist the Board's review of the Project.

1. The original MOB Project, 19-052, was to construct a three-story, 75,000 s.f. building of which the third floor was reserved as shell space for further growth. Riverside committed to return to HFSRB when it undertook build out of the shell space.

2. The total shell space of the original Project was 25,000 g.s.f. which space was designated for additional physician offices.

3. Riverside currently has no available vacant space to accommodate the continued growth of existing practices or the establishment of new practices as planned. While space available within the first two floors of the Project was adequate to meet the needs of our orthopedic group at the time of the original MOB construction, it was anticipated that demand would grow and there would be a need to build out the shell space.

Riverside anticipates building out the remaining shell space within three years following completion of the Project assuming continued growth in physician office visits.

Section IV Assurances

Attachment 17

The Applicants verify that they will again submit to the Review Board a CON application to develop and utilize the remaining shell space regardless of the capital thresholds in effect at the time or the categories of service involved.

The Applicants anticipate building out the shell space within approximately three years following completion of the Project, assuming continued increase in physician office visits. Riverside would anticipate filing its CON three to five months prior to initiating the build out of the shell space.

Section V, Service Specific Review Criteria

Attachment 30

Clinical Service Area Other Than Categories of Service

1. Need Determination – Establishment

The main purpose of this Project is to continue to increase accessibility for patients in Riverside's primary service area of Kankakee, Bradley and Bourbonnais to physician and advanced practices provider services as currently provided at no existing Orthopedics and Spine Center. Riverside's primary service area encompasses approximately 75% of all RMG provider visits. Constructing the additional space in the Orthopedics and Spine Center will allow RMG providers to expand with existing and new practices in a location convenient to the patients they serve.

Patient Encounter Volumes BY Zip Code

Date Range: 09/01/2023 – 08/31/2024

60901	21.91%	Kankakee
60914	17.06%	Bourbonnais
60950	7.56%	Manteno
60915	6.31%	Bradley
60481	4.51%	Wilmington
60954	3.86%	Momence
60970	3.82%	Watseka
60964	3.19%	St. Anne
60468	2.08%	Peotone
60940	1.79%	Grant Park
60408	1.73%	Braidwood
60416	1.70%	Coal City
60958	1.45%	Hopkins Park
60922	1.23%	Chebanse
60927	1.19%	Clifton
60941	0.91%	Herscher
60401	0.90%	Beecher
60938	0.87%	Gilman
60913	0.87%	Bonfield
60423	0.77%	Frankfort
60449	0.72%	Monee
60966	0.71%	Sheldon
60911	0.69%	Ashkum
60420	0.64%	Dwight
60953	0.60%	Milford
60951	0.56%	Martinton
60935	0.54%	Essex
60955	0.52%	Onarga
60424	0.44%	Gardner
60407	0.44%	Coal City
60442	0.42%	Manhattan
60930	0.42%	Danforth
60928	0.40%	Crescent City
60450	0.38%	Morris
60931	0.31%	Donovan
60961	0.28%	Reddick
60912	0.28%	Beaverville

60451	0.27%	New Lenox
60917	0.26%	Buckingham
60910	0.26%	Aroma Park
60448	0.25%	Mokena
60417	0.24%	Crete
60959	0.23%	Piper City
OTHER	6.43%	

2. Service Demand

Built out space will house two pain management specialists, one neurosurgeon and other advanced practice providers of the Riverside Medical Group. Riverside established a new orthopedic group in the Summer of 2018 with the majority of the seven-provider group arriving late in the third quarter of 2018. The orthopedic specialists service line has experienced a rapid growth trajectory as evidenced by the table below showing office visits.

Orthopedic and Spine Center Office Visits					
	2021	2022	2023	2024	2024 (Annualized)
Ortho	15,336	16,830	17,619	11,749	17,624
Podiatry	4,893	6,873	8,017	6,015	9,023
Pain	1,955	2,453	3,173	1,516	2,274
Neurosurgery (OSC)	1,354	2,079	2,401	1,675	2,513
Total	25,559	30,257	33,233	22,979	31,433

3. Impact on Other Area Providers

The proposed Project should have no impact on other area providers. Riverside Medical Center and its employed physician group is part of a fully integrated health system. Currently referrals for physician/APP therapy services are made within the Riverside network.

Section V, Financial Viability Waiver Availability of Funds

Attachment 33

Riverside Health System has a bond rating of A+ from Standard and Poor's rating agency, and A2 from Moody's and this Section should not apply. Evidence of the Bond Ratings are attached.

MOODY'S

RATINGS

Rating Action: Moody's Ratings affirms Riverside Health System's (IL) A2; outlook stable

20 Jun 2024

New York, June 20, 2024 -- Moody's Ratings (Moody's) has affirmed Riverside Health System's (IL) A2 bond rating. The outlook is stable. The system had approximately \$136 million of debt outstanding at fiscal year-end 2023.

The affirmation reflects a strong rebound in operating performance which will allow for maintenance of excellent liquidity and favorable leverage metrics.

RATINGS RATIONALE

The A2 rating reflects Riverside Health System's (RHS) stable operating cash flows, achieved through management's effective expense management and strong outpatient volume growth. Cash flow is supported by RHS's leading market position (68% in the primary service area), diverse service array, and strategic partnerships with Chicago-based academic medical centers. Capital expenditures will be manageable given the recent completion of the system's emergency department expansion, allowing for maintenance of excellent liquidity (approximately 400 days cash on hand) and favorable leverage (3.5 times cash to debt). However, a relatively small enterprise revenue base and high exposure to governmental payors remain the primary challenges.

RATING OUTLOOK

The stable outlook reflects our expectation that Riverside will maintain robust levels of profitability and liquidity, with an operating cash flow margin of 7%-8% and days cash on hand of at least 400 days projected in 2024, despite industry labor and supply inflationary pressures.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Material enterprise growth of revenue toward A1 medians

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

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Credit Profile

Illinois Finance Authority, Illinois

Riverside Health System, Illinois

Illinois Finance Authority (Riverside Health System)

Long Term Rating

A+/Stable

Current

Credit Highlights

- S&P Global Ratings' long-term rating on the Illinois Finance Authority's series 2013 and 2016 revenue bonds, issued for Riverside Health System (RHS), is 'A+'.
- The outlook is stable.

Security

The obligated group's gross revenue secures the bonds.

Credit overview

The rating reflects our view of RHS' overall stable financial performance in fiscal 2023, supported by robust unrestricted reserves, leading to high days' cash on hand (DCOH) and unrestricted reserves to long-term debt. The rating also reflects our expectation for continued improvement in operating performance following heavy losses in fiscal 2022 primarily driven by elevated labor costs and volumes negatively impacted due to an 18 month complete renovation of the emergency department. Management anticipates that key balance sheet metrics will remain solid through the outlook period, and we view this as reasonable given improved operations and a lack of new debt plans. Furthermore, this strength provided some flexibility to absorb operating pressures over the past few years and Management forecasts fiscal year-end margins close to those for the nine-month interim period ended Sept. 30, 2023, and is budgeting for a 1.2% operating margin in fiscal 2024. We believe this is achievable given Riverside's increasing emergency room (ER) volumes, coupled with additional revenue from a focus on inpatient efficiencies, improved access, and outpatient services such as cancer treatment and infusion services. We expect modest though steady operating gains in the outlook period along with continued healthy liquidity metrics as management continues to carry out its improvement plans.

The rating further reflects our view of RHS' leading market share in a small, economically challenged primary service area (PSA). We note a slight decline in share in fiscal 2022, primarily as a result of lower ER volumes during the renovation. Management anticipates that ER volumes will rebound to historical levels within the outlook period, and we view this as reasonable given the upward ER volume trends in the interim period. Furthermore, the payer mix is heavily concentrated in governmental payers given the challenged PSA, which consistently represents more than 70% of net revenue, and the hospital relies somewhat on supplemental funding to support operations; we view both of these factors unfavorably. While Riverside is about 60 miles from Chicago, which could draw key physicians away, it

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maintains a solid active physician base and has been able to recruit and maintain talent. In recent years, management has focused on expanding key service lines, and we view this favorably as the new lines should help meet community need and increase revenue over the outlook period.

The rating reflects our view of RHS':

- Robust balance sheet with high unrestricted reserves and unrestricted reserves to long-term debt, affording sufficient balance sheet cushion at the rating to absorb recent and short-term operational volatility;
- Leading market share and service line focus that adeptly addresses community needs; and
- Return to profitability that is above budget and expected to yield solid margins in the outlook period.

Partly offsetting the above strengths, in our view, are RHS':

- High governmental payer concentration, which, in our view, is a risk to profitability;
- Operating revenue that, while improved, is expected to be flat through the outlook period; and
- Declining economic fundamentals for the PSA, including income indicators that we consider limited.

Environmental, social, and governance

We view RHS' overall social risk as elevated based on a payer mix that is heavily weighted toward government payers, and based on the PSA's projected economic indicators that are weak relative to national averages. Furthermore, we note that Riverside, as with most of the sector, is experiencing staffing challenges and labor costs that continue to dampen margins, although we acknowledge that the hospital is implementing a host of initiatives designed to minimize these difficulties. Finally, we believe that environmental and governance factors are neutral in our credit rating analysis.

Outlook

The stable outlook reflects our view that RHS will maintain its balance sheet and incorporate no new debt plans. We also expect that operating performance will continue to trend closer to historical levels over the outlook period, and that RHS will maintain stability in its enterprise profile.

Downside scenario

We could revise the outlook to negative or lower the rating if RHS is unable to establish a trend of improving operations in the outlook period. And although such events are not expected, we would also view negatively a deterioration in unrestricted reserves or market position, a sizable issuance of new debt, or significant capital plans that result in material decline in the overall financial profile or key financial metrics.

Upside scenario

Given recent financial pressure, coupled with industry challenges, we are not likely to revise the outlook to positive or raise the rating during the outlook period given recent operating trends.

Credit Opinion

Enterprise Profile: Strong

Strained economic fundamentals in a limited service area

RHS is located in Kankakee, Ill., about 60 miles southwest of Chicago. The enterprise profile is characterized by a market share majority in the PSA, which includes Kankakee and Iroquois counties, both with declining population and employment growth projections. However, the enterprise profile also captures a well-integrated medical staff and good quality metrics. Management is focused on continuing to broaden service lines to capture more volume and better serve the population. However, payer mix remains an enterprise weakness, in our opinion, as it skews heavily toward government payers (more than 70%), which creates a risk to profitability, in our view, especially with declining economic fundamentals in the relatively small service area.

Strategic initiatives produce solid market share in a competitive service area

RHS holds a formidable market share in its primary service area, commanding a nearly 70% market share in inpatient admissions according to data provided by management. While RHS experienced lower ER volumes through the renovation in fiscal 2022, volume trends have picked up for both inpatient and outpatient services, and the hospital expects a return to historical levels in the outlook period given recent trends. Furthermore, the main competitor in the primary service area, AMITA St. Mary's Hospital (part of the Ascension Health System), captures a comparatively low 30% market share, according to management. RHS has been able to compete with St. Mary's while stemming out-migration to Chicago through improvements in access to care and through strategic investments in and recruitment for specialty service lines, particularly in cardiology, neurosciences, cancer and infusion, orthopedics, and behavioral health. Management also plans to expand its presence in its western market and continues to look for strategic opportunities to increase its presence in its secondary markets. Physician alignment and growth of the Riverside Medical Group have also led to success in key service lines and robust referrals to the system.

Table 1

	—Nine months ended Sept. 30—		—Fiscal year ended Dec. 31—	
	2023	2022	2021	2020
PSA population	N.A.	132,547	137,361	138,374
PSA market share (%)	N.A.	68.1	69.0	69.8
Inpatient admissions*	5,113	6,988	8,193	7,982
Equivalent inpatient admissions	26,873	32,042	33,672	31,388
Emergency visits	28,576	35,189	39,308	36,148
Inpatient surgeries	1,031	1,375	1,532	1,613
Outpatient surgeries	6,152	8,412	7,020	6,047
Medicare case mix index	1.7877	1.7874	1.7889	1.8591
FTE employees	2,321	2,332	2,364	2,313
Active physicians	393	400	385	325
Medicare (%)§	49.9	49.9	49.6	49.9

Table 1

Riverside Health System utilization (cont.)				
	—Nine months ended Sept. 30—		—Fiscal year ended Dec. 31—	
	2023	2022	2021	2020
Medicaid (%)§	22.2	22.9	22.4	21.6
Commercial/Blues (%)§	23.8	23.2	23.7	24.6

*Excludes normal newborn, psychiatric, rehabilitation, and long-term care facility admissions. §Based on net revenue. PTE—Full-time equivalent. N.A.—Not available. PSA—Primary service area.

Financial Profile: Very Strong

Further margin improvement likely vital to supporting the rating

RHS is surpassing its break-even budget expectations in the nine-month 2023 interim period and expects to end the year near interim results with further margin accretion in the outlook period. Quarterly losses modestly improved throughout fiscal 2022, to negative 5.16% in the fourth quarter from negative 7.44% in the first. Fiscal 2023 shows considerable improvement over the prior year, beginning with the first quarter, when the margin was nearly 1%, with year-to-date margins of .82% and an EBIDA margin of 8.44%. Management has budgeted for a 1.2% margin for fiscal 2024, and achieving this will be critical to maintaining the rating. RHS has historically maintained operating income well above break-even, and trending toward historical profitability will be key to supporting the rating, in our view.

Maximum annual debt service (MADS) occurs in 2031, and the debt service schedule is uneven with MADS declining to \$8.7 million in 2033 and \$4.9 million in 2036 with final maturity in 2050. We view MADS coverage and lease-adjusted MADS coverage as healthy at 5.06x and expect the hospital to remain in compliance with its 1.1x covenant requirement.

Operating performance has improved as a result of an approximately \$25 million turnaround effort, consisting of a rebound in ER volumes (after the project's completion in December 2022), combined with increased volumes in the wake of the project, improved labor management strategies, and increased access to care. The ability to sustain these cost savings and at least meet fiscal 2024 budget expectations, with further improvement to operating performance into fiscal 2025, is critical to maintaining the rating, in our view.

Healthy balance sheet and moderate debt support rating

We view RHS' overall liquidity and financial flexibility as healthy. We continue to view DCOH and unrestricted reserves relative to operations and long-term debt as solid and expect them to remain healthy, though significant growth is unlikely in the near term given somewhat compressed margins. As of the nine-month interim period, DCOH stood at 396 days and unrestricted reserves at nearly \$453 million. Furthermore, management projects that all key balance sheet metrics will hold, which we view as achievable and key to maintaining the rating while management attempts to return to historical operations. In addition, capital spending is estimated to be around \$33 million in fiscal 2024, which we view as slightly elevated as compared with that prior years but manageable. We view the overall asset allocation as slightly heavy on equities, which account for approximately 44% of the asset allocation, though this has not historically caused issues for RHS.

In addition, the overall debt profile is stable with a manageable debt load and leverage that we view as low at slightly more than 20%. Furthermore, the hospital has no additional debt plans in the outlook period and management reports that it is working to de-leverage. The overall debt structure is conservative with all fixed-rate debt. While the hospital has contingent liability debt, the associated risks are manageable, in our view, as the hospital has sufficient reserves to cover the unlikely event of acceleration. The hospital terminated its swaps as of November 2022.

Loan documents for bank debt that we consider a contingent liability risk have been previously reviewed and possess covenants that are more restrictive than the master trust indenture, specifically DCOH of no less than 70 and maximum annual debt service coverage of no less than 1.1x. If these covenants were breached, RHS would have a 30-day period in which to cure the violation prior to the banks' having the right to accelerate the debt. We anticipate that RHS will remain in compliance with covenant requirements.

RHS does not have a defined benefit plan, and we view this favorably.

Table 2

Riverside Health System financial summary

	--Nine months ended Sept. 30--	--Fiscal year ended Dec. 31--			'A+' rated stand-alone hospital medians
	2023	2022	2021	2020	2022
Financial performance					
Net patient revenue (\$000s)	322,566	402,315	410,005	371,730	690,129
Total operating revenue (\$000s)	337,736	421,618	435,808	400,946	735,651
Total operating expenses (\$000s)	334,960	443,359	424,972	398,933	746,478
Operating income (\$000s)	2,776	(21,741)	10,836	2,013	3,229
Operating margin (%)	0.82	(5.16)	2.49	0.50	0.60
Net nonoperating income (\$000s)	10,079	9,314	64,001	36,040	21,777
Excess income (\$000s)	12,855	(12,427)	74,837	38,053	21,044
Excess margin (%)	3.70	(2.88)	14.97	8.71	3.10
Operating EBIDA margin (%)	8.44	1.36	11.16	9.59	6.60
EBIDA margin (%)	11.09	3.49	22.53	17.05	8.90
Net available for debt service (\$000s)	38,588	15,032	112,626	74,499	62,241
MADS (\$000s)	10,161	10,161	10,161	10,161	21,325
MADS coverage (x)	5.06	1.48	11.08	7.33	4.20
Operating-lease-adjusted coverage (x)	5.06	1.48	11.08	7.33	2.90
Liquidity and financial flexibility					
Unrestricted reserves (\$000s)	452,715	436,238	509,017	456,785	663,419
Unrestricted days' cash on hand	396.4	378.6	474.0	454.6	361.6
Unrestricted reserves/total long-term debt (%)	320.8	308.5	347.0	323.8	286.2
Unrestricted reserves/contingent liabilities (%)	1,146.1	1,104.4	1,150.6	1,277.8	859.3
Average age of plant (years)	12.1	14.9	9.9	9.3	12.8
Capital expenditures/depreciation and amortization (%)	70.8	131.3	96.3	115.1	130.7
Debt and liabilities					
Total long-term debt (\$000s)	141,112	141,397	146,698	141,077	230,619

Table 2

Riverside Health System financial summary (cont.)

	—Nine months ended Sept. 30—	--Fiscal year ended Dec. 31--				'A+' rated stand-alone hospital medians
	2023	2022	2021	2020		2022
Long-term debt/capitalization (%)	20.2	20.8	19.6	20.4		21.4
Contingent liabilities (\$000s)	39,500	39,500	44,240	35,747		100,000
Contingent liabilities/total long-term debt (%)	28.0	27.9	30.2	25.3		27.9
Debt burden (%)	2.19	2.36	2.03	2.33		2.40
Defined benefit plan funded status (%)	N/A	N/A	N/A	N/A		89.4
Pro forma ratios						
Unrestricted reserves (\$000s)	N/A	N/A	N/A	N/A		MNR
Total long-term debt (\$000s)	N/A	N/A	N/A	N/A		MNR
Unrestricted days' cash on hand	N/A	N/A	N/A	N/A		MNR
Unrestricted reserves/total long-term debt (%)	N/A	N/A	N/A	N/A		MNR
Long-term debt/capitalization (%)	N/A	N/A	N/A	N/A		MNR
Miscellaneous						
Medicare advance payments (\$000s)*	0	14213	44133	51,153		MNR
Short-term borrowings (\$000s)*	N/A	N/A	N/A	N/A		MNR
COVID-19 stimulus recognized (\$000s)	0	2143	8741	12,025		MNR
Risk-based capital ratio (%)	N/A	N/A	N/A	N/A		MNR
Total net special funding (\$000s)	10,121	17,438	17,229	12,939		MNR

*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: Core
- Organization description: Riverside Health System is a not-for-profit corporation that operates a short-term general acute care hospital and various community primary and specialty care clinics. Riverside and its obligated affiliates principally serve residents in northeastern and central Illinois and provide a broad range of health care services: inpatient, outpatient, emergency care, long-term care, primary care services, and specialty care services. The flagship hospital, Riverside Medical Center, is located in Kankakee County and has 300 licensed beds, of which 275 are in service.

Related Research

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

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FEBRUARY 16, 2024 8

Section VIII, Availability of Funds

Attachment 34

Availability of Funds

Riverside Medical Center's financial statements for the years June 30, 2021, 2022, and 2023 are attached.



**RIVERSIDE HEALTH SYSTEM
AND OBLIGATED AFFILIATES**

**Special-Purpose Combined Financial
Statements and Combining Schedules**

December 31, 2021 and 2020

(With Independent Auditors' Report Thereon)

**RIVERSIDE HEALTH SYSTEM
AND OBLIGATED AFFILIATES**

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Independent Auditors' Report

The Board of Directors
Riverside Health System and Obligated Affiliates:

Report on the Audit of the Special-Purpose Combined Financial Statements

Opinion

We have audited the special-purpose combined financial statements of Riverside Health System and Obligated Affiliates (the Company) (as defined in the Amended Master Trust Indenture dated as of November 1, 1996 between Riverside Health System, Riverside Medical Center, Oakside Corporation, Riverside Senior Living Center, and Bank of New York Trust Company N.A., as successor Master Trustee), which comprise the special-purpose combined balance sheets as of December 31, 2021 and 2020, and the related special-purpose combined statements of operations and changes in net assets without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes to the special-purpose combined financial statements.

In our opinion, the accompanying special-purpose combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with the basis of accounting in note 2 to the special-purpose combined financial statements.

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 Auditors' Responsibilities for the Audit of the Special-Purpose Combined Financial Statements section of our report. We are required to be independent of the Company 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.

Basis of Accounting

We draw attention to note 2, which describes the basis of accounting. The special-purpose combined financial statements are prepared by Riverside Health System and Obligated Affiliates on the basis of the financial reporting provisions of the Amended Master Trust Indenture, which is a basis of accounting other than U.S. generally accepted accounting principles, to comply with the financial reporting provisions of the Amended Master Trust Indenture referred to above. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Combined Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose combined financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special-purpose combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the special-purpose combined financial statements are issued.

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Auditors' Responsibilities for the Audit of the Special-Purpose Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 special-purpose combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special-purpose combined 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 special-purpose combined 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 Company'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 special-purpose combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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 Matter

Our audit was conducted for the purpose of forming an opinion on the special-purpose combined financial statements as a whole. The supplementary information included in schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the special-purpose combined 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 special-purpose combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose combined financial statements or to the special-purpose combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose combined financial statements as a whole.

Restriction on Use

Our report is intended solely for the information and use of the boards of directors and management of Riverside Health System and Obligated Affiliates, the successor Master Trustee under the Amended Master



Trust Indenture, and bondholders, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Chicago, Illinois
May 13, 2022

**RIVERSIDE HEALTH SYSTEM
AND OBLIGATED AFFILIATES**
Special-Purpose Combined Balance Sheets
December 31, 2021 and 2020

Assets	2021	2020
Current assets:		
Cash and cash equivalents	\$ 149,377,010	162,397,371
Short-term investments	51,792,185	47,097,901
Receivables:		
Patient and resident accounts receivable	31,454,442	34,661,894
Other	884,932	1,086,419
Total receivables	32,339,374	35,748,313
Inventory of supplies	8,722,400	8,900,111
Prepaid expenses	6,519,669	8,424,483
Current portion of estimated insurance recoveries	2,569,588	1,700,370
Total current assets	251,320,226	264,268,549
Assets whose use is limited or restricted:		
By board of directors for capital improvements and other	351,980,502	298,443,115
Deposits under residency agreements	3,843,415	4,332,415
Investments related to net assets with donor restrictions	4,193,769	3,753,689
Total assets whose use is limited or restricted	360,017,686	306,529,219
Land, buildings, and equipment, net of accumulated depreciation	290,292,836	291,526,665
Other assets:		
Due from Riverside HealthCare Foundation, Inc.	8,887,165	7,842,013
Estimated insurance recoveries	5,210,266	3,896,767
Other assets	36,027	728,863
Total other assets	14,133,458	12,467,643
Total assets	\$ 915,764,206	874,792,076

**RIVERSIDE HEALTH SYSTEM
AND OBLIGATED AFFILIATES**
Special-Purpose Combined Balance Sheets
December 31, 2021 and 2020

Liabilities and Net Assets	2021	2020
Current liabilities:		
Current installments of long-term debt	\$ 6,560,000	5,825,000
Accounts payable	7,292,536	7,393,052
Accrued expenses	32,985,235	41,198,969
Estimated payables under third-party reimbursement programs	63,870,198	47,195,123
Total current liabilities	110,707,969	101,612,144
Refundable security deposits	27,787	35,762
Refundable advance residency fees	3,843,415	4,332,415
Long-term debt, unamortized bond discount and premium, and deferred financing costs, excluding current installments	146,697,987	141,077,350
Construction payables	1,872,934	7,030,596
Estimated insurance liabilities	31,167,496	27,364,016
Estimated payables under third-party reimbursement programs	13,228,637	36,153,330
Other long-term liabilities	689,148	1,515,851
Total liabilities	308,235,373	319,121,464
Net assets:		
Net assets without donor restrictions	603,335,064	551,916,923
Net assets with donor restrictions	4,193,769	3,753,689
Total net assets	607,528,833	555,670,612
Total liabilities and net assets	\$ 915,764,206	874,792,076

See accompanying notes to special-purpose combined financial statements.

**RIVERSIDE HEALTH SYSTEM
AND OBLIGATED AFFILIATES**

Special-Purpose Combined Statements of Operations and Changes in Net Assets Without Donor Restrictions
Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue:		
Patient service revenue	\$ 410,004,628	371,730,184
Resident and health center services revenue	12,394,497	12,938,119
Other revenue	12,689,319	15,250,104
Total revenue	<u>435,098,444</u>	<u>399,918,407</u>
Expenses:		
Salaries and employee benefits	223,998,069	212,756,122
Purchased services and supplies	143,571,336	132,716,271
Depreciation and amortization	33,010,816	32,216,241
Utilities	5,753,475	5,590,826
Professional fees	4,794,042	2,530,614
Insurance	9,066,684	8,892,921
Interest	4,777,672	4,229,624
Total expenses	<u>424,972,094</u>	<u>398,932,619</u>
Income from operations	<u>10,126,350</u>	<u>985,788</u>
Nonoperating gains (losses):		
Investment income, net	39,249,535	19,381,363
Change in fair value of derivative instruments	607,765	(117,619)
Other, net	1,054,885	1,335,021
Total nonoperating gains, net	<u>40,912,185</u>	<u>20,598,765</u>
Revenue and gains in excess of expenses and losses	51,038,535	21,584,553
Other changes in net assets without donor restrictions:		
Net assets released from restriction for purchases of land, buildings, and equipment	379,606	907,542
Increase in net assets without donor restrictions	<u>\$ 51,418,141</u>	<u>22,492,095</u>

See accompanying notes to special-purpose combined financial statements.

**RIVERSIDE HEALTH SYSTEM
AND OBLIGATED AFFILIATES**

Special-Purpose Combined Statements of Changes in Net Assets
Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net assets without donor restrictions:		
Revenue and gains in excess of expenses and losses	\$ 51,038,535	21,584,553
Other changes in net assets without donor restrictions:		
Net assets released from restrictions used for the purchase of land, buildings, and equipment	<u>379,606</u>	<u>907,542</u>
Increase in net assets without donor restrictions	<u>51,418,141</u>	<u>22,492,095</u>
Net assets with donor restrictions:		
Contributions for specific purposes	777,021	1,366,319
Investment return earned on net assets with donor restrictions	42,665	117,925
Net assets released from restriction for purchases of land, buildings, and equipment	<u>(379,606)</u>	<u>(907,542)</u>
Increase in net assets with donor restrictions	<u>440,080</u>	<u>576,702</u>
Change in net assets	51,858,221	23,068,797
Net assets at beginning of year	<u>555,670,612</u>	<u>532,601,815</u>
Net assets at end of year	<u>\$ 607,528,833</u>	<u>555,670,612</u>

See accompanying notes to special-purpose combined financial statements.

**RIVERSIDE HEALTH SYSTEM
AND OBLIGATED AFFILIATES**

Special-Purpose Combined Statements of Cash Flows

Years ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 51,858,221	23,068,797
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	33,010,816	32,216,241
Earnings from equity interest in unconsolidated subsidiary and joint venture	(710,236)	(1,027,605)
Cash distributions received from unconsolidated subsidiary and joint venture	831,674	978,750
Contributions and investment returns related to net assets with donor restrictions	(819,686)	(1,484,244)
Net realized and change in net unrealized gains and losses on investments	(28,322,289)	(10,579,577)
Change in fair value of derivative instruments	(607,765)	117,619
Changes in assets and liabilities:		
Patient and resident accounts receivable	3,207,452	4,917,618
Other receivables	201,487	(132,878)
Inventory of supplies, prepaid expenses, and other assets	2,653,923	(666,586)
Accounts payable and accrued expenses	(8,314,250)	7,696,801
Estimated payables under third-party reimbursement programs	(6,249,618)	54,398,052
Estimated insurance receivables and liabilities	1,620,763	1,449,297
Refundable security deposits	(7,975)	(36,100)
Refundable advance residency fees	(489,000)	(449,495)
Other long-term liabilities	(218,938)	(119,371)
Net cash provided by operating activities	47,644,579	110,347,319
Cash flows from investing activities:		
Sales of short-term investments	105,775,023	53,274,181
Purchases of short-term investments	(110,469,307)	(55,918,434)
Sales of assets whose use is limited or restricted	600,826,564	311,422,703
Purchases of assets whose use is limited or restricted	(625,992,742)	(316,871,124)
Acquisition of land, buildings, and equipment, net	(31,776,987)	(37,072,876)
Change in construction payables	(5,157,662)	3,059,884
Net cash used in investing activities	(66,795,111)	(42,105,666)
Cash flows from financing activities:		
Repayment of long-term debt	(6,187,746)	(5,963,678)
Proceeds from issuance of debt, including bond premium	12,543,383	27,456,617
Payment of bond issuance cost	—	(315,758)
Contributions and investment returns related to net assets with donor restrictions	819,686	1,484,244
Net change in due from Riverside HealthCare Foundation, Inc.	(1,045,152)	(766,354)
Net cash provided by financing activities	6,130,171	21,895,071
Net change in cash and cash equivalents	(13,020,361)	90,136,724
Cash and cash equivalents at beginning of year	162,397,371	72,260,647
Cash and cash equivalents at end of year	\$ 149,377,010	162,397,371
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized	\$ 5,731,529	5,363,923

See accompanying notes to special-purpose combined financial statements.

**RIVERSIDE HEALTH SYSTEM
AND OBLIGATED AFFILIATES**

Notes to Special-Purpose Combined Financial Statements

December 31, 2021 and 2020

(1) Riverside Health System and Obligated Affiliates

The accompanying special-purpose combined financial statements include the accounts of Riverside Health System (RHS) and its obligated affiliates (obligated affiliates), Riverside Medical Center (Medical Center), Oakside Corporation (Oakside), and Riverside Senior Living Center (RSLC).

RHS, the not-for-profit parent corporation of the Riverside healthcare delivery system, was incorporated during 1982 to support and encourage health and human services by providing management assistance and in all other relevant ways. RHS serves as the parent for Riverside HealthCare Foundation, Inc. (Foundation), which promotes charitable activities through donation, educational programs, and other human services programs.

The Medical Center operates a short-term general acute care hospital and various community primary and specialty care clinics. The Medical Center is incorporated under the Illinois General Not-for-Profit Corporation Act. Included in the special-purpose combined financial accounts of the Medical Center are the accounts of Riverside Ambulatory Surgery Center (RASC), located in Bourbonnais, Illinois. RHS is the sole corporate member of the Medical Center.

Oakside was incorporated as a not-for-profit corporation in 1982. Oakside provides retail services, including family pharmacy, gift shop, and fitness center services, and promotes community participation in charitable, educational, and public service programs. Oakside also operates a health and fitness facility. RHS is the sole corporate member of Oakside.

RSLC was incorporated as a not-for-profit corporation during 1990. RSLC operates a retirement housing community with both independent and assisted living services for senior persons. RSLC also operates a skilled nursing facility. RHS is the sole corporate member of RSLC.

RHS and its obligated affiliates principally provide health and residential care services through their inpatient and outpatient care facilities located in the Kankakee area and grant credit to patients and residents, substantially all of whom are residents of the service area. Expenses incurred by RHS and its obligated affiliates relate to the provision of healthcare and residential services and related general and administrative activities.

All significant intercompany balances and transactions have been eliminated in combination.

(2) Summary of Significant Accounting Policies

The following accounting policies are utilized in presenting the accompanying special-purpose combined financial statements of RHS and its obligated affiliates.

(a) Presentation

These special-purpose combined financial statements were prepared in accordance with the accounting requirements set forth in the Amended Master Trust Indenture dated as of November 1, 1996 between RHS, the Medical Center, Oakside, RSLC, and Bank of New York Trust Company, N.A., as successor Master Trustee. Pursuant to these requirements, certain affiliated entities of RHS required to be consolidated with RHS in accordance with U.S. generally accepted accounting principles have been excluded from the accompanying special-purpose combined financial statements or are