

DEC 23 2024

HEALTH FACILITIES &
 SERVICES REVIEW BOARD

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Elmhurst Memorial Hospital			
Street Address: 155 E. Brush Hill Road			
City and Zip Code: Elmhurst 60126			
County: DuPage	Health Service Area: VII	Health Planning Area: A-05	

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

Exact Legal Name: Elmhurst Memorial Hospital	
Street Address: 155 E. Brush Hill Road	
City and Zip Code: Elmhurst 60126	
Name of Registered Agent: Shivani Bautista	
Registered Agent Street Address: 1301 Central Street	
Registered Agent City and Zip Code: Evanston 60201	
Name of Chief Executive Officer: Kimberley Darey	
CEO Street Address: 155 E. Brush Hill Road	
CEO City and Zip Code: Elmhurst 60126	
CEO Telephone Number: 331-221-0078	

Type of Ownership of Applicants

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

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

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: Cheryl Eck
Title: Vice President, Strategy, Community & Government Relations
Company Name: Endeavor Health
Address: 4201 Winfield Road; Warrenville, IL 60555
Telephone Number: 331-221-3478
E-mail Address: Cheryl.Eck@eehealth.org
Fax Number:

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

Name: Shivani Bautista
Title: Chief Legal Officer
Company Name: Endeavor Health
Address: 1301 Central Street
Telephone Number: 847-570-5230
E-mail Address: sbautista@northshore.org
Fax Number:

Facility/Project Identification

Facility Name: Elmhurst Memorial Hospital			
Street Address: 155 E. Brush Hill Road			
City and Zip Code: Elmhurst 60126			
County: DuPage	Health Service Area: VII	Health Planning Area: A-05	

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

Exact Legal Name: Endeavor Health
Street Address: 1301 Central Street
City and Zip Code: Evanston 60201
Name of Registered Agent: Shivani Bautista
Registered Agent Street Address: 1301 Central Street
Registered Agent City and Zip Code: Evanston 60201
Name of Chief Executive Officer: Gerald P. Gallagher
CEO Street Address: 1301 Central Street
CEO City and Zip Code: Evanston 60201
CEO Telephone Number: 847-570-2000

Type of Ownership of Applicants

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

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Company Name: Endeavor Health
Address: 1301 Central Street
Telephone Number: 847-570-5230
E-mail Address: sbautista@northshore.org
Fax Number:

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: Cheryl Eck
Title: Vice President, Strategy, Community & Government Relations
Company Name: Endeavor Health
Address:4201 Winfield Road; Warrenville, IL 60555
Telephone Number: 331-221-3478
E-mail Address:Cheryl.Eck@eehealth.org
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Elmhurst Memorial Hospital
Address of Site Owner: 155 E. Brush Hill Road, Elmhurst, IL 60126
Street Address or Legal Description of the Site: 155 E. Brush Hill Road, Elmhurst, IL 60126
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: Elmhurst Memorial Hospital
Address:155 E. Brush Hill Road Elmhurst, IL 60126
<input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification :

- Substantive
- Non-substantive

2. Narrative Description

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

Elmhurst Hospital is proposing a modernization of its existing facilities, which includes adding 3 new operating rooms and support space and a 16-bed observation unit. Additionally, Elmhurst Hospital proposes a two-story expansion above the cancer center. One floor will be dedicated to expanding the cancer center's clinic and administrative space. One floor will accommodate relocated endoscopy procedural rooms and associated support spaces.

The project's total square footage is 33,450 of new construction and 40,950 square feet of modernization. The total cost of the project is \$100,849,833 with an anticipated completion date of September 30, 2028.

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

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$31,080	\$0	\$31,080
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$35,562,446	\$1,481,769	\$37,044,215
Modernization Contracts	\$25,025,442	\$1,317,129	\$26,342,571
Contingencies	\$5,431,698	\$408,838	\$5,840,536
Architectural/Engineering Fees	\$3,468,714	\$301,627	\$3,770,341
Consulting and Other Fees	\$725,801	\$31,120	\$756,921
Movable or Other Equipment (not in construction contracts)	\$9,447,604	\$0	\$9,447,604
Bond Issuance	\$862,932	\$37,068	\$900,000
Net Interest Expense During Construction (Project Related)	\$12,480,000	\$520,000	\$13,000,000
Other Costs to Be Capitalized	\$3,270,578	\$445,988	\$3,716,565
TOTAL USES OF FUNDS	\$96,306,295	\$4,543,538	\$100,849,833
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)	\$96,306,295	\$4,543,538	\$100,849,833
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$96,306,295	\$4,543,538	\$100,849,833
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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Purchase Price: \$ _____ Fair Market Value: \$ _____
The project involves the establishment of a new facility or a new category of service <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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: <input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary <input checked="" type="checkbox"/> Schematics <input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): _____ September 30, 2028 _____
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> 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 <input checked="" type="checkbox"/> 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? <input checked="" type="checkbox"/> Cancer Registry <input checked="" type="checkbox"/> APORS <input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted <input checked="" type="checkbox"/> 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: Elmhurst Memorial Hospital		CITY: Elmhurst			
REPORTING PERIOD DATES:		From: 1/1/2023		to: 12/31/2023	
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	196	13,727	65,064	0	196
Obstetrics	23	2,327	7,504	0	23
Pediatrics	0	0	0	0	0
Intensive Care	39	2,450	10,872	0	39
Comprehensive Physical Rehabilitation	0	0	0	0	0
Acute/Chronic Mental Illness	0	0	0	0	0
Neonatal Intensive Care	0	0	0	0	0
General Long-Term Care	0	0	0	0	0
Specialized Long-Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other ((identify))	0	0	0	0	0
TOTALS:	258	18,504	83,440	0	258

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 Endeavor Health *
 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.

Gerald P. Gallagher

SIGNATURE

Gerald P. Gallagher

PRINTED NAME

President & CEO

PRINTED TITLE

Shivani Bautista

SIGNATURE

Shivani Bautista

PRINTED NAME

Chief Legal Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me this 17 day of December 2024

Notarization:

Subscribed and sworn to before me this 17 day of December 2024

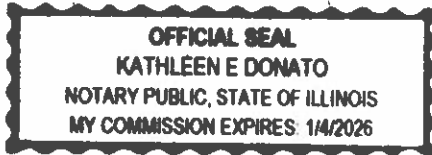
Kathleen E. Donato

Signature of Notary

Kathleen E. Donato

Signature of Notary

Seal



Seal



*Insert the EXACT legal name of the applicant

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 Elmhurst Memorial Hospital 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

Kimberley Darey
PRINTED NAME

President
PRINTED TITLE

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13th day of December 2014

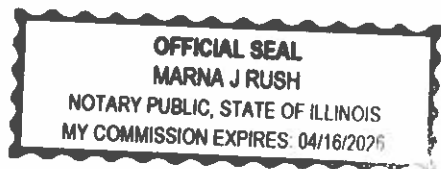
Notarization:
Subscribed and sworn to before me
this ____ day of _____


Signature of Notary

Signature of Notary

Seal

Seal



*Insert the EXACT legal name of the applicant

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).
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- 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 Elmhurst Memorial Hospital 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

SIGNATURE

PRINTED NAME

Shivani Bautista
PRINTED NAME

PRINTED TITLE

Chief Legal Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____

Notarization:

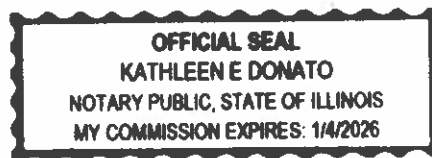
Subscribed and sworn to before me
this 17 day of December 2024

Signature of Notary

Kathleen E. Donato
Signature of Notary

Seal

Seal



*Insert the EXACT legal name of the applicant

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

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

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

Criterion 1110.110(b) & (d)

PURPOSE OF PROJECT

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

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

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

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

ALTERNATIVES

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

Alternative options **must** include:

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

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

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

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

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

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

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

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

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

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

Service	# Existing Key Rooms	# Proposed Key Rooms
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

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

Project Type	Required Review Criteria
New Services or Facility or Equipment	(b) - Need Determination - Establishment
Service Modernization	(c)(1) - Deteriorated Facilities
	AND/OR
	(c)(2) - Necessary Expansion PLUS
	(c)(3)(A) - Utilization - Major Medical Equipment
	OR
	(c)(3)(B) - Utilization - Service or Facility
APPEND DOCUMENTATION AS ATTACHMENT 31, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

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

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

VII. 1120.120 - AVAILABILITY OF FUNDS

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

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

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

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

Variance

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

APPEND DOCUMENTATION AS ATTACHMENT 36, IN 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)	Year	Year	Year
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Medicaid (revenue)	Year	Year	Year
Inpatient			

	Outpatient			
Total				

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

SECTION X. CHARITY CARE INFORMATION

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

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

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

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

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

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

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



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

1. Applicant: _____
 (Name) (Address)

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

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

(County) (Township) (Section)

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

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

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

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

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

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

FIRM Panel Number: _____ Effective Date: _____

Name of Official: _____ Title: _____

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

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**Attachment #1
Certificate of Good Standing**

Included with this attachment are the following:

1. Certificate of Good Standing for Endeavor Health
2. Certificate of Good Standing for Elmhurst Memorial Hospital

File Number

7305-903-8



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

ENDEAVOR HEALTH, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 14, 2021, 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 #: 2433200612 verifiable until 11/27/2025
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 27TH day of NOVEMBER A.D. 2024 .

Alexi Giannoulis
SECRETARY OF STATE

File Number

2346-969-3



To all to whom these Presents Shall Come, Greeting:

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

ELMHURST MEMORIAL HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 28, 1934, 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 # 2430202494 verifiable until 10/28/2025
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 28TH day of OCTOBER A.D. 2024 .

Alexi Giannoulas
SECRETARY OF STATE

**Attachment #2
Site Ownership**

The proposed site is at Elmhurst Memorial Hospital located at 155 E. Brush Hill Road, Elmhurst 60126. A notarized statement attesting to ownership is on the following page.

December 5, 2024

Debra Savage, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Elmhurst Hospital Site Ownership

Dear Chair Savage,

I am writing to attest that Elmhurst Memorial Hospital owns the property located at 155 E. Brush Hill Road, which houses Elmhurst Hospital.

Sincerely,



Kimberley Darey
President, Elmhurst Hospital

Subscribed and sworn to me
This 17 day of December, 2024




Notary Public



**Attachment #3
Operating Identify/License**

← DISPLAY THIS PART IN A CONSPICUOUS PLACE



**ILLINOIS DEPARTMENT OF
PUBLIC HEALTH**

HF131045

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 6/24/2025	CATEGORY General Hospital	I.D. NUMBER 0005751(1)
-------------------------------------	-------------------------------------	----------------------------------

Effective: 06/25/2024

**Elmhurst Memorial Hospital
155 E Brush Hill Rd
Elmhurst, IL 60126**

The face of this license has a colored background. • Printed by Authority of the State of Illinois • P.O. #422001 10M 372

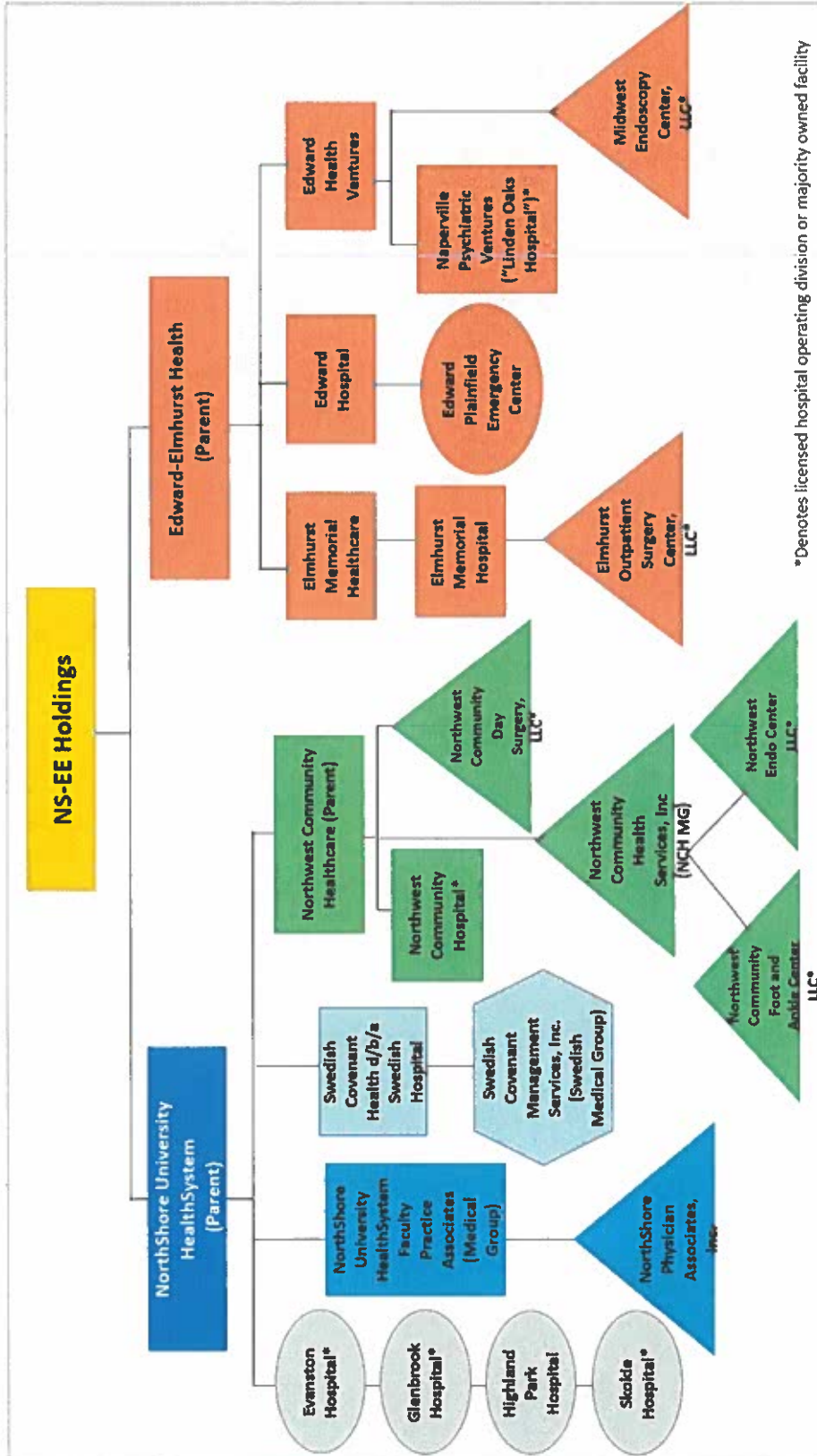
Exp. Date 6/24/2025
Lic Number 0005751(1)

Date Printed 6/18/2024

Elmhurst Memorial Hospital
155 E Brush Hill Rd
Elmhurst, IL 60126

FEE RECEIPT NO.

Attachment #4 Organizational Relationships



**Attachment #5
Flood Plain Requirements**

The location of the proposed project is 155 E. Brush Hilld Road, Elmhurst.

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

National Flood Hazard Layer FIRMette



Baseemap Imagery Source: USGS National Map 2023

Legend

SEE PER REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LOCUS

SPECIAL FLOOD HAZARD AREAS
 Without Base Flood Elevation (BFE)
 With BFE or Depth (Zone AE, AH, AO, A99, X, AP)
 Regulatory Floodway

0.2% Annual Chance Flood Hazard, Areas of 1% Annual Chance Flood with average depth less than one foot or with average area of flow that one square mile (Zone F)
 Future Conditions 1% Annual Chance Flood Hazard (Zone F)
 Areas with Potential Flood Risk due to Levees, Sea Walls, etc. (Zone F)
 Areas with Flood Risk due to Levees (Zone D)

OTHER AREAS OF FLOOD HAZARD
 Area of Minimal Flood Hazard (Zone F)
 Effective LOERs
 Area of Undetermined Flood Hazard (Zone D)
 Channel, Culvert, or Storm Sewer
 Levee, Dike, or Floodwall

OTHER AREAS
GENERAL STRUCTURES
 Cross Sections with 1% Annual Chance Water Surface Elevation
 Coastal Trusscut
 Base Flood Elevation Line (BFE)
 Limit of Study
 Artificiality Boundary
 Coastal Trusscut Boundary
 Profile Baseline
 Hydrographic Feature

OTHER FEATURES
 Digital Data Available
 No Digital Data Available
 Untrapped

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

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

The flood hazard information is derived directly from the authoritative MFH, with services provided by FEMA. This map was updated on 10/18/2024 at 4:45 PM and does not reflect changes or amendments subsequent to this date and time. The BFE, and effective information may change or become superseded by new data over time.

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

Attachment #6
Historic Resources Preservation Act Requirements

The location of the proposed project is 155 E. Brush Hill Road, Elmhurst. The letter on the following page from the Illinois Department of Natural Resources indicates that the project is not considered a historic, architectural, or archeological site.



Illinois
Department of
**Natural
Resources**

J.B. Pritzker, Governor • Natalie Phelps Finnie, Director
One Natural Resources Way • Springfield, Illinois 62703-1271
www.dnr.illinois.gov

DuPage County
Elmhurst

CON - Vertical Expansion and Interior Rehabilitation
133 E. Brush Hill Rd., 155 E. Brush Hill Rd.

IHFSRB, SHPO Log #002101824

October 21, 2024

Bradley Debnar
Endeavor Health
155 E. Brush Hill Road
Elmhurst, IL 60126

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

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

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

If you have any further questions, please contact Steve Dasovich, Cultural Resources Manager, at 217/782-7441 or at Steve.Dasovich@illinois.gov.

Sincerely,

Carey L. Mayer, AIA
Deputy State Historic Preservation Officer

**Attachment #7
Project Costs and Sources of Funds**

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$31,080	\$0	\$31,080
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$35,562,446	\$1,481,769	\$37,044,215
Modernization Contracts	\$25,025,442	\$1,317,129	\$26,342,571
Contingencies	\$5,431,698	\$408,838	\$5,840,536
Architectural/Engineering Fees	\$3,468,714	\$301,627	\$3,770,341
Consulting and Other Fees	\$725,801	\$31,120	\$756,921
Movable or Other Equipment (not in construction contracts)	\$9,447,604	\$0	\$9,447,604
Bond Issuance	\$862,932	\$37,068	\$900,000
Net Interest Expense During Construction (Project Related)	\$12,480,000	\$520,000	\$13,000,000
Other Costs to Be Capitalized	\$3,270,578	\$445,988	\$3,716,565
TOTAL USES OF FUNDS	\$96,306,295	\$4,543,538	\$100,849,833
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)	\$96,306,295	\$4,543,538	\$100,849,833
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$96,306,295	\$4,543,538	\$100,849,833
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Project Cost and Sources of Funds - ITEMIZATION			
Preplanning Costs:		Total:	\$ 31,080
	Pre-Construction HVAC Air Flow Reports	\$ 31,080	
Site Survey and Soil Investigation:		Total:	\$ -
	Site Survey	\$ -	
	Soil Borings and Testing	\$ -	
Site Preparation:		Total:	\$ -
	Demolition of Existing Building Structure Components	\$ -	
	Site staging for Construction	\$ -	
	Electrical Site Infrastructure	\$ -	
	Site Utility Reconfiguration	\$ -	
Off Site Work:		Total:	\$ -
	Off Site Work	\$ -	
New Construction Contracts:		Total:	\$ 37,044,215
	Construction Cost	\$ 33,892,815	
	General Conditions / Temp Utilities	\$ 1,853,765	
	Insurance	\$ 556,129	
	Construction Management	\$ 741,506	
Modernization Contracts:		Total:	\$ 26,342,571
	Construction Cost	\$ 24,103,452	
	General Conditions / Temp Utilities	\$ 1,317,129	
	Insurance	\$ 395,139	
	Construction Management	\$ 526,851	
Contingencies		Total:	\$ 5,840,536
Architectural/Engineering Fees		Total:	\$ 3,770,341
Consulting and Other Fees:		Total:	\$ 756,921
	CON Application	\$ -	
	Post Project Audit	\$ -	
	IDPH Plan Review	\$ 20,000	
	Commissioning	\$ 80,000	
	Building Inspections	\$ -	
	Permits / Testing	\$ 656,921	
Movable and Other Equipment: (not in construction contracts)		Total:	\$ 9,447,604
	Major Medical	\$ 7,747,035	
	Minor Medical	\$ 1,700,569	
Bond Issuance Expense (project)		Total:	\$ 900,000
	Bond Issuance Expense	\$ 900,000	
Net Interest Expense During Construction (Project Related)		Total:	\$ 13,000,000
	Net Interest Expense During Construction (Project Related)	\$ 13,000,000	
Other Costs to be Capitalized:		Total:	\$ 3,716,565
	Furnishings	\$ 1,274,125	
	IS / Telecommunications	\$ 1,861,575	
	Security System	\$ 478,478	
	Signage	\$ 102,388	
		TOTAL:	\$ 100,849,833

**Attachment #8
Project Status and Completion Schedules**

The IHFSRB has approved the following active CON/COE applications. These projects are expected to be completed on time and within budget, without any changes to scope.

NorthShore University HealthSystem, Glenbrook Hospital (Project # 21-016)

CON permit approved: 9/14/2021
Permit completion date: 12/31/2024

Northwest Community Hospital Outpatient Care Center (Project # 22-010)

CON permit approved: 5/20/2022
Permit completion date: 3/31/2025

Cardiovascular Institute Outpatient Center (Project # 23-029)

CON permit approved: 8/24/2023
Permit completion date: 3/31/2025

Cardiovascular Institute Ambulatory Surgery Center (Project # 23-040)

CON permit approved: 3/12/2024
Permit completion date: 9/30/2025

Attachment #9 Cost Space Requirements

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing (DGSF)	Proposed (DGSF)	New Const.	Modernized (Reno)	As Is	Vacated Sp
Reviewable							
Lower Level							
Surgery	129,821	1,550	-	-	1,550	-	-
Level 1							
Observation	9,101,291	7,750	-	-	7,750	-	-
Level 2							
Surgery	16,278,158	50,050	-	-	10,850	39,200	-
Phase I Recovery	5,792,050	7,200	-	-	7,200	-	-
Phase II Recovery	15,460,047	5,250	9,300	9,300	1,700	3,550	-
SPD	3,628,893	13,871	-	-	7,750	6,121	-
Endo Procedure	22,331,631	-	7,300	7,300	-	-	-
Level 3							
Oncology	23,584,404	-	16,850	16,850	-	-	-
Total Clinical	96,306,295	85,671	33,450	33,450	36,800	48,871	-
Non-Reviewable							
Lower Level							
Conference Center	214,695	13,700	-	-	800	12,900	-
Level 1							
Physician Lounge	416,778	2,600	-	-	600	2,000	-
Exit Access Passageway	319,616	1,400	-	-	300	1,100	-
East Lobby Atrium Infill	2,962,190	5,150	-	-	2,450	2,700	-
Cancer Center Vertical Circulation	630,258	-	-	-	-	-	-
Total Non-clinical	4,543,538	22,850	-	-	4,150	18,700	-
TOTAL	100,849,833	108,521	33,450	33,450	40,950	67,571	-

**Attachment #11
Background of Applicant**

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

Endeavor Health			
Name	Address	License No.	Accreditation Identification No.
NorthShore Evanston Hospital	2650 Ridge Avenue Evanston, IL 60201	0000646	7343
NorthShore Glenbrook Hospital	2100 Pfingsten Road Glenview, IL 60225	0003483	7343
NorthShore Highland Park Hospital	777 Park Avenue West Highland Park, IL 60035	0005066	7343
NorthShore Skokie Hospital	9600 Gross Point Road Skokie, IL 60076	0005587	7343
Swedish Covenant Health d/b/a Swedish Hospital	5145 North California Avenue Chicago, IL 60625	0002717	7343
Northwest Community Hospital	800 West Central Road Arlington Heights, IL 60005	0001701	4656
Edward Hospital	801 South Washington Street Naperville, IL 60540	0003905	7394
Elmhurst Memorial Hospital	155 East Brush Hill Street Elmhurst, IL 60126	0005751	7341
Naperville Psychiatric Ventures d/b/a Linden Oaks Hospital	852 South West Street Naperville, IL 60540	0005058	4973
Edward Plainfield Emergency Center	24600 West 127 th Street Plainfield, IL 60585	22003	257710
Northwest Community Day Surgery Center II	675 West Kirchoff Road Arlington Heights, IL 60005	7001209	558537
Northwest Endo Center	1415 South Arlington Heights Road Arlington Heights, IL 60005	7003210	117454

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.

Endeavor Health Health Care Facilities with 5% or Greater Ownership		
Name	Address	License No.
Ravine Way Surgery Center	2350 Ravine Way #500 Glenview, Illinois 60025	7003080
North Shore Same Day Surgery, LLC	3725 W. Touhy Avenue Lincolnwood, Illinois 60712	7003130
Elmhurst Outpatient Surgery Center	1200 South York Road, Suite 1400 Elmhurst, Illinois 60126	7002330
Midwest Endoscopy	3811 Highland Avenue Downers Grove, Illinois 60515	7001076
DMG Surgical Center	2725 Technology Drive Lombard, Illinois 60148	7003023
Plainfield Surgery Center	24600 West 127 th Street, Building C Plainfield, Illinois 60585	7003135

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.

By signature on the Certification page of this application, the Applicants attest that no adverse action has been taken against any facility owned and/or operated by the Applicants during the three years prior to the filing of this application. For purpose of this certification, the term "adverse action" is defined in the Illinois Administrative Code, Title 77, Section 1130.140.

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

By signature on this application, the applicants grant the IHFSRB and IDPH access to information to verify information in this application.

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.

By signature on this application, the applicants attest that the information provided in other applications submitted during this calendar year including the proposed Cardiovascular Institute Ambulatory Surgery Center (Project#23-040) is correct and has no changes from what was submitted.

Attachment #12 Purpose of Project

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

The purpose of this project is to enhance timely access to essential healthcare services, ensuring that the community receives safe, high-quality care while effectively lowering costs to the healthcare system. By addressing multiple space constraints at Elmhurst Hospital, we aim to meet the growing needs of our community and fulfill our Endeavor Health mission of empowering everyone in our communities to be their best.

The proposed renovations and expansions will improve patient access and care in key areas such as cancer, surgery, endoscopy, and observation.

Key benefits of the project include:

- **Timely Access for Patients:** By addressing critical capacity constraints, this project will facilitate faster patient access to essential services. Reduced wait times will ensure that patients receive prompt treatment, which is vital for effective outcomes, particularly in oncology and surgical care.
- **Safe, High-Quality Care:** The renovations and expansions will enhance the safety and quality of care provided to patients. Improved infrastructure will support advanced clinical practices, ensuring compliance with the highest standards of healthcare delivery.
- **Cost Savings for the Healthcare System:** By right-sizing our campus space and increasing operational efficiency, we can lower overall costs associated with healthcare delivery. This project will reduce the financial burden on both the hospital and the community by minimizing unnecessary expenditures while maximizing resource utilization.
- **Increased Patient Satisfaction:** With a focus on reducing wait times and improving access, patients will experience enhanced satisfaction with their care. Positive experiences are crucial for patient retention and community trust in our healthcare services.
- **Operational Efficiency:** This project will streamline patient placement and operational flow, allowing for more efficient use of staff and resources. Improved workflows will not only enhance patient care but also optimize hospital operations, ultimately benefiting the entire healthcare system.

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

The project's total planning area consists of 33 zip codes surrounding Elmhurst Hospital. According to demographic analyses conducted by Claritas, LLC, this planning area has approximately 760,000 residents in 2024. While the overall population is projected to remain flat, the 65+ age group is anticipated to increase by 10.6% over the next five years. This aging population will be the primary beneficiary of the proposed project, as they are most likely to utilize these expanded healthcare services.

Zip Code	Town	County
60101	Addison	Dupage
60104	Bellwood	Cook
60106	Bensenville	Dupage
60108	Bloomington	Dupage
60126	Elmhurst	Dupage
60130	Forest Park	Cook
60131	Franklin Park	Cook
60137	Glen Ellyn	Dupage
60139	Glendale Heights	Dupage
60148	Lombard	Dupage
60153	Maywood	Cook
60154	Westchester	Cook
60155	Broadview	Cook
60160	Melrose Park	Cook
60162	Hillside	Cook
60163	Berkeley	Cook
60164	Melrose Park	Cook
60165	Stone Park	Cook
60181	Villa Park	Dupage
60187	Wheaton	Dupage
60189	Wheaton	Dupage
60191	Wood Dale	Dupage
60301	Oak Park	Cook
60302	Oak Park	Cook
60304	Oak Park	Cook
60305	River Forest	Cook
60515	Downers Grove	Dupage
60516	Downers Grove	Dupage
60523	Oak Brook	Dupage
60527	Willowbrook	Dupage
60559	Westmont	Dupage
60561	Darien	Dupage
60707	Elmwood Park	Cook

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

Elmhurst has experienced tremendous growth across key services straining overall patient capacity and access, limiting the ability to serve the needs of the community.

- Observation:** Elmhurst Hospital has experienced significant growth in its medical/surgical units, with inpatient days increasing by 33.6% from 2018 to 2023. This growth has resulted in consistent bed capacity constraints, creating challenges in patient access and overall patient experience. High census levels have led to patients being held in the emergency department (ED) longer than necessary due to

a lack of available inpatient beds, which is both costly and inefficient. Additionally, observation patients are currently placed in available beds across various inpatient medical/surgical units, which creates inefficiencies and contributes to longer lengths of stay. Observation patient volumes have increased by 18% since 2018, and this trend is expected to continue, driven in part by CMS and commercial payment policies, as well as the shift of procedural volumes to outpatient settings. To address these challenges and optimize patient care, Elmhurst Hospital proposes the creation of a dedicated observation unit. This unit will be specifically designed to accommodate short-stay patients, allowing for more streamlined processes, improved operational efficiencies, and lower overall costs. Establishing this model of care will better serve the growing observation patient population while enhancing patient flow and overall hospital capacity.

- **Cancer Services:** The current cancer treatment facility is operating at full capacity, resulting in strained access for patients in need of timely care. As cancer incidence rates continue to rise, along with an increasing prevalence of co-morbidities amongst the patient population, the need for expanded services has become critical. Delayed access to care often forces patients to seek treatment in emergency departments or through hospital admissions, which are not only costly but can also lead to poorer health outcomes. With more timely and efficient access to specialized cancer care, many of these emergency situations can be avoided. Expanding the cancer center will address these issues by providing much-needed space and resources to accommodate the growing demand for services, improving patient outcomes, and reducing unnecessary healthcare expenditures. Additionally, the expansion will enhance the community's overall healthcare infrastructure, ensuring that local patients do not have to travel long distances for essential cancer care. This expansion will ultimately provide more equitable access to life-saving care and support the long-term health of the region's population.
- **Procedural Space:** Elmhurst has experienced significant growth in both surgical and endoscopic procedures despite the national and local trend of shifting these services to ambulatory settings. Due to this growth, the existing procedural spaces are inadequate to meet the rising demand, leading to longer wait times for patients and increased strain on staff and resources. Specifically, the current endoscopy spaces are separated, resulting in operational inefficiencies that reduce workflow, increase turnaround times, and complicate staff coordination. A dedicated procedural space expansion would not only streamline these processes but also improve patient throughput and enhance the overall patient experience. With the continued growth of both surgery and endoscopy services, expanding the procedural space is essential to maintaining high-quality care, reducing delays, and improving operational efficiency. Additionally, by increasing the capacity for these services within the hospital, Elmhurst can keep care local and reduce the potential for costly delays in treatment.

4. Cite the sources of the documentation.

- Endeavor Health Community Benefit Plan Report FY23
- Advisory Board Company
- Claritas LLC
- Illinois COMPdata
- Internal utilization analyses

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

This project will directly address the critical issues identified earlier by adding an observation unit and expanding both cancer clinic and procedural spaces. The addition of an observation unit will provide a dedicated area for patients requiring short-term monitoring, improving patient flow and reducing the need for unnecessary hospital admissions or emergency department visits. This will not only decrease healthcare costs but also enhance patient outcomes by allowing for more timely interventions. Expanding cancer clinic capacity will ensure that patients have quicker access to life-saving therapies, reducing delays that often lead to more advanced stages of disease and higher healthcare costs associated with emergency care or hospitalizations. The expansion of procedural spaces for surgery and endoscopy will improve operational efficiency, reduce patient wait times, and enhance coordination among medical teams, ensuring patients receive care when they need it most. By addressing these capacity and operational challenges, the project will significantly improve the health status and well-being of the local population, offering faster, more accessible, and cost-effective care. Furthermore, this expansion will support the growing needs of the community, keeping high-quality care local and preventing patients from seeking services at distant facilities.

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

The goals and objectives of this project are as follows:

- Open expanded spaces, with total project completion by September 30, 2028.
- Accommodate 17,226 surgeries (2 years of operation, 2030)
- Accommodate 15,228 Endoscopy procedures (2 years of operation, 2030)
- Accommodate 34,704 Medical and surgical cancer office visits (2 years of operation, 2030)

Attachment #13 Alternatives

Alternative #1: Full Cancer Center Build Out

A larger build-out of the cancer center was thoroughly considered, which would involve renovating the existing facility and adding three new floors. This option would provide all the physical space outlined in the proposed project, in addition to administrative support areas. The cost of this option is \$125 Million. While this extensive expansion would significantly improve both clinical and non-clinical space requirements, it was ultimately rejected in favor of a more fiscally responsible approach aimed at reducing the overall size and cost of the project.

This decision reflects our commitment to prioritizing efficient resource allocation while still addressing the critical needs of our community in a sustainable manner. By opting for a more focused expansion, we can better align our resources with the evolving demands of cancer care, ensuring that we deliver high-quality services without overextending our financial commitments.

Alternative #2: Vertical Build Out of Hospital

This option proposes adding one floor atop the existing hospital, which would provide 24 additional beds and necessary support space, with an estimated project cost of \$105.7 Million. However, this expansion does not adequately address critical access needs for operating rooms and cancer services due to space continuity restraints, both of which are vital for delivering high-quality, comprehensive patient care.

As healthcare services increasingly transition outside of traditional hospital settings, there is a substantial risk that this project could lead to overbuilding, raising concerns about the long-term viability and utilization of the newly created space. This could ultimately result in wasted resources and operational inefficiencies, undermining our financial sustainability and the quality of care we strive to provide.

Consequently, while this expansion may initially appear beneficial, it does not align with the current and future needs of our healthcare system. For these reasons, this option was rejected as it fails to comprehensively address essential access needs and poses risks of inefficient resource utilization, further emphasizing the need for a more strategic and targeted approach to enhance patient care.

Alternative #3: Surgery and Observation Unit Addition

This alternative involves the construction of a 2-story addition behind the existing Elmhurst Hospital, designed to accommodate a 15-bed observation unit, two operational operating suites, and two shelled operating suites, along with essential support spaces. With an estimated project cost of around \$46.8 Million, this option is presented as a lower-cost alternative to more extensive expansions. However, it falls short in addressing critical space needs for cancer, and endoscopy services, which are vital for comprehensive patient care and access within the community.

Moreover, the proposed location of this new wing raises concerns regarding patient transport and wayfinding, as it may complicate navigation for patients and their families. This could lead to delays in care and negatively impact the overall patient experience. Given these significant gaps in service capacity and potential challenges in patient access, this alternative does not fully align with the goals of enhancing healthcare delivery at Elmhurst Hospital. As such, while it offers a lower cost, it ultimately does not meet the comprehensive needs of our healthcare system and the community we serve.

Alternative #5: Do nothing

Cost: \$0. As outlined in previous sections, there is a critical need to enhance timely access to care by increasing capacity within our healthcare system. Opting to “do nothing” would significantly hinder our ability to improve access and effectively address the diverse needs of the community. This inaction would not only exacerbate existing challenges, such as long wait times and limited-service availability but also risk compromising the quality of care provided to patients. Given the pressing demand for healthcare services and the necessity for a proactive approach, this alternative was not selected. Instead, we are committed to pursuing options that will expand our capacity and ensure that we can meet the healthcare needs of our community in a timely and efficient manner.

**Attachment #14
Size of Project**

The proposed project includes a two-story vertical expansion of the Elmhurst Hospital Cancer Center building and interior renovation of hospital spaces. The gross square footage of this project is 74,400, consisting of 33,450 square feet of new space and 40,950 square feet of renovated space.

Elmhurst Hospital worked with Ryan Companies US, Inc. to ensure the square footage proposed is necessary, not excessive, and consistent with the standards identified in Appendix B of 77 Illinois Admin. Code Section 1110. The table below outlines the clinical areas proposed in this project that have defined space requirements, along with a comparison to state standards. Standards do not exist for an observation unit or an outpatient oncology clinic. All areas meet the state standard with the exception are the post-anesthesia recovery rooms. The proposed post-anesthesia recovery rooms are slightly larger than the state standard due to limitations in the existing layout and structural grid, which prevent full compliance with the standard. The current bays are 250 DGSF/KPU, and the expansion aligns with this existing configuration. Additionally, the structural grid dictates the bay spacing in the expanded PACU, necessitating the slightly larger space to maintain operational efficiency and patient care standards within the constraints of the building's infrastructure.

SIZE OF PROJECT				
DEPARTMENT / SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Surgical Operating Suite (Class C)	51,900 DGSF 2,730 DGSF / KPU	2750 dgsf/Operating Room		Yes
Surgical Procedure Suite (Class B)	7,700 DGSF 1,100 DGSF / KPU	1100 dgsf/Procedure Room		Yes
Post-Anesthesia Recovery Phase I	7,200 DGSF 250 DGSF / KPU	180 dgsf/recovery station	+70 DGSF/KPU	No
Post-Anesthesia Recovery Phase II	23,400 DGSF 390 DGSF / KPU	400 dgsf/recovery station		Yes

**Attachment #15
Project Services Utilization**

There are two services proposed in this project that has a utilization standard as outlined in Section 1110 Appendix B. The table below outlines these two services with projections through CY2030, 2 years after project completion. As the table below displays, utilization for these two services meet the state standard.

Department	Historical Utilization: 2023		Projected Utilization: 2030		State Standard	Met Standard?
	Cases	Hours/Room	Cases	Hours/Room		
Surgery/ Operating Rooms	14,387	2,102.5	17,226	2,175	1500 hours/ OR	Yes
Endoscopy/ Procedure Rooms	7,985	1,622	15,228	1,641	1500 hours/ Procedure Room	Yes

**Attachment #16
Unfinished or Shell Space**

The proposed project does not include unfinished or shell space.

**Attachment #31
Clinical Service Areas Other than Categories of Service**

This project provides expansion to the following clinical services that are not categories of service:

Service	# Existing Key Rooms	# Proposed Total Key Rooms
Operating Rooms	16	19
PACU	18	27
Endoscopy Suites	7	7
Cancer Exam Rooms	16	30
Observation	8	24

1. Operating Rooms

Elmhurst Hospital has experienced significant growth in surgical procedures in recent years. While the current complement of operating rooms operate at high efficiency, it is challenging to accommodate the increasing community demand. As a result, resources are strained, leading to longer wait times and, in some cases, causing patients to travel outside the community for care. With continued growth projected, an expansion of surgical space is essential to maintain high-quality care locally.

Historical utilization data shows that Elmhurst's ORs are exceeding the utilization standard of 1,500 hours per operating room, demonstrating the high utilization and need for additional space to ensure continued access to care. The addition of 3 ORs will ensure adequate capacity to accommodate timely access and will meet and exceed the utilization standard.

The proposed expansion will support a higher volume of surgeries, including outpatient and same-day discharge cases, while maintaining the hospital's commitment to quality care and patient safety. It will also allow for associated support services, such as pre- and post-operative care

	2022	2023	Projected 2030
Cases	13,669	14,387	17,226
Hours/Room	2,043.6	2,102.5	2,175

2. Endoscopy/Procedural Suites

The proposed expansion of endoscopy procedural space at Elmhurst Hospital is essential to meet the growing demand for diagnostic and therapeutic endoscopic procedures. Elmhurst currently performs over 10,000 endoscopy procedures annually across two locations. However, the geographic separation of these units has resulted in operational inefficiencies that impact timely access to care for patients. The proposed solution involves co-locating the existing endoscopy units to a single, centralized location on the Elmhurst campus, which will improve workflow, reduce wait times, and enhance patient throughput.

Historical utilization data indicates that Elmhurst is reaching the state utilization standard of 1,500

hours per procedure room. This variance is primarily due to inefficiencies arising from operating across two separate locations, as well as factors such as limited scheduling flexibility and challenges related to patient acuity and staff coordination.

The proposed reconfiguration to co-locate all endoscopy suites at a single Elmhurst campus location will streamline operations, optimize scheduling, and improve resource utilization. This centralization will enhance efficiency, reduce wait times, and increase capacity to meet growing demand, ultimately improving clinical outcomes and patient satisfaction.

	2022	2023	Projected 2030
Cases	7,598	7,985	15,228
Hours/Room	1,566.4	1,622.0	1,614

3. Cancer Services

Elmhurst Hospital's cancer center is a comprehensive program offering medical, surgical, radiation, and support services. The proposed expansion is necessary to meet the growing demand for cancer care, driven by local population increases, a rise in cancer incidence, and advances in treatment options. Historical utilization data shows a significant year-over-year increase in patient volumes, with current capacity nearing full utilization. Projections suggest continued growth, making timely access to cancer care critical for positive clinical outcomes. The proposed expansion will include the addition of 14 exam rooms. Expanding the cancer center will improve access, enhance outcomes, and meet the community's growing demand for cancer services, ensuring that local residents and their families can receive high-quality care without needing to travel. While no established utilization standard exists for cancer outpatient care, this expansion is a necessary response to the increasing need for these vital services.

	2022	2023	Projected 2030
Clinic Visits	28,366	31,885	34,704

4. Observation

Observation days have increased 18% over the past 5 years (CY2018-2023), reflecting a growing demand for short-term care and monitoring that does not necessitate full hospitalization. This trend in observation stays is expected to continue, driven by advancements in outpatient care, shifts in healthcare policy encouraging lower-cost care alternatives, and a rising patient population with more complex, chronic conditions that require closer monitoring but not full hospitalization.

To address this growing community need, Elmhurst Hospital is proposing the construction of a 16-bed observation unit. The proposed unit will allow the hospital to better manage lower-acuity patients by consolidating care in a dedicated space, separate from medical/surgical inpatient beds. This will optimize staffing, improve patient flow, and free up inpatient capacity. By shifting observation patients from inpatient beds to the new unit, the hospital can increase efficiency and meet growing demand for observation services. With no established utilization standard for observation care, this expansion supports more efficient, cost-effective care delivery, ensuring patients receive the right level of care in the right setting.

	2022	2023	Projected 2030
Medical/Surgical Units Inpatient and Observation Days	62,274	65,064	69,326

Attachment #34, 35, 36
Availability of Funds, Financial Viability, Economic Feasibility

The applicant has a "A" Bond Rating or better from Moody's and S&P as reflected in the attached documents.

RatingsDirect®

Illinois Finance Authority Endeavor Health, Illinois; Hospital; System

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Credit Profile

US\$291.2 mil rev rfdg bnds (NorthShore - Edward-Elmhurst Hlth Credit Grp) ser 2024A due 08/15/2034

Long Term Rating

AA-/Stable

New

Credit Highlights

- S&P Global Ratings assigned its 'AA-' rating to Illinois Finance Authority's \$291 million revenue refunding bonds series 2024A, issued for Endeavor Health, Ill.
- S&P Global Ratings also affirmed its 'AA-' long-term rating on debt outstanding issued for Endeavor Health, as well as its 'AA-/A-1' rating on bonds issued for Endeavor. The short-term component of the rating reflects standby bond purchase agreements with JPMorgan Chase Bank N.A.
- The outlook is stable.

Security

A general obligation pledge of the corporation secures the bonds. This pledge includes all of the NorthShore hospitals, Swedish Hospital, Northwest Community Healthcare, and NorthShore Physician Associates Inc. are restricted affiliates. However, S&P Global Ratings includes all of the affiliates in its analysis.

Bond proceeds will refund the series 2022E, 2022F, 2022G, and 2022H bonds for savings, to mitigate interest rate volatility, and to simplify the capital structure. We will withdraw the series 2022E and 2022F ratings once the new debt is issued. All interest rate swaps are anticipated to be terminated as part of the plan of finance.

Credit overview

The rating reflects Endeavor's (formerly known as NorthShore-Edward-Elmhurst) strong balance sheet and our assessment of the system's integrated business model, with nine hospitals, a large employed physician group, and a significant outpatient presence in a demographically favorable service area that has expanded following the merger of NorthShore and Edward-Elmhurst. In addition, the system's focus on its ambulatory buildout has been successful and to date it has benefited from some partnerships. Overall market share is stable despite the highly competitive service area.

Overall financial performance has weakened in the past few years and in the recent interim period ended March 31, 2024, primarily due to elevated labor costs and inflationary pressures. However, we expect significant operational improvement throughout the remainder of fiscal 2024, with positive operations to end the year and a slightly positive operating margin. We also expect stronger performance in fiscal 2025 and beyond with margins closer to 1.5% and higher. We note that there is less flexibility at the current rating level but believe management's focus on cost containment, integration, and scale will enable the system to meet budget targets.

The rating reflects a positive holistic adjustment based on our expectation of continued operational improvement over

the outlook period as well as the system's healthy balance sheet that remains in line with, or relative to leverage, better than, 'AA-' system medians. We also expect unrestricted reserves will be rebuilt during the outlook period and remain a credit strength.

During the outlook period, we expect somewhat high capital expenditures that will be funded with cash flow from operations and investment returns.

The 'AA-' rating further reflects our view of the system's:

- Strong balance sheet, with healthy days' cash on hand and low debt to capitalization that remain sound for the rating;
- Continued solid maximum annual debt service (MADS) coverage, partially as a result of low debt;
- Good presence in the competitive local market;
- Presence in demographically more favorable service areas relative to the broader market; and
- Management team that continues to execute its strategic plan and expects to realize synergies and integration over the outlook period.

These strengths are offset by:

- The system's very competitive market and integration risk as a result of the merger with legacy facilities (Edward-Elmhurst and Swedish and Northwest Community Hospital);
- Continued shifts to governmental payers that could pressure operations; and
- Recent weaker operations with interim period losses through March 31, 2024, and recent years.

Environmental, social, and governance

We view human capital risk as slightly elevated in light of high labor costs across the industry that have led to weaker operations. However, we view environmental and governance factors to be neutral in our credit analysis.

Outlook

The stable outlook reflects our expectation that management will improve the financial profile, including incremental balance-sheet strengthening, will not issue new debt, and will reach its targeted positive margin goals. In addition, we expect the system will maintain its market share position and management will continue to focus on cost-reduction strategies and synergies to improve operations in the near term. We also expect the enterprise profile will remain stable.

Downside scenario

We could revise the outlook to negative or lower the rating during the outlook period if the system fails to meet budget of break-even operations in 2024 and positive operations in fiscal 2025 and sustain current healthy balance-sheet metrics. In addition, a significant increase in debt could result in a negative rating action, given that a low debt burden supports the rating.

Upside scenario

We do not view a positive outlook or higher rating as likely over the outlook period, given recent persistent weaker operating performance.

Credit Opinion

Enterprise Profile -- Strong

The system has continued to increase its footprint with acquisitions and organic growth

Endeavor is the parent corporation of the merged health care system in Illinois that was created with the affiliation of NorthShore University Health System and Edward-Elmhurst Healthcare. The system has nine hospitals, including an acute psychiatric hospital, and more than 300 outpatient sites in the City of Chicago and the northern, northwestern, and western suburbs of Chicago. Prior to this affiliation, the organization underwent a period of significant growth with the acquisitions of Swedish Hospital and Northwest Community Hospital in the past few years, and expanded its footprint considerably. NorthShore expanded to a six-hospital system, including its flagship (Evanston Hospital), Glenbrook Hospital, Highland Park Hospital, Skokie Hospital, and more recently, Swedish Hospital (effective Jan. 1, 2020), and Northwest Community Hospital (effective Jan. 1, 2021).

The system's service area benefits from healthy demographics but has limited population growth. The entry into Chicago's north side with the Swedish Hospital transaction helps broaden the system's footprint in a densely populated area with a younger population, albeit with a weaker payer mix. Swedish Hospital has a weaker payer mix with 23% Medicaid and 44% Medicare.

Management has seen increased referrals in cardiology and neurosurgery at Northwest Community Hospital and Swedish Hospital. Also, as some of the oncology groups collaborate, management expects to see more referrals in this service line as well as in orthopedics.

Volumes have been healthy and demand is solid, and management has been focused on expanding key service lines as well as its ambulatory buildout. The team is also focused on access to care and integration toward systemness.

Overall market share remains sound at 28% at the system. The single-largest competitor is Advocate Lutheran General Hospital, which has 10.6% market share, with many other regional hospitals, including downtown Chicago's numerous providers, splitting volume.

Legacy NorthShore entered into an agreement with Advocate Children's Hospital to form a pediatric partnership that it expects will better position both organizations as population health and risk-based products evolve. Both organizations participated in a joint venture of a specialty hub ambulatory center in Wilmette, Ill., that houses 20 pediatric specialties and more than 40 physicians. This facility opened in September 2019 and continues to have very healthy volume expectations.

Since July 2009, Legacy NorthShore has had an academic affiliation with the University of Chicago that provides academic appointments to qualified system physicians and academic sponsorship to NorthShore-based residency and

fellowship programs. NorthShore's affiliation agreement with UC Pritzker has been renewed through 2028.

Management

The system's board of directors includes finance, investment, audit and compliance, compensation, quality, and nominating and governance committees. The system's president and CEO, Gerald Gallagher, was appointed at legacy NorthShore in November 2017 after serving as the COO since 2012. Overall, we believe the management team is strong and proactive and we expect it will continue to manage and execute on its integration efforts. There are regular strategic discussions with the corporate board and committees.

We believe the 22-member board of directors is very engaged and collaborates with management on long-term strategy and financial performance initiatives.

The system has a cyber security program to maintain the integrity of its information systems. The system's chief information officer is responsible for leading the cyber security strategy.

Table 1

	--Three months ended March 31--		--Fiscal year ended Dec. 31--	
	2024	2023	2022	2021
PSA population	N.A.	4,130,719	4,158,797	N.A.
PSA market share (%)	N.A.	28.0	27.7	N.A.
Inpatient admissions	28,693	113,290	104,015	N.A.
Equivalent inpatient admissions	92,637	368,095	324,414	N.A.
Emergency visits	109,491	442,018	426,463	N.A.
Inpatient surgeries	5,615	26,126	22,498	N.A.
Outpatient surgeries	17,632	76,044	72,492	N.A.
Medicare case mix index	1.8156	1.8314	1.8700	N.A.
FTE employees	22,757	22,663	21,792	N.A.
Active physicians	4,921	4,894	4,853	N.A.
Based on net/gross revenues	Net	Net	Net	N.A.
Medicare (%)	37.0	37.0	36.0	N.A.
Medicaid (%)	6.0	5.0	6.0	N.A.
Commercial/Blues (%)	53.0	52.0	54.0	N.A.

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

Financial Profile – Very Strong

Overall operations should improve as agency usage is significantly lower and volumes continue to be strong

Endeavor had weaker operations over the past few years due to elevated labor costs and inflationary pressures that have started to abate. Results for the interim period ended March 31, 2024, were weak with a \$31.3 million loss, or negative margin of 2.16%. Management expects positive results for the remaining three quarters of fiscal 2024, and is projecting to end the full year with a 0.5% operating margin. Management has embarked on a significant

cost-containment plan and has identified synergies that should help improve operations during the outlook period; the team also expanded its 340B plan, which went into effect in December 2023, and could add \$20 million to net income in fiscal 2024.

Legacy NorthShore has a history of healthy operating results although it was significantly affected by the pandemic. The system received significant CARES Act funding in the past few years, with \$36.5 million in fiscal 2023, \$54.5 million in fiscal 2022, and \$144.9 million in fiscal 2021.

In addition, overall MADS had been a key credit strength at legacy NorthShore and we expect it will strengthen further during the outlook period; MADS coverage was 3.76x as of March 31, 2024, and lease-adjusted MADS was 2.64x.

Overall unrestricted reserves likely will be rebuilt and remain a credit strength

As of March 31, 2024, days' cash on hand was 272.5; this figure has dipped over the past few years, as cash flow has been weaker and there is a larger expense base with a bigger system. However, liquidity remains a strength of the system and management projects that overall unrestricted reserves will be steady.

Management expects capital expenditures will remain high at an estimated \$380 million annually in the next few years, or about 1.5x depreciation and amortization in the near term.

The system completes a multiyear capital expenditure plan as part of its annual budgeting process. Throughout the year, the plan is updated as new information becomes available related to the cost, content, and timing of projects.

Management has also identified some higher capital expenditures related to capital to support development of outpatient cancer services in some markets and general ambulatory site development, as well as for investments at Swedish Hospital and Northwest Community Hospital, including electronic medical record implementation.

The allocation of unrestricted reserves has a high percentage of equities and alternative investments at 39% and 48%, respectively, with the remainder in cash (7%), fixed income (4%), and other (3%). This allocation can be volatile depending on market activity.

Overall debt burden remains moderate with moderate contingent liabilities

The debt burden is moderate, with debt to capitalization of 20.2%, which is below the 'AA-' median.

About 36.6% of the debt profile consists of contingent liabilities in the form of private placements and variable-rate demand bonds with put risk. The direct placements with financial institutions contain provisions that differ from the master trust indenture with ratings-based termination events, stipulating an event of default if a rating falls below 'BBB-'. However, with this debt issue, the majority of this will be refunded, reducing contingent debt to approximately 16%.

In March 2023, management started the process of terminating the three defined-benefit pension plans to eliminate enterprise risk and premium volatility; this was recently approved. The current plans are well funded and pose minimal credit risk, with a 96% funded ratio in fiscal 2023.

Table 2

	--Three months ended		--Fiscal year ended Dec. 31--		--Medians for 'AA-' rated health care systems--
	March 31--		2022	2021	2022
Financial performance					
Net patient revenue (\$000s)	1,406,419	4,969,586	4,603,026	4,853,600	3,951,733
Total operating revenue (\$000s)	1,445,355	5,588,145	5,249,320	5,207,706	4,883,440
Total operating expenses (\$000s)	1,476,619	5,584,774	5,329,602	5,096,449	5,093,631
Operating income (\$000s)	(31,264)	3,371	(80,282)	111,257	(45,606)
Operating margin (%)	(2.16)	0.06	(1.53)	2.14	(0.90)
Net nonoperating income (\$000s)	32,734	162,773	49,178	581,471	57,896
Excess income (\$000s)	1,470	166,144	(31,104)	692,728	85,907.00
Excess margin (%)	0.10	2.89	(0.59)	11.97	1.20
Operating EBIDA margin (%)	2.94	5.26	3.67	7.31	5.00
EBIDA margin (%)	5.08	7.94	4.57	16.62	6.70
Net available for debt service (\$000s)	75,157	456,752	241,929	962,073	269,413
Maximum annual debt service (\$000s)	79,900	79,900	79,900	79,900	71,650
Maximum annual debt service coverage (x)	3.76	5.72	3.03	12.04	3.40
Operating lease-adjusted coverage (x)	2.64	3.89	2.26	7.92	2.80
Liquidity and financial flexibility					
Unrestricted reserves (\$000s)	4,222,300	4,065,818	3,789,258	4,948,465	2,980,232
Unrestricted days' cash on hand	272.5	277.6	271.2	371.0	232.8
Unrestricted reserves/total long-term debt (%)	281.8	271.0	247.7	333.0	214.2
Unrestricted reserves/contingent liabilities (%)	771	742	692	3,620	927.1
Average age of plant (years)	10.9	11.1	11.5	11.0	11.4
Capital expenditures/depreciation and amortization (%)	145.0	146.9	116.9	94.8	122.3
Debt and liabilities					
Total long-term debt (\$000s)	1,498,428	1,500,185	1,530,000	1,488,029	1,530,000
Long-term debt/capitalization (%)	20.2	20.8	22.4	19.9	28.1
Contingent liabilities (\$000s)	547,735	547,735	547,735	136,715	283,360
Contingent liabilities/total long-term debt (%)	36.6	36.5	35.8	9.2	20.9
Debt burden (%)	1.35	1.39	1.51	1.38	2.10
Defined-benefit plan funded status (%)	N.A.	96.0	96.4	84.7	93.50
Miscellaneous					
Medicare advance payments (\$000s)*	0	0	0	255,361	MNR
Short-term borrowings (\$000s)*	0	0	0	0	MNR
COVID-19 stimulus recognized (\$000s)	0	36,499	54,501	144,857	MNR
Total net special funding (\$000s)	16,045	98,977	90,186	74,193	MNR

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

Credit Snapshot

- **Organization description:** Endeavor Health is the parent corporation of the merged health care system in Illinois that was created with the affiliation of NorthShore University Health System and Edward-Elmhurst Healthcare. The system has nine hospitals, including an acute psychiatric hospital, and more than 300 outpatient sites in Chicago and the northern, northwestern, and western suburbs of Chicago.
- **Swaps:** The system has \$230 million notional of interest rate swaps with Bank of America and currently no collateral posted. These agreements have ratings-based triggers that constitute an event of default if the rating falls below investment-grade.

Related Research

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

Ratings Detail (As Of May 14, 2024)

Illinois Finance Authority, Illinois		
Edward-Elmhurst Healthcare, Illinois		
Illinois Finance Authority rev bnds (Edward Hosp & Hlth Services Corp)		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Illinois Finance Authority (Edward-Elmhurst Healthcare) rev bnds (Edward Hosp & Hlth Services Corp) ser 2017A dtd 02/14/2017 due 01/01/2018-2037 2040		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Illinois Finance Authority, Illinois		
Endeavor Health, Illinois		
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp)		
<i>Long Term Rating</i>	AA-/A-1/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) rev bnds		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) rev bnds		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) rev bnds ser 2022A due 09/15/2057		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) variable rate bnds		
<i>Long Term Rating</i>	AA-/A-1/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) variable rate bnds ser 2022E due 08/15/2057		
<i>Long Term Rating</i>	AA-/A-1/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) variable rate bnds ser 2022F due 08/15/2057		
<i>Long Term Rating</i>	AA-/A-1/Stable	Affirmed
Illinois Finance Authority, Illinois		
NorthShore University Health System, Illinois		

Ratings Detail (As Of May 14, 2024) (cont.)		
Illinois Finance Authority (NorthShore Univ Hlth Sys) SYSTEM		
Long Term Rating	AA-/Stable	Affirmed
Illinois Finance Authority (NorthShore Univ Hlth Sys) SYSTEM		
Long Term Rating	AA-/A-1/Stable	Affirmed
Illinois Finance Authority (NorthShore Univ Hlth Sys) SYSTEM		
Long Term Rating	AA-/A-1/Stable	Affirmed

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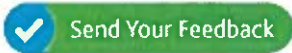
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CREDIT OPINION

10 May 2024

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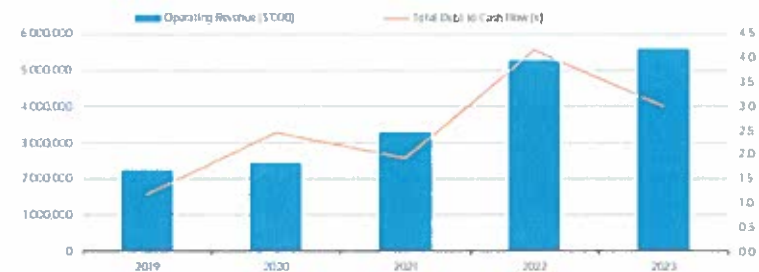
Endeavor Health, IL

Update to credit analysis

Summary

Endeavor Health's (Aa3, stable) position as the third largest system in the Chicago region and strong share in attractive local markets provide key fundamental strengths. Significant savings from the successful integration of several mergers, ongoing investments in clinical services, and a very large physician network will drive further operating improvement following good performance in fiscal 2023. Debt-to-cashflow will remain low and cash-to-debt will be close to 300% due to moderate debt, including limited pension and operating lease obligations. While capital spending will increase, cash on hand will be strong as spend is funded with cashflow and investment returns. Labor and nonlabor costs, however, will prolong a return to historical margins by several years. Competition will be high in the broader region, especially amid ongoing consolidation.

Exhibit 1
Leverage will remain moderate despite rapid growth



Source: Moody's Ratings

Credit strengths

- » Third largest system in Chicago area with strong share in demographically attractive locations
- » Very good progress on integration will drive steady cashflow growth
- » Cash on hand will remain strong at 260-270 days
- » Moderate debt will drive debt-to-cashflow to under 3 times even with modest margins

Credit challenges

- » Moderate operating cashflow margins of 5-6% in fiscal 2024

- » Competition from several academic medical centers and large systems
- » Comparatively low liquidity with 48% investments available monthly
- » Increasing capital spend, although ability to flex depending on cashflow

Rating outlook

The stable outlook anticipates improvement in operating cashflow margins (OCF) to 5%-6% by FYE 2024 and further increases thereafter. Assuming no new debt, cash-to-debt and days cash on hand will remain at favorable levels despite elevated capital spending.

Factors that could lead to an upgrade

- » Significant and sustained improvement in OCF margin and absolute cash flow
- » Meaningfully better liquidity, including higher days cash on hand and cash-to-debt
- » Further enterprise growth and diversification in multiple markets
- » Growth in market share that provides a distinct leading position

Factors that could lead to a downgrade

- » Inability to steadily improve operations to 5%-6% OCF margins in fiscal 2024 and 7-8% thereafter
- » Meaningful increase in leverage, including higher debt-to-cashflow or lower cash-to-debt compared to fiscal 2023 levels (of 3 times and 270%, respectively)
- » Decline in liquidity, as measured by days cash
- » Dilutive acquisition or merger

Key indicators

Exhibit 2
Endeavor Health, IL

	2019	2020 Excl. MAP	2021 Excl. MAP	2022	2023
Operating Revenue (\$'000)	2,234,142	2,442,046	3,289,410	5,272,218	5,600,765
3 Year Operating Revenue CAGR (%)	3.6	6.2	16.6	33.1	31.9
Operating Cash Flow Margin (%)	7.4	3.5	6.5	3.3	5.3
PW. Medicare (%)	46.0	47.0	49.0	46.0	45.8
PW. Medicaid (%)	7.0	7.0	13.0	10.5	11.2
Days Cash on Hand	347	381	418	269	277
Unrestricted Cash and Investments to Total Debt (%)	634.2	481.7	471.3	249.8	271.7
Total Debt to Cash Flow (x)	1.2	2.5	1.9	4.2	3.0

Based on audits for NorthShore University HealthSystem, fiscal years ended September 30, 2019-2021. Based on audits for Endeavor Health (previously NS-EE Holdings), fiscal years ended December 31, 2022-2023.

Fiscal 2022 excludes \$71 million gain on sale from revenue, fiscal year 2023 excludes \$58 million legal settlement costs.

Investment returns normalized at 5%

Source: Moody's Ratings

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/final page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Profile

Endeavor Health (previously NS-EE Holdings) operates nine hospitals within the City of Chicago and throughout the northern, northwestern and western suburbs of the metropolitan Chicago area. Endeavor Health is the parent corporation of the newly created system following the affiliation of NorthShore University HealthSystem and Edward-Elmhurst Healthcare, effective January 1, 2022. NorthShore became the corporate member of Swedish Covenant Health and Northwest Community Healthcare (NCH), in January 2020 and January 2021, respectively. The system employs over 1,800 physicians through its medical groups.

Detailed credit considerations

Market position

Following three mergers in 2020-2022 which more than doubled its revenue, Endeavor Health will enjoy a stronger and more influential market position as the third largest health system in the Chicago region and Illinois. The system has geographic coverage in favorable service areas with median household income well above the state and US. The consolidation of over 7,000 employed and independent physicians into a single medical group and clinically integrated network earlier this year will drive growth and efficiencies and provide a competitive advantage. A common electronic medical record vendor will provide a strong platform to execute system-wide strategies, including standardizing clinical protocols, centralizing scheduling, and capitalizing on already well-developed data analytics. Competition will increase amid ongoing consolidation in a market with several academic medical centers and large systems, including Advocate Health, Ascension and Northwestern Memorial HealthCare.

Strategies around five primary clinical institutes and the concentration of certain specialties at each campus, such as the Orthopaedic and Spine Institute on the Skokie Hospital campus, will support growth and quality goals. Expansion of the Glenbrook campus this year will consolidate and provide opportunity to grow high acuity cardiovascular surgical cases.

Operating performance and liquidity

While performance will be moderate for several years, volume growth and integration savings will drive a continuation of steady operating improvement with OCF margins of 5-6% by FYE 2024 and 7-8% thereafter. Strong demand and a favorable payer mix with higher than average commercial business will help net patient revenue, which increased 8% in fiscal 2023. The consolidation of corporate support services, leadership restructuring, supply chain initiatives, and installation of a single instance ERP system-wide, all largely completed, will drive efficiencies. Workforce investments and minimal contract labor will stabilize labor costs. The pace of improvement will be constrained by general inflation, IT costs, and higher industry-wide professional insurance expense.

Liquidity

Cash on hand will remain strong at around 260-270 days over the next couple of years. While capital spending will increase, based on past discipline, we expect spend will be adjusted if cashflow and/or investment returns fall short of expectations. Capital spending will average 1.5 times depreciation including IT and strategic projects. Monthly liquidity of investments is comparatively low at 48%. However, monthly liquidity-to-demand debt of over 300% will increase following a reduction in demand debt with the upcoming financing.

Leverage

Moderate debt will support generally good leverage metrics. Debt-to-cashflow will continue to decline to under 3 times in fiscal 2025 as cash flow improves. Depending on investment returns, cash-to-debt will remain strong at close to 300% (272% at FYE 2023), assuming no new debt. Operating lease obligations are low.

Legal security

The bonds are general, unsecured joint and several obligations of the obligated group members, which include Endeavor Health (formerly NS-EE Holdings), Endeavor Health Clinical Operations (formerly NorthShore University HealthSystem), and Edward-Elmhurst Healthcare only. Because certain legacy NorthShore hospitals (Evanston, Glenbrook, Highland Park, and Skokie hospitals) are divisions of the parent, they are included in the obligated group. Swedish Hospital, Northwest Community Hospital, the Edward-Elmhurst Healthcare entities and all medical groups are restricted affiliates and not directly obligated to pay bonds. While the restricted affiliates and their investments are controlled by the system, which has covenanted to cause restricted affiliates to pay obligations or transfer funds, we view this structure as weaker than if all members were directly obligated to pay bonds. Obligated group members comprise approximately 50% of system revenue; obligated group and restricted affiliates comprise over 90% of system revenue. If certain

conditions are met, the MTI allows a substitution of notes without bondholder consent, which could result in a change in provisions and covenants.

Debt structure

Debt structure risk will decline following the upcoming financing, which will reduce mandatory tenders related to private placements and potentially bank standby bond purchase agreements. Covenant headroom will be ample. The MTI has a 1.1 times annual debt service coverage (based on the system, including restricted affiliates); an event of default would occur if coverage is under 1.0 times for two consecutive years. Favorably, covenants in bank agreements are consistent with the MTI.

Debt-related derivatives

Risks related to swaps will be eliminated assuming the system proceeds with plans to terminate remaining swaps.

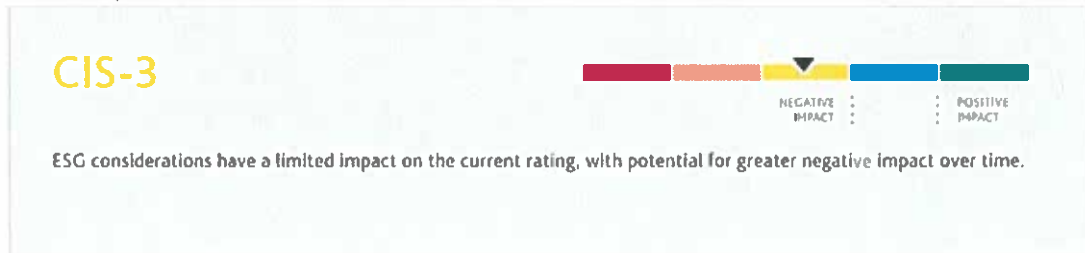
Pensions and OPEB

The defined benefit plans will be terminated later this year.

ESG considerations

Endeavor Health, IL's ESG credit impact score is CIS-3

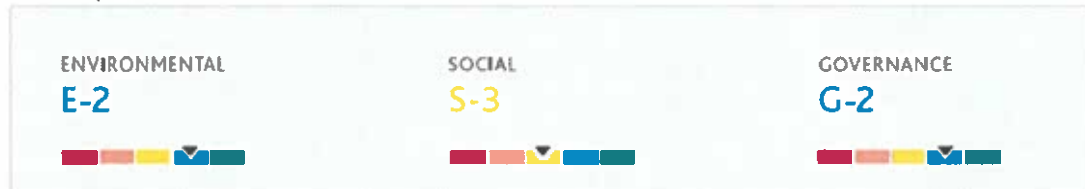
Exhibit 3
ESG credit impact score



Source: Moody's Ratings

Endeavor Health's moderately negative ESG Credit Impact Score reflects low exposure to environmental and governance risks, and moderate social risks. The system's better than average customer relations score partly offsets industry risks related to demographic and societal trends.

Exhibit 4
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Endeavor Health does not have material environmental risks. The system is located within the City of Chicago and throughout the northern, northwestern and western suburbs of the metropolitan Chicago area.

Social

Moderate social risks relate to demographic and societal trends and the growing reliance on government payors industry wide, although the system's exposure is less than average. Better than average customer relations reflects its position as the third largest health system in the greater Chicago region and State of Illinois with good geographic coverage of generally attractive suburbs and large aligned physician networks. This position provides an advantage in managing various customer groups including patients, communities, and payers.

Governance

Governance characteristics are in line with the average for the sector. A single board at the parent level with full reserve powers compensates for a more complicated post-merger corporate structure. The parent holds all reserve powers and has fiduciary responsibility for system entities. Boards for the regions, Swedish, Northwest and legacy NorthShore are responsible for quality, credentialing, community relations, philanthropy among other roles. The consolidation of enterprise-wide functions will centralize decision-making while maintaining some flexibility at the local level. The parent board is somewhat large with 25 members and representatives from each legacy organization. However, the system has a defined path to reduce the board size over time.

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

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**Attachment #37
Economic Feasibility**

A. Reasonableness of Financing Arrangements

The applicant has an "A" Bond Rating or better from Moody's and S&P as reflected in the bond rating documents in the previous attachment.

B. Conditions of Debt Financing

The proposed project is being paid through cash and investments; therefore, this criterion is not applicable

C. Reasonableness of Project and Related Costs

Cost and Gross Square Footage by Department is provided in the table below

COST AND GROSS SQUARE FEET BY DEPARTMENT OF SERVICE									
Department	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot		Gross Sq. Ft.		Gross Sq. Ft.		Const. \$(A x C)	Mod. \$(B x E)	
	New	Mod.	New	Circ.*	Mod.	Circ.*			
Surgery		\$ 182.43	0		65300	21%	\$ -	\$ 11,912,786.64	\$ 11,912,787
Observation		\$ 563.64	0		10350	21%	\$ -	\$ 5,833,649.00	\$ 5,833,649
Phase I Recovery		\$ 511.95	0		7200	36%	\$ -	\$ 3,686,057.00	\$ 3,686,057
Phase II Recovery	\$ 659.17	\$ 389.23	9300	31%	5250	23%	\$ 6,130,305.98	\$ 2,043,435.33	\$ 8,173,741
SPD		\$ 138.52	0		13871	17%	\$ -	\$ 1,921,417.20	\$ 1,921,417
Oncology	\$ 1,144.77	\$ 106.77	16850	23%	1400	56%	\$ 19,289,354.57	\$ 149,475.24	\$ 19,438,830
Endoscopy Procedure	\$ 1,592.40	\$ 154.51	7300	42%	5150	87%	\$ 11,624,553.88	\$ 795,750.34	\$ 12,420,304
Contingency	\$ 2,394,619.71	\$ 3,445,916.17							\$ 5,840,536
Totals							\$ 37,044,215	\$ 26,342,571	\$ 69,227,321

*Include The Percentage (%) of space for circulation

D. Projected Operating Costs

	Year 2
Total Direct Operating Costs	\$ 29,794,765
Units of Service (EPD)	13,528

Cost per Unit (EPD)	\$ 2,202
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E. Total Effect of the Project on Capital Costs

	Year 2
Depreciation Expense	\$ 3,066,054
Units of Service (EPD)	13,528

Cost per Unit (EPD)	\$ 227
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**Attachment #38
Safety Net Impact Statement**

The proposed project is non-substantive and does not involve discontinuation, thus an impact statement is not required.

**Attachment #39
Charity Care Information**

The table below provides, for the last three audited fiscal years, the amount and cost of charity care and the ratio of charity care to net patient revenue for Endeavor Health and Elmhurst Memorial Hospital.

Endeavor Health	CY 2021*	CY 2022	CY 2023
Net Patient Revenue	N/A	\$4,603,026,000	\$4,969,586,000
Amount of Charity Care (charges)	N/A	\$206,661,000	\$220,170,000
Cost of Charity Care	N/A	\$44,708,000	\$46,170,000
Ratio of Charity Care at Cost to NPR	N/A	1.0%	0.9%

*Endeavor Health did not exist prior to 1/1/2022

Elmhurst Hospital	CY 2021	CY 2022	CY 2023
Net Patient Revenue	\$528,003,000	\$543,878,000	\$637,222,000
Amount of Charity Care (charges)	\$38,036,000	\$32,307,000	\$39,187,000
Cost of Charity Care	\$6,013,000	\$4,954,000	\$5,564,000
Ratio of Charity Care at Cost to NPR	1.1%	0.9%	0.9%