

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT

25-008

RECEIVED

FEB 14 2025

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Elmhurst Medical Office Building		
Street Address: Area bounded by Lexington St., Kendall Ave., S. York St. and Harvard St.		
City and Zip Code: Elmhurst, IL 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 St.
City and Zip Code: Evanston, IL 60201
Name of Registered Agent: Shivani Bautista
Registered Agent Street Address: 1301 Central St.
Registered Agent City and Zip Code: Evanston, IL 60201
Name of Chief Executive Officer: Gerald P. Gallagher
CEO Street Address: 1301 Central St.
CEO City and Zip Code: Evanston, IL 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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli PC
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606
Telephone Number: 312-873-3639
E-mail Address: <a href="mailto:kfriedman@polsinelli.com">kfriedman@polsinelli.com</a>

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, Evanston, Illinois 60201
Telephone Number: (847) 570-5230
E-mail Address: <a href="mailto:sbautista@northshore.org">sbautista@northshore.org</a>

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City and Zip Code: Elmhurst, IL 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 Rd.
City and Zip Code: Elmhurst, IL 60126
Name of Registered Agent: Shivani Bautista
Registered Agent Street Address: 1301 Central St.
Registered Agent City and Zip Code: Evanston, IL 60201
Name of Chief Executive Officer: Kimberley Darey
CEO Street Address: 155 E. Brush Hill Rd.
CEO City and Zip Code: Elmhurst, IL 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

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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 Healthcare
Street Address: 155 E. Brush Hill Rd.
City and Zip Code: Elmhurst, IL 60126
Name of Registered Agent: Shivani Bautista
Registered Agent Street Address: 4201 Winfield Rd.
Registered Agent City and Zip Code: Warrenville, IL 60555
Name of Chief Executive Officer: Gerald P. Gallagher
CEO Street Address: 1301 Central St.
CEO City and Zip Code: Evanston, IL 60201
CEO Telephone Number: 847-570-2000

**Type of Ownership of Applicants**

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

Exact Legal Name: Endeavor Health Medical Group
Street Address: 1301 Central Street
City and Zip Code: Evanston, IL 60201
Name of Registered Agent: Shivani Bautista
Registered Agent Street Address: 1301 Central Street
Registered Agent City and Zip Code: Evanston, IL 60201
Name of Chief Executive Officer: Gerald P. Gallagher
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**Post Permit Contact**

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

Name: Cheryl Eck
Title: System Vice President, Strategy, Community & Government Relations
Company Name: Endeavor Health
Address: 4201 Winfield Rd. Warrenville, IL 60555
Telephone Number: (331) 221-3478
E-mail Address: <a href="mailto:cheryl.eck@eehealth.org">cheryl.eck@eehealth.org</a>

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Elmhurst Memorial Healthcare*
Address of Site Owner: 155 E. Brush Hill Rd. Elmhurst, IL 60126
Street Address or Legal Description of the Site: Area bounded by Lexington St., Kendall Ave., S. York St. and Harvard St. in Elmhurst, IL 60126
*Note: Endeavor Health may change the legal entity that owns the land to another entity that is fully owned by Endeavor Health.
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: Endeavor Health Medical Group
Address: 1301 Central Street Evanston, IL 60201
<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"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>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.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>

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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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>).

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.

Endeavor Health, Elmhurst Memorial Hospital, Elmhurst Memorial Healthcare, Endeavor Health Medical Group (the "Applicants") propose construction of a 2-story, 51,800 square foot medical office building ("MOB") located at the area bounded by Lexington St., Kendall Ave., S. York St. and Harvard St. in Elmhurst, Illinois (the "Project"). Services will include the following:

- Physician medical offices and exam rooms
- Lease physician space

This Project does not propose to establish a new category of service or a new health care facility as defined in the Illinois Health Facilities Planning Act (the "Planning Act"). Accordingly, this is a non-substantive project.

### Rendering



## Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$0	\$0	\$0
Site Survey and Soil Investigation	\$0	\$33,480	\$33,480
Site Preparation	\$0	\$400,000	\$400,000
Off Site Work	\$0	\$450,000	\$450,000
New Construction Contracts	\$0	\$24,150,000	\$24,150,000
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$0	\$1,000,000	\$1,000,000
Architectural/Engineering Fees	\$0	\$1,750,000	\$1,750,000
Consulting and Other Fees	\$0	\$220,000	\$220,000
Movable or Other Equipment (not in construction contracts)	\$0	\$3,500,000	\$3,500,000
Bond Issuance Expense (project related)	\$0	\$2,500,000	\$2,500,000
Net Interest Expense During Construction (project related)	\$0	\$1,250,000	\$1,250,000
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$0	\$2,222,000	\$2,222,000
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
<b>TOTAL USES OF FUNDS</b>	<b>\$0</b>	<b>\$37,475,480</b>	<b>\$37,475,480</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$0	\$0	\$0
Pledges	\$0	\$0	\$0
Gifts and Bequests	\$0	\$0	\$0
Bond Issues (project related)	\$0	\$21,537,500	\$21,537,500
Mortgages	\$0	\$15,937,980	\$15,937,980
Leases (fair market value)	\$0	\$0	\$0
Governmental Appropriations	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Other Funds and Sources	\$0	\$0	\$0
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$0</b>	<b>\$37,475,480</b>	<b>\$37,475,480</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			



**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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Purchase Price: \$2,265,000 Fair Market Value: \$2,265,000
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 <b>non-capitalized</b> 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**

<b>For facilities in which prior permits have been issued please provide the permit numbers.</b>
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): <u>November 1, 2026</u>
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.
<b>APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**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 <b>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</b>
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## Cost Space Requirements

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

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

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, IL			
REPORTING PERIOD DATES: From: 1/1/23 to: 12/31/23					
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
<b>TOTALS:</b>	258	18,504	83,440	0	258

**CERTIFICATION**

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

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

This Application is filed on the behalf of 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.

*Doug Welday*  
SIGNATURE

Doug Welday  
PRINTED NAME

Chief Financial Officer  
PRINTED TITLE

*Shivani Bautista*  
SIGNATURE

Shivani Bautista  
PRINTED NAME

Chief Legal Officer  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 11th day of February

Notarization:  
Subscribed and sworn to before me  
this 11th day of February

*Nicole M. Vassolo*  
Signature of Notary

*Nicole M. Vassolo*  
Signature of Notary

Seal  
**OFFICIAL SEAL**  
**NICOLE M VASSOLO**  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES: 5/21/2025

Seal  
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**NICOLE M VASSOLO**  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES: 5/21/2025

\*Insert the correct legal name of the applicant

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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

Doug Welday  
PRINTED NAME

Chief Financial Officer  
PRINTED TITLE

  
SIGNATURE

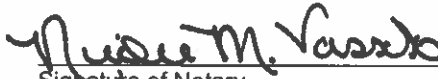
Shivani Bautista  
PRINTED NAME

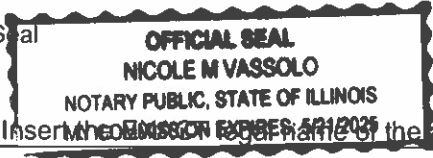
Chief Legal Officer  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 11th day of February

Notarization:  
Subscribed and sworn to before me  
this 11th day of February

  
Signature of Notary

  
Signature of Notary

Seal 

Seal 

\*Insert the Illinois legal name of the applicant



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Doug Welday  
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Chief Financial Officer  
PRINTED TITLE

*Shivani Bautista*  
SIGNATURE

Shivani Bautista  
PRINTED NAME

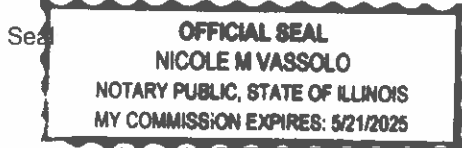
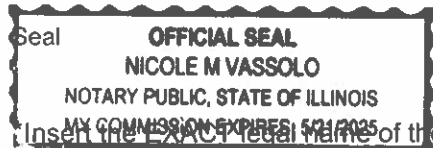
Chief Legal Officer  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 11th day of February

Notarization:  
Subscribed and sworn to before me  
this 11th day of February

*Nicole M. Vassolo*  
Signature of Notary

*Nicole M. Vassolo*  
Signature of Notary




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- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Endeavor Health Medical Group \* 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  
 Doug Welday  
 \_\_\_\_\_  
 PRINTED NAME  
 Chief Financial Officer  
 \_\_\_\_\_  
 PRINTED TITLE

  
 \_\_\_\_\_  
 SIGNATURE  
 Shivani Bautista  
 \_\_\_\_\_  
 PRINTED NAME  
 Chief Legal Officer  
 \_\_\_\_\_  
 PRINTED TITLE


Notarization:  
 Subscribed and sworn to before me  
 this 11th day of February

Notarization:  
 Subscribed and sworn to before me  
 this 11th day of February

  
 \_\_\_\_\_  
 Signature of Notary

  
 \_\_\_\_\_  
 Signature of Notary

Seal  
  
 \*Insert the Commission Expires of the applicant

Seal  


### 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 is able to 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** of the alternatives to the proposed project:

Alternative options **must** include:

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

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

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

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

READ THE REVIEW CRITERION and provide the following information:

**SIZE OF PROJECT:**

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

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

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

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

**PROJECT SERVICES UTILIZATION:**

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

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

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

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

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

**UNFINISHED OR SHELL SPACE:**



Provide the following information:

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

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

**ASSURANCES:**

Submit the following:

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

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

**SECTION V. SERVICE SPECIFIC REVIEW CRITERIA**

Not applicable

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

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

## VI. 1120.120 - AVAILABILITY OF FUNDS

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

\$0	<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"> <li>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</li> <li>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;</li> </ol> <p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table 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 time table of receipts;</p> <p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p>
\$21,537,500	<ol style="list-style-type: none"> <li>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;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> </ol>
\$15,937,980	<ol style="list-style-type: none"> <li>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.;</li> <li>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;</li> <li>5) For any option to lease, a copy of the option, including all terms and conditions.</li> </ol>
_____	<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</p>

	<p>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</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>
<b>\$37,475,480</b>	<b>TOTAL FUNDS AVAILABLE</b>

**APPEND DOCUMENTATION AS ATTACHMENT 33, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION VII. 1120.130 - FINANCIAL VIABILITY**

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

**Financial Viability Waiver**

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

1. "A" Bond rating or better
2. All of the projects 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 34, 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
<b>Enter Historical and/or Projected Years:</b>				
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 35, IN NUMERIC ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**



**SECTION VIII.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 of the cash and equivalents must be retained in the balance sheet asset accounts in order 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									
<p><b>D. Projected Operating Costs</b></p> <p>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.</p> <p><b>E. Total Effect of the Project on Capital Costs</b></p> <p>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.</p>									
APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.									

**SECTION IX. SAFETY NET IMPACT STATEMENT**

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

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

**Safety Net Impact Statements shall also include all of the following:**

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

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

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Medicaid (revenue)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			

**APPEND DOCUMENTATION AS ATTACHMENT 37, 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
<b>Net Patient Revenue</b>			
Amount of Charity Care (charges)			
Cost of Charity Care			

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

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

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant Identification including Certificate of Good Standing	29-32
2	Site Ownership	33
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	34
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	35
5	Flood Plain Requirements	36
6	Historic Preservation Act Requirements	37
7	Project and Sources of Funds Itemization	38
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**Section I, Identification, General Information, and Certification  
Applicants**

Certificates of Good Standing for the Applicants are attached at Attachment – 1.

*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.isos.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



**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 .**

Authentication #: 2430202104 verifiable until 10/28/2025  
Authenticate at: <https://www.ircs.gov>

*Alexi Giannoulas*  
SECRETARY OF STATE



**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 HEALTHCARE, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 06, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 3RD day of FEBRUARY A.D. 2025 .***



Authentication #: 2503403772 verifiable until 02/03/2026  
Authenticate at: <https://www.isos.gov>

*Alexi Giannoulas*  
SECRETARY OF STATE



File Number

5619-705-2



**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*

ENDEAVOR HEALTH MEDICAL GROUP, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 05, 1990, 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 #: 2503403764 verifiable until 02/03/2026  
Authenticate at: <https://www.isos.gov>

***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 3RD day of FEBRUARY A.D. 2025 .***

*Alexi Giannoulas*  
SECRETARY OF STATE

**Section I, Identification, General Information, and Certification**  
**Site Ownership**

By signing the certification pages within this application, the Applicants attest that Elmhurst Memorial Healthcare controls the project site.

**Section I, Identification, General Information, and Certification**  
**Operating Identity/Licensee**

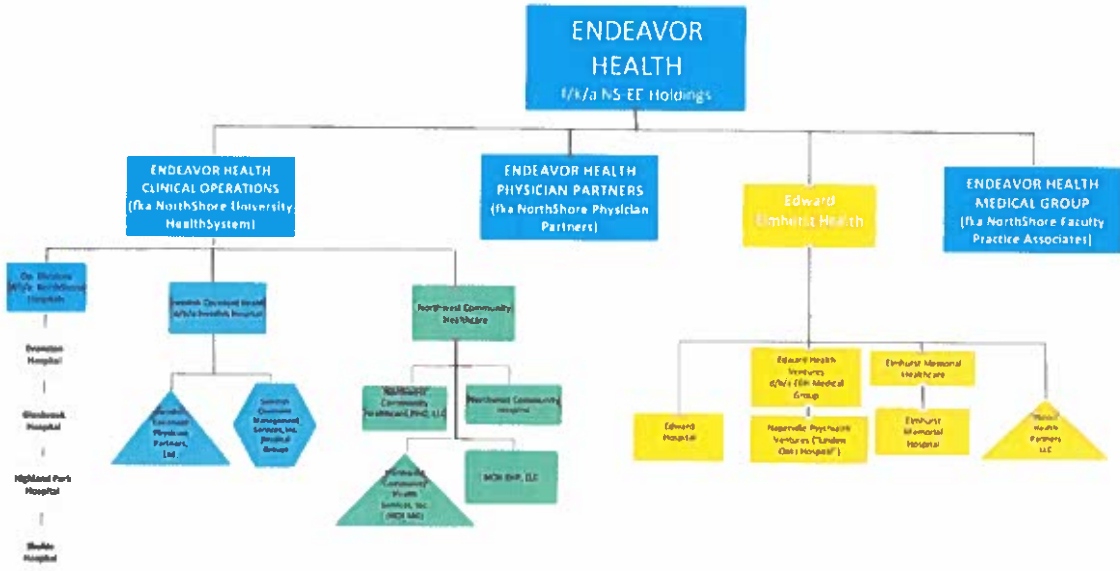
Endeavor Health Medical Group will be the operator. Since the Project is on behalf of Elmhurst Memorial Hospital, copies of its IDPH license and Joint Commission accreditation are attached at Attachment- 11.

## Section I, Identification, General Information, and Certification

### Organizational Relationships

The organizational chart is below:

### Endeavor Health\*: Organizational Structure



HEP  
 Op. Divisions  
 FP  
 HEP EXEMPLE

\*Only certain subsidiary provider entities of Endeavor Health are represented, corporate affiliates and other jointly owned SVs are not reflected here.

**Section I, Identification, General Information, and Certification  
Flood Plain Requirements**

The site of the planned MOB complies with the requirements of Illinois Executive Order #2005-5. Please see the attached Flood Plain Insurance Rate Map (FIRM) documenting that the project site is not located in a Special Flood Hazard Area.

**National Flood Hazard Layer FIRMette**



**Legend**

- SEE PG REPORT FOR DETAILED LEGEND AND INDEX MAP FOR THIS PANEL LEVEL
- SPECIAL FLOOD HAZARD AREAS**
    - Without Base Flood Elevation (BFE) June A & B, 1988 With BFE or Depth Zone AE, VE, AH, AV, X
    - Regulatory Floodway
    - 0.2% Annual Chance Flood Hazard, Areas of 1% Annual Chance Flood with average depth less than one foot or with drainage areas of less than one square mile Zone 1
    - Future Conditions 1% Annual Chance Flood Hazard Zone 2
    - Area with Reduced Flood Risk due to Levee See Notes Zone 3
    - Area with Flood Risk due to Levee Zone 4
  - OTHER AREAS OF FLOOD HAZARD**
    - Area of Minimal Flood Hazard Zone 5
    - Effective LOMRPs
    - Area of Undetermined Flood Hazard Zone 6
  - GENERAL STRUCTURES**
    - Channel, Culvert, or Storm Sewer
    - Levee, Dike, or Floodwall
  - OTHER FEATURES**
    - Cross Sections with 1% Annual Chance Water Surface Elevation
    - Coastal Transect
    - Base Flood Elevation Line (BFE)
    - Limit of Study
    - Artification Boundary
    - Coastal Transect Baseline
    - Profile Baseline
    - Hydrographic Feature
  - MAP PANELS**
    - Digital Data Available
    - No Digital Data Available
    - Unmapped
- The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

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

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 1-22-2025 at 4:48 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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

**Section I, Identification, General Information, and Certification**  
**Historic Resources Preservation Act Requirements**

The Applicants have requested a Historic Preservation Act determination from the Illinois Historic Preservation Agency. Documentation that no historic, architectural or archaeological sites exist within the project site will be submitted under separate cover upon receipt.

**Section I, Identification, General Information, and Certification**  
**Project Costs and Sources of Funds**

<b>Use of Funds</b>	<b>Clinical</b>	<b>Nonclinical</b>	<b>Total</b>
<b>Preplanning Costs</b>	\$0	\$0	\$0
<b>Site Survey and Soil Investigation</b>	\$0	\$33,480	\$33,480
<b>Site Preparation</b>	\$0	\$400,000	\$400,000
<b>Off-site Work</b>	\$0	\$450,000	\$450,000
<b>New Construction Costs</b>	\$0	\$24,150,000	\$24,150,000
<b>Modernization Contracts</b>	\$0	\$0	\$0
<b>Contingencies</b>	\$0	\$1,000,000	\$1,000,000
<b>Architectural/Engineering Fees</b>	\$0	\$1,750,000	\$1,750,000
<b>Consulting and Other Fees</b>	\$0	\$220,000	\$220,000
<b>Movable and Other Equipment (not in construction contracts)</b>	\$0	\$3,500,000	\$3,500,000
Equipment General	\$0	\$1,406,541	\$1,406,541
Furniture	\$0	\$405,207	\$405,207
Security Access/Cameras	\$0	\$277,570	\$277,570
IT/Telecom	\$0	\$830,882	\$830,882
Signs/Wayfinding	\$0	\$450,000	\$450,000
Other	\$0	\$129,800	\$129,800
<b>Bond Issuance Expense (Project related)</b>	\$0	\$2,500,000	\$2,500,000
<b>Net Interest Expense During Construction (Project related)</b>	\$0	\$1,250,000	\$1,250,000
<b>Fair Market Value of Leased Space or Equipment</b>	\$0	\$0	\$0
<b>Other Costs to be Capitalized</b>	\$0	\$2,222,000	\$2,222,000
<b>Acquisition of Building or Other Property (Excluding land)</b>	\$0	\$0	\$0
<b>Total Uses of Funds</b>	<b>\$0</b>	<b>\$37,475,480</b>	<b>\$37,475,480</b>

### **Active CON Permits**

The IHFSRB has approved the following active CON/COE permits. 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: 9/14/21
  - Permit completion date: 12/31/24
- **Northwest Community Hospital Outpatient Care Center (Project #22-010)**
  - CON permit approved: 5/20/22
  - Permit completion date: 3/31/25
- **Cardiovascular Institute Outpatient Center (Project #23-029)**
  - CON permit approved: 8/24/23
  - Permit completion date: 3/31/25
- **Cardiovascular Institute Ambulatory Surgery Center (Project #23-040)**
  - CON permit approved: 3/12/24
  - Permit completion date: 9/30/25



**Cost Space Requirements**

The Applicants seek to construct a medical office building.

Dept. / Area (list below)	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Total Upon Project Completion	New Const.	Modernized	As Is	Vacated as a result of this project
<b>Reviewable:</b>							
<b>Total Reviewable</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-Reviewable:</b>							
Physician medical offices & exam rooms	\$11,831,363	0	16,700	16,700	0	0	0
Administrative spaces & offices	\$1,025,197	0	1,500	1,500	0	0	0
Leased Space	\$18,569,122	0	25,000	25,000	0	0	0
Mechanical & Other Building Systems, other non-clinical	\$6,049,798	0	8,600	8,600	0	0	0
<b>Total Non-Reviewable</b>	<b>\$37,475,480</b>	<b>0</b>	<b>51,800</b>	<b>51,800</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Discontinuation**  
Not applicable

**Background of the Applicant**

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

<b>Endeavor Health</b>			
<b>Name</b>	<b>Address</b>	<b>License No.</b>	<b>Accreditation Identification No.</b>
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 <sup>th</sup> 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.

<b>Endeavor Health Health Care Facilities with 5% or Greater Ownership</b>		
<b>Name</b>	<b>Address</b>	<b>License No.</b>
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 <sup>th</sup> Street, Building C Plainfield, Illinois 60585	7003135

3. By signing the certification pages within 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 filing this application.
4. By signing the certification pages within this application, the Applicants authorize the State Board and the Illinois Department of Public Health ("IDPH") to access any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations.

**Attachment- 11A**

← 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 licensure statute 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

EXPIRES	ISSUE DATE	ISSUE NUMBER
6/24/2025	6/24/2025	0005751(1)

**General Hospital**

**Effective: 06/25/2024**

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

The logo of the license has a colored background • Printed by authority of the State of Illinois • P.O. JMC2001 • IOM 327

Exp. Date 06/24/2025  
Lic Number 0005751(1)

Date Printed 6/18/2024

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

FEE RECEIPT NO.

**Attachment- 11A**



May 22, 2024

Kimberly Darey, MD  
President & CEO  
Edward-Elmhurst Health  
155 East Brush Hill Road  
Elmhurst, IL 60126

Re: # 7341  
CCN: # 140200  
Deemed Program: Hospital  
Accreditation Expiration Date: February 10, 2027

Dear Dr. Darey:

This letter confirms that your February 6, 2024 - February 9, 2024 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on May 20, 2024, The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of February 10, 2024.

The Joint Commission is also recommending your organization for continued Medicare certification effective February 10, 2024. Please note that the Centers for Medicare and Medicaid Services (CMS) Medicare Administrative Contractor (MAC) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency.

This recommendation applies to the following locations:

Elmhurst Memorial Center for Health  
1200 S. York Road, Elmhurst, IL, 60126

Elmhurst Memorial Lombard Health Center  
130 South Main Street, Lombard, IL, 60148

Elmhurst Memorial Sleep Center  
701 S. Main Street, Lombard, IL, 60148

Elmhurst Memorial-Addison Health Center  
303 West Lake Street, Addison, IL, 60101

Elmhurst Memorial Hospital  
155 East Brush Hill Road, Elmhurst, IL, 60126

[www.jointcommission.org](http://www.jointcommission.org)

**Headquarters**  
One Renaissance Boulevard  
Clarkson Terrace, IL 60183  
630 792 6000 Voice



Elmhurst Memorial Center for Cancer Care  
177 East Brush Hill Road, Elmhurst, IL, 60126

Hinsdale Center for Health  
d/b/a Hinsdale Center for Health  
8 Salt Creek, Hinsdale, IL, 60521

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

Elmhurst Memorial Physical Therapy  
429 North York Road, Elmhurst, IL, 60126

Please be assured that The Joint Commission will keep the report confidential, except as required by law or court order. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ken Grubbs, DNP, MBA, RN  
Executive Vice President and Chief Nursing Officer  
Division of Accreditation and Certification Operations

cc: CMS/Baltimore Office/Quality, Safety & Oversight Group/Division of Continuing and Acute Care Providers  
CMS/SOG Location 5 /Survey and Certification Staff

[www.jointcommission.org](http://www.jointcommission.org)

**Headquarters**  
One Renaissance Boulevard  
Columbia Terrace, IL 60181  
630.792.5000 Voice

**Section III, Project Purpose, Background and Alternatives – Information Requirements**  
**Criterion 1110.110(b), Project Purpose, Background and Alternatives**

**Purpose of Project**

**Overview of Purpose**

The Applicants plan to construct a medical office building (“MOB”) on the Elmhurst Memorial Hospital campus in Elmhurst, Illinois (the “Project”). The Project will enable provider recruitment, provide an additional access point, and accommodate projected growth in demand for outpatient medical services to meet the needs of an aging population. In doing so, it will help ensure residents of Elmhurst and surrounding communities have local access to efficient, cost effective, and the highest quality and coordinated care.

The Project will also allow Endeavor Health Medical Group (“EHMG”) to relocate employed providers from multiple sites in order to consolidate specialties at a single location. Co-locating providers supports the development of a more collaborative, communicative, and efficient healthcare environment. By fostering teamwork, the proposed MOB will enable physicians to share knowledge and respond more quickly to patient needs. Ultimately, co-location improves both the patient experience and clinical outcomes, benefiting not just the providers, but the patients they serve.

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

As described in greater detail above, the purpose of this Project is to improve quality of care, efficiency, access and experience for residents of Elmhurst and surrounding areas by enabling recruitment, accommodating volume growth, and allowing for co-location of providers. Access to outpatient physician services is essential to the overall well-being of the community, particularly in light of the aging population and the co-morbidities associated with that growing age cohort.

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

The table below shows the zip codes of the defined primary service area for Elmhurst Hospital, the geographic area for the proposed MOB. The Project's planning area consists of 33 zip codes surrounding the Elmhurst Hospital campus. According to demographic analyses conducted by Claritas, LLC, this region had 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 is expected to be one of the primary beneficiaries of the Project, as they are high utilizers of outpatient medical services.



Zip Code	Town	County
60101	Addison	Dupage
60104	Bellwood	Cook
60106	Bensenville	Dupage
60108	Bloomingtondale	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.

The Project would achieve the following:

**A. Provide additional space to accommodate increasing demand**

Demand for physician services in the United States has grown substantially over the past two decades due to the nation's expanding and aging population and advances in medical care. Outpatient services at EHMG are no exception to this growth trend. In addition to external growth drivers, EHMG's projected growth in utilization is also attributable to several internal factors, which the Applicants anticipate will continue for the foreseeable future. Unfortunately, Endeavor Health's existing outpatient clinical space in and around Elmhurst, Illinois is insufficient to accommodate historical volumes and anticipated growth. The current exam rooms, support spaces and parking lots are inadequate and certainly cannot accommodate the planned addition of 17 incremental providers needed to address increasing demand.

**B. Allow EHMG to consolidate specialists at a single location**

Upon opening the proposed MOB, the Applicants plan to consolidate multi-location specialties into a single site. Co-locating specialists from multiple MOBs into the same facility will create efficiencies for patients, providers and staff. It will also improve clinical outcomes and patients' experiences.

**C. Provide additional parking for Elmhurst Memorial Hospital**

The Project includes surface parking to accommodate the patients of the MOB as well as those of Elmhurst Memorial Hospital. Doing so is important given the insufficient number of existing parking spaces on the Elmhurst Memorial Hospital campus.

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

Endeavor Health performs ongoing internal utilization studies based on internal reports as well as the following sources:

- Claritas LLC
- Advisory Board Company
- Illinois COMPdata
- Journal of the American Medical Association
- Internal utilization analyses
- EEH Community Health Needs Assessment

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

The Project will provide the necessary space to accommodate additional providers, which will improve patient access and reduce wait times. Further, the co-location of services will increase collaboration among providers and allow for the highest quality and continuity of care.

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

The Applicants' prevailing objectives are to maintain access to outpatient care for patients and to improve the quality and operational efficiency of these services. Specifically, the goals of the Project are:

- To accommodate community demand for outpatient care.
- To improve operational efficiency.
- To improve clinical outcomes.

These goals can be achieved upon project completion.

**Section III, Project Purpose, Background and Alternatives – Information Requirements**  
**Criterion 1110.110(d), Project Purpose, Background and Alternatives**

**Alternatives**

The Applicants explored multiple options prior to deciding to construct an MOB in Elmhurst, Illinois. The options considered include the following:

- a. Do nothing;
- b. Utilize existing facilities;
- c. Construct an MOB in Elmhurst, Illinois.

After exploring these options, which are discussed in more detail below, the Applicants decided to construct an MOB in Elmhurst, Illinois. A review of each of the options considered and the reasons they were rejected follows.

**Do Nothing (\$0)**

The first alternative considered was to maintain the status quo. As described in the previous section, the primary purpose of this project is to improve access by increasing capacity, providing an additional access point, and enabling provider recruitment. Electing to do nothing would negatively impact patient access, operational efficiency and clinical outcomes. For these reasons, this alternative was rejected.

**Utilize Other Health Care Facilities (\$0)**

Another alternative the Applicants considered was utilizing existing healthcare facilities; however, this was not a viable alternative. Unfortunately, Endeavor Health's existing outpatient clinical space in and around Elmhurst, Illinois is insufficient to accommodate historical volumes and anticipated growth. The current exam rooms, support spaces and parking lots are inadequate and certainly cannot accommodate the planned addition of 17 incremental providers needed to address increasing demand.

**Construct an MOB in Elmhurst, Illinois (\$37,475,480)**

As more fully discussed above, the Applicants ultimately decided to construct an MOB in Elmhurst, Illinois. Doing so will enable the Applicants to increase capacity, recruit additional providers, and consolidate specialists at a single location. After weighing this option against others, it was determined that this alternative would provide the greatest benefit in terms of patient access, operational efficiency and clinical outcomes.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.120 – Size of the Project**

Based on population growth and community need, Endeavor Health has established that a need exists for additional physician medical offices and exam rooms. To that end, Endeavor Health worked with Ryan Companies US, Inc., a national leader in commercial real estate services to develop a right-sized medical office building on the hospital campus. The distribution of space is shown in the table below.

SIZE OF PROJECT				
DEPARTMENT / SERVICE	PROPOSED BGSF / DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Physician medical offices and exam rooms	16,700	n/a	n/a	n/a
Administrative spaces and offices	1,500	n/a	n/a	n/a
Leased space	25,000	n/a	n/a	n/a
Mechanical & other building, other non-clinical	8,600	n/a	n/a	n/a

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.120 - Project Services Utilization**

The proposed project does not include services for which there are established utilization standards.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.120(d) Unfinished or Shell Space**

This project will not include unfinished or shell space. Accordingly, this criterion is not applicable.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.120(e) Assurances**

This project will not include unfinished or shell space. Accordingly, this criterion is not applicable.

**Section V, Service Specific Review Criteria**

There will be no Categories of Services or other hospital services established in the Elmhurst Medical Office Building; therefore, these criteria are not applicable.



**Section VI, Availability of Funds**  
**Criterion 1120.120**

The Applicants have an AA- Bond Rating from S&P as documented below:

**S&P Global**  
Ratings

**RatingsDirect**

**Illinois Finance Authority**  
**Endeavor Health, Illinois; Hospital;**  
**System**

**Primary Credit Analyst:**  
Anne E Casgrove, New York • 1 (212) 438 8202; [anne.casgrove@spglobal.com](mailto:anne.casgrove@spglobal.com)

**Secondary Contact:**  
Mark Bertrand, Chicago • 1 (312) 237 7116; [mark.bertrand@spglobal.com](mailto:mark.bertrand@spglobal.com)

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WWW.STANDARDANDPOORS.COM/RATINGSLIST

MAY 14, 2024 1

# Illinois Finance Authority Endeavor Health, Illinois; Hospital; System

## Credit Profile

US\$291.2 mil rev rfdg bonds (NorthShore - Edward-Elmhurst Hlth Credit Grp) ser 2024A due 09/15/2034

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 NA.
- 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

Endeavor Health, Illinois—Enterprise Statistics				
	--Three months ended March 31--		--Fiscal year ended Dec. 31--	
	2024	2023	2023	2021
PSA population	NA	4,130,719	4,138,797	NA
PSA market share (%)	NA	78.0	77.7	NA
Inpatient admissions	28,891	113,390	104,015	NA
Equivalent inpatient admissions	97,837	358,095	324,414	NA
Emergency visits	109,491	442,018	426,463	NA
Inpatient surgeries	3,613	26,126	22,498	NA
Outpatient surgeries	17,832	76,914	72,492	NA
Medicare case mix index	1.8136	1.8314	1.8700	NA
FTE employees	22,757	22,663	21,792	NA
Active physicians	4,821	4,894	4,853	NA
Based on net/gross revenues	Net	Net	Net	NA
Medicare (%)	37.0	37.0	36.0	NA
Medicaid (%)	6.0	5.0	6.0	NA
Commercial/Blues (%)	57.0	52.0	56.0	NA

NA - 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 multi-year 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 3

	--Three months ended March 31--		--Fiscal year ended Dec. 31--		--Median for 'AA-' rated health care systems--
	2024	2023	2023	2022	2022
<b>Financial performance</b>					
Net patient revenue (\$000s)	1,408,418	1,927,348	4,603,026	4,833,800	3,951,733
Total operating revenue (\$000s)	1,443,333	2,303,143	3,349,320	3,297,106	1,883,440
Total operating expenses (\$000s)	1,476,810	2,504,774	5,329,607	5,026,449	5,021,631
Operating income (\$000s)	(33,476)	(201,631)	(980,287)	(729,343)	(1,138,191)
Operating margin (%)	(2.33)	(8.70)	(21.53)	(22.14)	(29.90)
Net nonoperating income (\$000s)	32,731	182,773	48,178	581,471	87,898
Excess income (\$000s)	1,476,002	2,121,512	(932,109)	(1,447,872)	(1,050,293)
Excess margin (%)	104.25	109.93	(20.24)	(29.57)	(26.58)
Operating EBITDA margin (%)	2.94	3.16	3.67	7.31	3.60
EBITDA margin (%)	5.08	7.94	4.57	16.62	6.70
Net available for debt service (\$000s)	75,137	456,333	241,939	862,873	269,613
Maximum annual debt service (\$000s)	19,900	78,000	78,000	79,900	11,830
Maximum annual debt service coverage (x)	3.76	5.73	3.03	10.84	3.40
Operating lease-adjusted coverage (x)	2.64	3.89	2.16	7.92	2.80
<b>Liquidity and financial stability</b>					
Unrestricted reserves (\$000s)	4,222,100	4,665,810	3,789,356	4,948,463	7,583,237
Unrestricted days' cash on hand	212.5	277.6	271.2	274.0	232.8
Unrestricted reserves/total long-term debt (%)	281.8	271.0	241.7	333.8	214.2
Unrestricted reserves/emergent liabilities (%)	771	742	631	3,620	327.1
Average age of plant (years)	10.9	11.1	11.1	11.0	11.4
Capital expenditures/depreciation and amortization (%)	143.0	148.9	178.9	194.8	122.3
<b>Debt and liabilities</b>					
Total long-term debt (\$000s)	1,498,428	1,500,183	1,530,080	1,488,020	1,330,000
Long-term debt/capitalization (%)	29.3	29.8	32.4	30.9	28.3
Contingent liabilities (\$000s)	547,735	547,735	547,735	188,715	285,360
Contingent liabilities/total long-term debt (%)	36.5	36.5	35.8	12.7	21.5
Debt burden (%)	1.33	1.38	1.31	1.38	2.18
Defined benefit plan funded status (%)	N/A	96.6	96.6	94.7	93.58
<b>Major assets</b>					
Medicare advance payments (\$000s)*	0	0	0	255,361	MNR
Short-term borrowings (\$000s)*	0	0	0	0	MNH
COVTD by private insurance (\$000s)	0	36,438	54,591	148,857	ACNH
Total net special funding (\$000s)	16,045	68,977	60,186	74,187	51NH

\*Medicare (COVTD) advance payments, 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 \$330 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 bonds (Edward Hosp & Hlth Services Corp)		
Long Term Rating	AA-/Stable	Affirmed
Illinois Finance Authority (Edward-Elmhurst Healthcare) rev bonds (Edward Hosp & Hlth Services Corp) ser 2017A due 02/14/2017 due 01/01/2019-2037 2040		
Long Term Rating	AA-/Stable	Affirmed
Illinois Finance Authority, Illinois		
Endeavor Health, Illinois		
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp)		
Long Term Rating	AA-/A-/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) rev bonds		
Long Term Rating	AA-/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) rev bonds		
Long Term Rating	AA-/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) rev bonds ser 2022A due 08/15/2027		
Long Term Rating	AA-/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) variable rate bonds		
Long Term Rating	AA-/A-/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) variable rate bonds ser 2022B due 08/15/2027		
Long Term Rating	AA-/A-/Stable	Affirmed
Illinois Finance Authority (NorthShore - Edward-Elmhurst Hlth Credit Grp) variable rate bonds ser 2022F due 08/15/2027		
Long Term Rating	AA-/A-/Stable	Affirmed
Illinois Finance Authority, Illinois		
NorthShore University Health System, Illinois		



Illinois Finance Authority Endeavor Health, Illinois Hospital System

**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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**Section VII, 1120.130 Financial Viability**  
**Financial Viability Waiver**

As documented above, the Applicants have an AA- Bond Rating from S&P. Accordingly, the Project qualifies for the financial viability waiver.

**VIII, Economic Feasibility Review Criteria**  
**Criterion 1120.140(a), Reasonableness of Financing Arrangements**

As documented above, the Applicants have an AA- Bond Rating from S&P. Accordingly, the Applicants are not required to address Section 1120.140(a).



4201 Winfield Road  
Warrenville, IL 60555

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

Re: Conditions of Debt Financing

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(b) that the selected form of debt financing the project will be the lowest net cost available.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Welday".

Doug Welday  
Chief Financial Officer  
Endeavor Health

Notarization:

Subscribed and sworn to before  
me this 11th day of February

A handwritten signature in black ink, appearing to read "Nicole M. Vassolo".

Signature of Notary

seal



**Section VIII, Economic Feasibility Review Criteria**  
**Criterion 1120.140C, Reasonableness of Project and Related Costs**

All of the project costs are non-reviewable. Accordingly, the State standards, as defined in Section 1120.140 (C) of the Administrative Code, are not applicable.

Cost and gross square footage for all reviewable departments is provided in the table below:

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)	
Reviewable Subtotal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contingency	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOTALS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

**Section VIII, Economic Feasibility Review Criteria**

**Criterion 1120.140 (d) and (e), Projected Operating Costs & Total Effect of Project on Capital Costs**

The Project will not impact the hospital's operating costs or capital costs. Accordingly, these criteria are not applicable.

**Section IX, Safety Net Impact Statement**

The proposed project is non-substantive and does not involve discontinuation. Accordingly, this criterion is not applicable.



**Section X, Charity Care Information**

The tables below provide, 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.

<b>Endeavor Health</b>	<b>CY 2021*</b>	<b>CY 2022</b>	<b>CY 2023</b>
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

<b>Elmhurst Hospital</b>	<b>CY 2021</b>	<b>CY 2022</b>	<b>CY 2023</b>
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%