

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT25-027
RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION JUL 10 2025

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name: Silver Cross Lemont Medical Office Building		
Street Address: 15505 East 127 th Street		
City and Zip Code: Lemont, Illinois 60439		
County: Cook	Health Service Area: 007	Health Planning Area: A-05

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

Exact Legal Name: Silver Cross Hospital and Medical Centers
Street Address: 1900 Silver Cross Boulevard
City and Zip Code: New Lenox, Illinois 60451
Name of Registered Agent: Vincent Pryor
Registered Agent Street Address: 1900 Silver Cross Boulevard
Registered Agent City and Zip Code: New Lenox, Illinois 60451
Name of Chief Executive Officer: Michael Mutterer
CEO Street Address: 1900 Silver Cross Boulevard
CEO City and Zip Code: New Lenox, Illinois 60451
CEO Telephone Number: (815) 300-7000

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 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: Edward J. Green, Esq.
Title: Attorney
Company Name: Foley & Lardner LLP
Address: 321 North Clark Street, Suite 2800, Chicago, Illinois 60654
Telephone Number: (312) 832-4375
E-mail Address: egreen@foley.com
Fax Number: (312) 832-4700

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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Facility/Project Identification

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Street Address: 15505 East 127 th Street		
City and Zip Code: Lemont, Illinois 60439		
County: Cook	Health Service Area: 007	Health Planning Area: A-05

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

Exact Legal Name: Silver Cross Health System		
Street Address: 1900 Silver Cross Boulevard		
City and Zip Code: New Lenox, Illinois 60451		
Name of Registered Agent: Edward J. Green, Esq., c/o Foley & Lardner LLP		
Registered Agent Street Address: 321 North Clark Street, Suite 2800		
Registered Agent City and Zip Code: Chicago, Illinois 60654		
Name of Chief Executive Officer: Michael Mutterer		
CEO Street Address: 1900 Silver Cross Boulevard		
CEO City and Zip Code: New Lenox, Illinois 60451		
CEO Telephone Number: (815) 300-7000		

Type of Ownership of Applicants

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E-mail Address: egreen@foley.com
Fax Number: (312) 832-4700

Additional Contact

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

Name: Michael Mutterer
Title: President and Chief Executive Officer
Company Name: Silver Cross Hospital & Medical Centers
Address: 1900 Silver Cross Boulevard, New Lenox, Illinois 60451
Telephone Number: (815) 300-7000
E-mail Address: rcolby@silvercross.org
Fax Number: 815-300-4965

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: Mark Jepson
Title: Vice President, Operations
Company Name: Silver Cross Hospital & Medical Centers
Address: 1900 Silver Cross Boulevard, New Lenox, Illinois 60451
Telephone Number: (815) 300-7004
E-mail Address: mjepson@silvercross.org
Fax Number: (815) 300-7047

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Silver Cross Health System
Address of Site Owner: 1900 Silver Cross Boulevard, New Lenox, Illinois 60451
Street Address or Legal Description of Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: Silver Cross Hospital and Medical Centers

Address: 1900 Silver Cross Boulevard, New Lenox, Illinois 60451

- | | |
|---|--|
| <input checked="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 organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS **ATTACHMENT 3** IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-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 #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>). **NOTE: A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM** has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT**1. Project Classification**

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

Part 1110 Classification:

- ☐ Substantive
- ☒ Non-substantive

2. Narrative Description

Provide in the space below, 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.

Silver Cross Hospital and Medical Centers, an Illinois not-for-profit corporation ("Silver Cross"), and Silver Cross Health System, an Illinois not-for-profit corporation ("Silver Cross Health System," collectively with Silver Cross, the "Applicants") hereby seek a Certificate of Need ("CON") from the Illinois Health Facilities & Services Review Board (the "Board"), to construct a one story, 20,550 square foot, medical office building (the "Silver Cross Lemont Medical Office Building") to be located at 15505 East 127th Street, Lemont, Illinois (the "Project").

The Silver Cross Lemont Medical Office Building will house Silver Cross primary care physicians, imaging (ultrasound, x-ray, CT and MRI), an urgent care center, and a blood draw lab.

The total cost of the Project is expected to be \$20,578,613. Project completion is expected to occur on or about March 31, 2027, subject to Review Board approval and assuming construction can begin as soon as possible.

This Project does **not** involve inpatient services or designated "categories of services," and is only before the Board because the Project requires an expenditure in excess of the capital expenditure threshold. Thus, this Project is considered Non-Substantive.

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	NON CLINICAL	TOTAL
Preplanning Costs	9,412	11,248	20,660
Site Survey and Soil Investigation	11,663	13,937	25,600
Site Preparation	1,180,336	1,410,554	2,590,890
Off Site Work			
New Construction Contracts	5,430,680	6,489,900	11,920,580
Modernization Contracts			
Contingencies	199,486	238,395	437,881
Architectural/Engineering Fees	381,537	455,953	837,490
Consulting and Other Fees	114,804	137,196	252,000
Movable or Other Equipment (not in construction contracts)	2,874,966	1,618,546	4,493,512
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leases			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	10,202,884	10,375,729	20,578,613
SOURCE OF FUNDS	CLINICAL	NON CLINICAL	TOTAL
Cash and Securities	10,202,884	10,375,729	20,578,613
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Fair Market Value of Leases			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	10,202,884	10,375,729	20,578,613

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

Related Project Costs

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

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

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

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

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

Project Status and Completion Schedules

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

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): **March 31, 2027**

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

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

APPEND DOCUMENTATION AS **ATTACHMENT 2** IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable:

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

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

Cost Space Requirements

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

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL	10,202,884		9,362	9,362			
NON CLINICAL	10,375,729		11,188	11,188			
TOTAL	20,578,613		20,550	20,550			

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 the data are 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: Silver Cross Hospital		CITY: 1900 Silver Cross Blvd., New Lenox, Illinois			
REPORTING PERIOD DATES: From: 01/01/2024 to: 12/31/2024					
Category of Service	Authorized** Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	222	15,075	83,042	0	222
Obstetrics	30	3,200	8,557	0	30
Pediatrics	8	191	659	0	8
Intensive Care	36	2,033	8,804	0	36
Comprehensive Physical Rehabilitation	28	704	8,572	0	28
Acute/Chronic Mental Illness					
Neonatal Intensive Care	24	196	2,853	0	24
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:	348	21,399	112,487	0	348

CERTIFICATION

The Application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

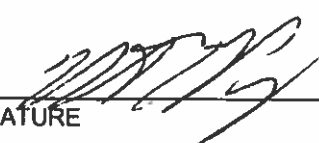
- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its 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 Silver Cross Hospital & Medical Centers* 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 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

Michael Mutterer
PRINTED NAME

President & CEO
PRINTED TITLE


SIGNATURE

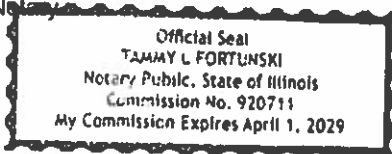
Vincent E. Pryor
PRINTED NAME

Executive Vice President & CFO
PRINTED TITLE

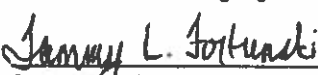
Notarization:
Subscribed and sworn to before me
this 7th day of July, 2025


Signature of Notary

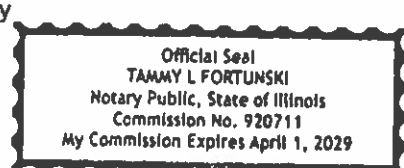
Seal



Notarization:
Subscribed and sworn to before me
this 7th day of July, 2025


Signature of Notary

Seal



*Insert EXACT legal name of the applicant

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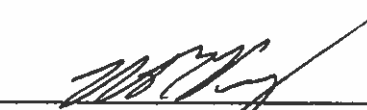
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- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries 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 Silver Cross Health System* 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

Michael Mutterer
PRINTED NAME


President & CEO
PRINTED TITLE


SIGNATURE

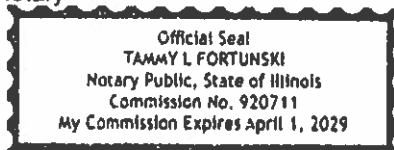
Vincent E. Pryor
PRINTED NAME

Assistant Treasurer & CFO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 7th day of July, 2025

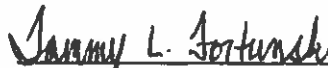

Signature of Notary

Seal

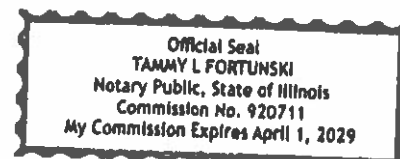


*Insert EXACT legal name of the applicant

Notarization:
Subscribed and sworn to before me
this 7th day of July, 2025


Signature of Notary

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	MET STANDARD?
YEAR 1					
YEAR 2					

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

UNFINISHED OR SHELL SPACE:

Provide the following information:

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

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

ASSURANCES:

Submit the following:

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

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

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

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than categories of service must submit the following information:
2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
<input type="checkbox"/> Office Based Infusion		
<input type="checkbox"/> Office Based Diagnostic Imaging/Testing		
<input type="checkbox"/> Wellness Laboratory/Blood Draw		
<input type="checkbox"/> Office Based GI Procedure		

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

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

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

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

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]:

<u>\$20,578,613</u>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion; <p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated 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> <ol style="list-style-type: none"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions. <p>e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;</p> <p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p> <p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project. Space Lease and Ground Lease</p>
<u>\$20,578,613</u>	TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT 34 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 35** IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

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

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

Variance

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

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

SECTION 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

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

SECTION X. CHARITY CARE INFORMATION

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

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

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

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

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

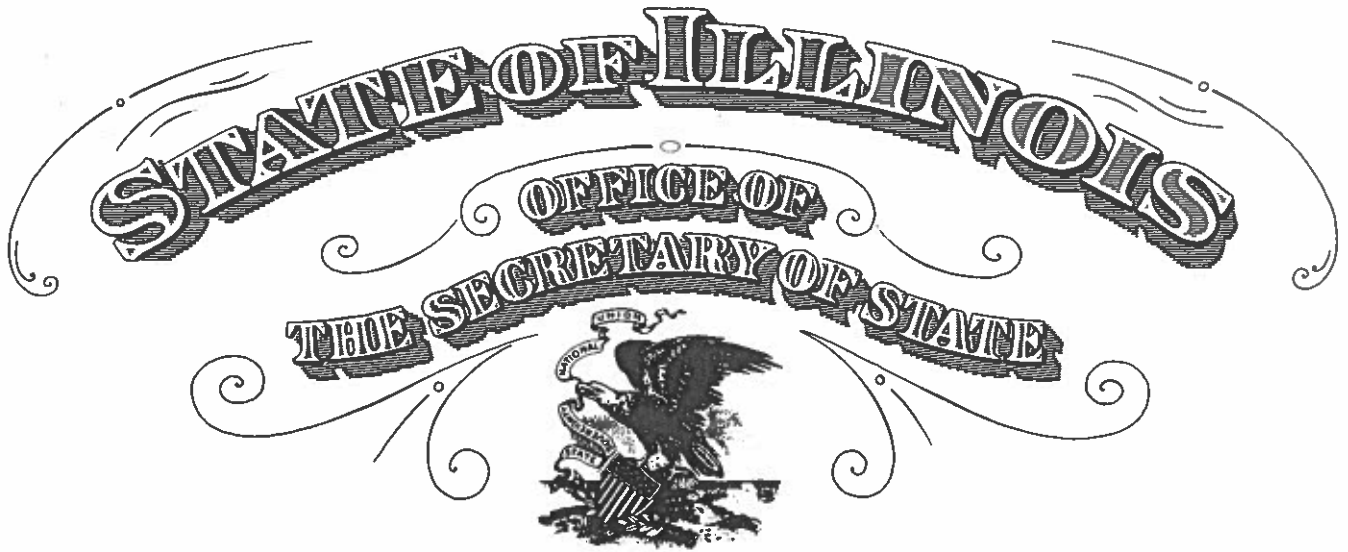
APPEND DOCUMENTATION AS **ATTACHMENT 39** IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I
Attachment 1
Applicant Identification

The Certificates of Good Standing for Silver Cross Hospital & Medical Centers (the "Hospital") and Silver Cross Health System (the "System," collectively with the Hospital, the "Applicants") are attached at ATTACHMENT 1.

File Number

0548-203-8



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

SILVER CROSS HOSPITAL AND MEDICAL CENTERS, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 16, 1891, 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 8TH day of JULY A.D. 2025 .

Authentication #: 2518901174 verifiable until 07/08/2026
Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulas

SECRETARY OF STATE

0024

Attachment
1

File Number

5257-283-5



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

SILVER CROSS HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 19, 1981, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 8TH day of JULY A.D. 2025 .

Authentication #: 2518901134 verifiable until 07/08/2026
Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulas
SECRETARY OF STATE

0025

Attachment
1

Section I
Attachment 2
Site Ownership

1. Midwest Community Real Estate Corporation, an Illinois not-for-profit corporation ("MCREC"), currently owns the property located at 15505 127th Street in Lemont, Illinois (the "Site Parcel"), and legally described as follows:

LOT 6 (EXCEPTING THEREFROM THE EAST 262.4 FEET, BEING THE EAST 2 ACRES, ALSO EXCEPTING THE WEST 530.80) ALL IN COUNTY CLERK'S DIVISION OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 30, 1880, AS DOCUMENT NUMBER 269439 IN COOK COUNTY, ILLINOIS.

Except therefrom the following described parcel:

THAT PART OF LOT 61 IN COUNTY CLERK'S DIVISION OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 30, 1880 AS DOCUMENT 269439 DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 6 THENCE SOUTH 89 DEGREES 59 MINUTES 07 SECONDS WEST ALONG THE NORTH LINE OF SAID LOT 6, AS MONUMENTED, A DISTANCE OF 262.40 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST PARALLEL WITH THE EAST LINE OF SAID LOT 6, A DISTANCE OF 282.45 FEET TO A LINE PARALLEL WITH AND 30.00 FEET NORTH OF, AS MEASURED AT RIGHT ANGLES TO, THE SOUTH LINE OF SAID LOT 6, SAID LINE ALSO BEING THE NORTH LINE OF 127TH STREET, AS DEDICATED PER DOCUMENT 26063167; THENCE SOUTH 89 DEGREES 59 MINUTE4S 08 SECONDS WEST LONG SAID PARALLEL LINE, 60.00 FEEET; THEN NORTH 00 DEGREES 00 MMINUTES 00 SECONDS EAST PARALLEL WITH SAID EAST LINE, A DISTANCE OF 282.45 FEET TO THE NORTH LINE OF SAID LOT 6; THENCE NORTH 89 DEGREES 59 MINUTES 07 SECONDS EAST ALONG SAID NORTH LINE, 60.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

2. Silver Cross Health System is the sole member of MCREC.

3. An Affidavit from Vincent Pryor, the Hospital's Executive Vice President and Chief Financial Officer, in support of this Criterion is attached at ATTACHMENT 2.



1900 Silver Cross Blvd. • New Lenox, IL 60455
(815) 300-1100 • www.silvercross.org

July 1, 2025

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Certification of Corporate Ownership of Site Parcel (Silver Cross Lemont Medical Office Building)

Dear Mr. Constantino:

I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, as follows:

1. Midwest Community Real Estate Corporation, an Illinois not-for-profit corporation ("MCREC"), currently owns the property located at 15505 127th Street in Lemont, Illinois (the "Site Parcel"), and legally described as follows:


LOT 6 (EXCEPTING THEREFROM THE EAST 262.4 FEET, BEING THE EAST 2 ACRES, ALSO EXCEPTING THE WEST 530.80) ALL IN COUNTY CLERK'S DIVISION OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 30, 1880, AS DOCUMENT NUMBER 269439 IN COOK COUNTY, ILLINOIS.

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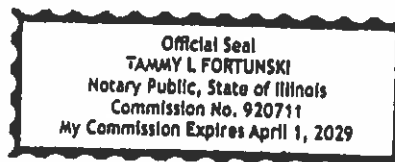
2. Silver Cross Health System, an Illinois not-for-profit corporation, is the sole member of MCREC.

Sincerely,


By: Vincent E. Pryor
Silver Cross Hospital & Medical Centers
Executive Vice President & CFO

Subscribed and Sworn to before me
this 2nd day of July, 2025.


Notary Public



Section I
Attachment 3
Operating Entity/Licensee

There are no licenses associated with this Project.

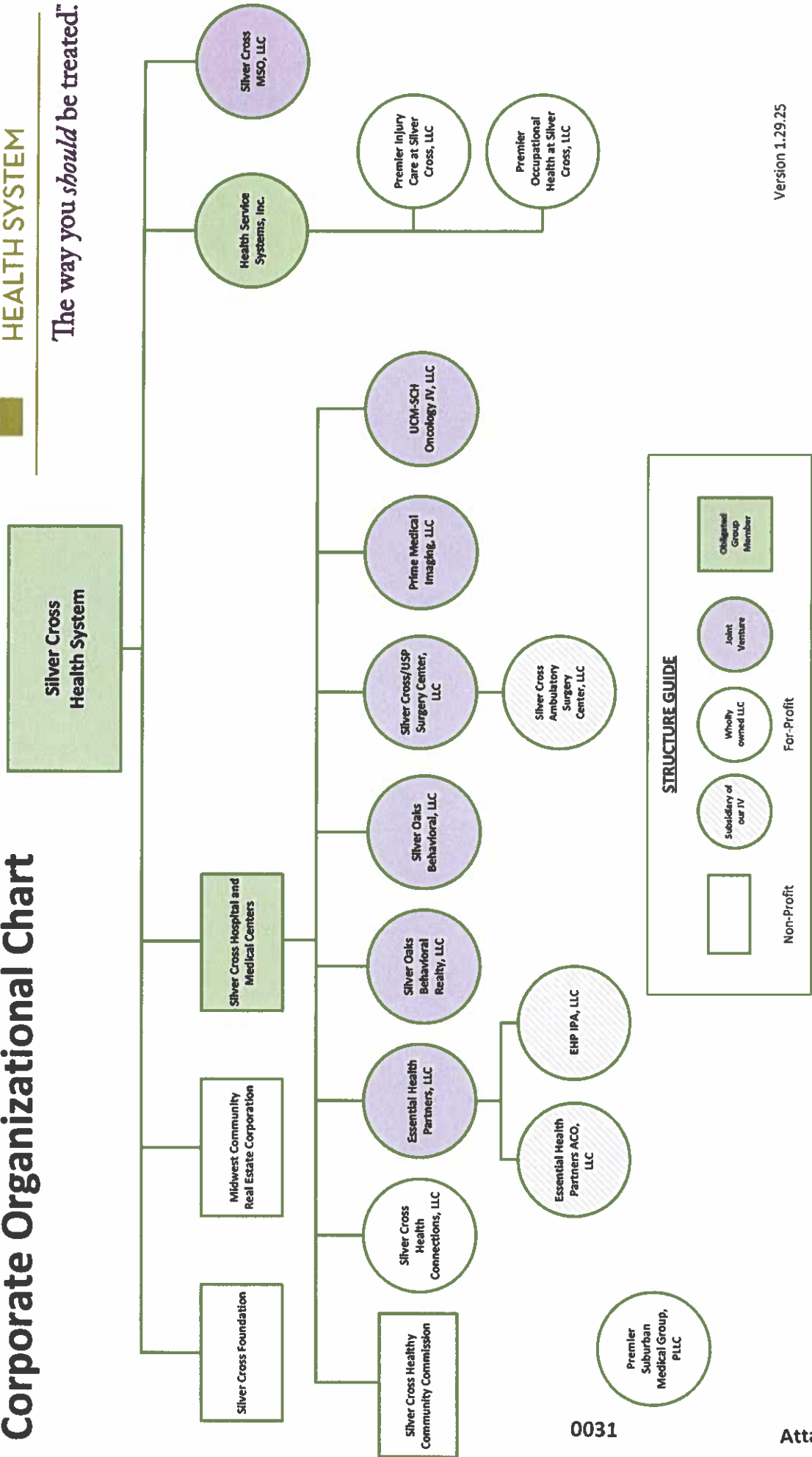
Section I
Attachment 4
Organizational Relationships

The organizational chart for the Applicants is attached at ATTACHMENT 4.

Silver Cross Enterprise Corporate Organizational Chart



The way you *should* be treated.™



Version 1.29.25

Section I
Attachment 5
Flood Plain Requirements

The Site Parcel for this Project is located in flood plain Zone X, which is designated as an area of low flood risk not requiring flood insurance. See Flood Insurance Rate Map No. 17031C0586J (revised 8/19/2008), attached at ATTACHMENT 5. An Affidavit from Vincent Pryor, the Hospital's Executive Vice President and Chief Financial Officer, in support of this Criterion is attached at ATTACHMENT 5.

The Applicants have also completed the Special Flood Hazard Area and 500-Year Flood Plain Determination Form now required by the Review Board. See Section XI of this Application.

National Flood Hazard Layer FIRMette



88°05'W 41°39'39"N



Legend

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

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, V, A99
	With BFE or Depth Zone AE, AO, AH, VE, AP
	Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with draining areas of less than one square mile (Zone 2)
	Future Conditions 1% Annual Chance Flood Hazard (Zone X)
	Area with Reduced Flood Risk due to Levee. See Notes. (Zone X)
	Area with Flood Risk due to Levee (Zone D)

OTHER AREAS	NO SCREEN
GENERAL STRUCTURES	Area of Minimal Flood Hazard (Zone X)
	Effective LOMRs
	Area of Undetermined Flood Hazard (Zone X)
	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
	Jurisdiction 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 7/1/2025 at 6:24 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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

0033

Attachment
5

Feet 1-6 000

87°59'31"W 41°39'12"N

July 8, 2025

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Certification Re: Compliance with Illinois Executive Order #5 (Silver Cross
Lemont Medical Office Building)

Dear Mr. Constantino:

I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, as follows:

1. Midwest Community Real Estate Corporation, an Illinois not-for-profit corporation ("MCREC"), currently owns the property located at 15505 127th Street in Lemont, Illinois (the "Site Parcel"), and legally described as follows:

LOT 6 (EXCEPTING THEREFROM THE EAST 262.4 FEET, BEING THE EAST 2 ACRES, ALSO EXCEPTING THE WEST 530.80) ALL IN COUNTY CLERK'S DIVISION OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 30, 1880, AS DOCUMENT NUMBER 269439 IN COOK COUNTY, ILLINOIS.

Except therefrom the following described parcel:


THAT PART OF LOT 61 IN COUNTY CLERK'S DIVISION OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 30, 1880 AS DOCUMENT 269439 DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 6 THENCE SOUTH 89 DEGREES 59 MINUTES 07 SECONDS WEST ALONG THE NORTH LINE OF SAID LOT 6, AS MONUMENTED, A DISTANCE OF 262.40 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST PARALLEL WITH THE EAST LINE OF SAID LOT 6, A DISTANCE OF 282.45 FEET TO A LINE PARALLEL WITH AND 30.00 FEET NORTH OF, AS MEASURED AT RIGHT ANGLES TO, THE SOUTH LINE OF SAID LOT 6, SAID LINE ALSO BEING THE NORTH LINE OF 127TH STREET, AS DEDICATED PER DOCUMENT 26063167; THENCE SOUTH 89 DEGREES 59 MINUTE4S 08 SECONDS WEST LONG SAID PARALLEL LINE, 60.00 FEET; THEN NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST PARALLEL WITH SAID EAST LINE, A DISTANCE OF 282.45 FEET TO THE NORTH LINE OF SAID LOT 6; THENCE NORTH 89 DEGREES 59 MINUTES 07 SECONDS EAST ALONG SAID NORTH LINE, 60.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

2. Silver Cross Health System, an Illinois not-for-profit corporation (the "System"), is the sole member of MCREC.

3. The Site Parcel identified herein and associated with the Silver Cross Lemont Medical Office Building Project is located in flood plain Zone X, which is designated as an area of low flood risk not requiring flood insurance. See Flood Insurance Rate Map No. 17031C0586J (effective as of August 19, 2008), a copy of which are attached hereto as Attachment One.

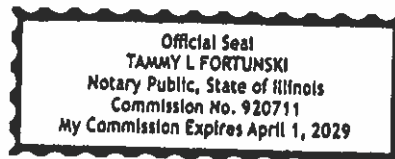
4. MCREC, the System, and Silver Cross Hospital & Medical Centers have reviewed and will comply with the development requirements of Illinois Executive Order #5 (2006), to the extent Illinois Executive Order #5 (2006) is applicable.

Sincerely,


By: Vincent E. Pryor
Silver Cross Hospital & Medical Centers
Executive Vice President & CFO

Subscribed and Sworn to before me
this 8th day of July, 2025.


Notary Public



Section I
Attachment 6
Historic Resources Preservation Act Requirements

The Silver Cross Lemont Medical Office Building will be located at 15505 127th Street, Lemont, Illinois. There is an existing medical office building on the site, which is not designated as a historical building by the Illinois Historical Preservation Agency. Thus, there are no buildings or structures subject to the Illinois Historic Resources Preservation Act. Nevertheless, attached at ATTACHMENT 6 is a copy of the clearance letter sent to the Illinois Historical Preservation Agency regarding compliance with the requirements of the Illinois Historic Resources Preservation Act.



FOLEY & LARDNER LLP

ATTORNEYS AT LAW
321 North Clark Street, Suite 2800
Chicago, IL 60654-5313
312.832.4500 TEL
312.832.4700 FAX
www.foley.com

WRITER'S DIRECT LINE
312.832.4375
egreen@foley.com EMAIL

CLIENT/MATTER NUMBER

July 7, 2025

VIA FACSIMILE (217) 524-7525, EMAIL (BOB.APPLEMAN@ILLINOIS.GOV) AND FEDERAL EXPRESS

Mr. Robert F. Appleman
Deputy State Historic Preservation Officer
Preservation Services Division
Illinois Historic Preservation Office
1 Old State Capital Plaza
Springfield, Illinois 62701

Re: Silver Cross Lemont Medical Office Building

Dear Mr. Appleman:

I am writing on behalf of Silver Cross Hospital and Medical Centers, an Illinois not-for-profit corporation located in New Lenox, Illinois ("Silver Cross"). We are in the process of preparing a Certificate of Need Application for Silver Cross, pursuant to which Silver Cross will seek permission from the Illinois Health Facilities and Services Review Board to construct a one story medical office building at 15505 East 127th Street, Lemont, 60439 (the "Silver Cross Lemont Medical Office Building").

The Silver Cross Lemont Medical Office Building will occupy 20,550 gross square feet.

The land upon which the Silver Cross Lemont Medical Office Building will sit currently houses an existing medical office building (which will eventually be demolished upon completion of the Silver Cross Lemont Medical Office Building).

The PIN for the property is 22-29-402-020 and the legal description is as follows:

LOT 6 (EXCEPTING THEREFROM THE EAST 262.4 FEET, BEING THE EAST 2 ACRES, ALSO EXCEPTING THE WEST 530.80) ALL IN COUNTY CLERK'S DIVISION OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 30, 1880, AS DOCUMENT NUMBER 269439 IN COOK COUNTY, ILLINOIS.

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BOSTON
BRUSSELS
CENTURY CITY
CHICAGO
DETROIT

JACKSONVILLE
LOS ANGELES
MADISON
MIAMI
MILWAUKEE

NEW YORK
ORLANDO
SACRAMENTO
SAN DIEGO
SAN DIEGO/DEFI MAR

0037

SAN FRANCISCO
SHANGHAI
SILICON VALLEY
TALLAHASSEE
TAMPA

TOKYO
WASHINGTON, D.C.

4911-6688-1619.2

Attachment



FOLEY & LARDNER LLP

Mr. Robert F. Appleman
Silver Cross Lemont Medical Office Building
Page 2

FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 6 THENCE SOUTH 89 DEGREES 59 MINUTES 07 SECONDS WEST ALONG THE NORTH LINE OF SAID LOT 6, AS MONUMENTED, A DISTANCE OF 262.40 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST PARALLEL WITH THE EAST LINE OF SAID LOT 6, A DISTANCE OF 282.45 FEET TO A LINE PARALLEL WITH AND 30.00 FEET NORTH OF, AS MEASURED AT RIGHT ANGLES TO, THE SOUTH LINE OF SAID LOT 6, SAID LINE ALSO BEING THE NORTH LINE OF 127TH STREET, AS DEDICATED PER DOCUMENT 26063167; THENCE SOUTH 89 DEGREES 59 MINUTE4S 08 SECONDS WEST LONG SAID PARALLEL LINE, 60.00 FEEET; THEN NORTH 00 DEGREES 00 MMINUTES 00 SECONDS EAST PARALLEL WITH SAID EAST LINE, A DISTANCE OF 282.45 FEET TO THE NORTH LINE OF SAID LOT 6; THENCE NORTH 89 DEGREES 59 MINUTES 07 SECONDS EAST ALONG SAID NORTH LINE, 60.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Pursuant to Section 4 of the Illinois State Agency Historic Resources Preservation Act (the "Act"), we are seeking a formal determination from the Illinois Historic Preservation Agency as to whether the Act applies to the construction of the Silver Cross Lemont Medical Office Building (and the demolition of the existing medical office building once the new Silver Cross Lemont Medical Office Building is completed and opened).

I understand that there are no fees associated with this request. If you have any questions or need any additional information to complete your evaluation of the proposed project, you may contact me at (312) 832-4375. My fax number is (312) 832-4700 and my email address is egreen@foley.com.

Sincerely,

A handwritten signature in black ink that reads 'Edward Green'.

Edward J. Green

Section I
Attachment 7
Project Costs

1. The total costs for the Project are listed below:

Project Costs			
USE OF FUNDS	CLINICAL	NON CLINICAL	TOTAL
Preplanning Costs	9,412	11,248	20,660
Site Survey and Soil Investigation	11,663	13,937	25,600
Site Preparation	1,180,336	1,410,554	2,590,890
Off Site Work			
New Construction Contracts	5,430,680	6,489,900	11,920,580
Modernization Contracts			
Contingencies	199,486	238,395	437,881
Architectural/Engineering Fees	381,537	455,953	837,490
Consulting and Other Fees	114,804	137,196	252,000
Movable or Other Equipment (not in construction contracts)	2,874,966	1,618,546	4,493,512
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leases			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	10,202,884	10,375,729	20,578,613

2. The equipment listing for the Project is attached at ATTACHMENT 7.

AREA	ITEM	Cost	Qty.	TOTAL	Clinical vs Non-Clinical
Exam Rooms	Exam Tables	\$6,762.11	28	\$189,339.08	Clinical
Exam Rooms	Welch Allyn Boards	\$2,728.25	28	\$76,391.00	Clinical
Exam Rooms	Procedure /Exam Light	\$615.83	14	\$8,621.62	Clinical
General Equip	Comfort EZ Clinical Recliner	\$1,180.00	2	\$2,360.00	Clinical
General Equip	Adult Digital Eye Scale	\$269.95	3	\$809.85	Clinical
General Equip	AED	\$2,678.72	5	\$13,393.60	Clinical
General Equip	AED CABINET	\$1,191.89	5	\$5,959.45	Clinical
General Equip	EKG Machine	\$30,883.02	4	\$123,532.08	Clinical
General Equip	Pedatric Scale	\$395.00	2	\$790.00	Clinical
General Equip	Wheelchairs	\$389.00	12	\$4,668.00	Clinical
I.T.	PC, Laptop, Printers			\$187,647.67	Non-clinical
I.T.	Wired, Wireless Network, Telecom			\$217,647.67	Non-clinical
I.T.	IT Software build and configuration			\$567,647.67	Non-clinical
Misc.	Furniture			\$192,647.67	Non-clinical
Misc.	Courier			\$40,000.00	Non-clinical
Misc.	Biohazard			\$10,000.00	Clinical
Misc.	Shredding			\$8,000.00	Non-clinical
Misc.	Office Supplies			\$10,000.00	Non-clinical
Misc.	Refrigerators	\$6,626.40	8	\$53,011.20	Clinical
Misc.	Signage			\$237,307.67	Non-clinical
Misc.	Artwork			\$117,647.67	Non-clinical
Misc.	Metro Shelving			\$40,000.00	Non-clinical
Misc.	Medline Clinic Supplies			\$100,000.00	Clinical

Lab	DCA Vantage Analyzer	\$5,502.91	6	\$33,017.46	Clinical
Lab	Clinitek Status Analyzer	\$7,141.13	3	\$21,423.39	Clinical
Lab	Centrifuge	\$692.64	6	\$4,155.84	Clinical
Imaging	Ultrasound	\$225,000.00	1	\$225,000.00	Clinical
Imaging	X-ray	\$221,497.81	1	\$221,497.81	Clinical
Imaging	CT	\$590,497.81	1	\$590,497.81	Clinical
Imaging	MRI	\$1,190,497.81	1	\$1,190,497.81	Clinical

EQUIPMENT TOTALS	
Total Clinical:	\$2,874,966.00
Total Non-Clinical:	\$1,618,546.02
Grand Total:	\$4,493,512.02

Section III
Attachment 11
Criterion 1110.110(a)
Background of the Applicants


Silver Cross Hospital and Medical Centers

1. Silver Cross Hospital and Medical Centers, an Illinois not-for-profit corporation, owns and operates Silver Cross Hospital and Medical Centers. Silver Cross Hospital is a fully licensed, Medicare-certified, Joint Commission accredited, general acute care hospital, located at 1900 Silver Cross Boulevard, New Lenox, Illinois 60451. A copy of the IDPH license for Silver Cross Hospital is attached at ATTACHMENT 11.
2. Silver Cross Hospital has been recognized as a 5 star hospital by the Centers for Medicare and Medicare Services, a Truven Health Analytics 100 Top Hospitals National Award winner for seven consecutive years, a Hospital of Choice by the American Alliance of Healthcare Providers, and was honored with an "A" Hospital Safety GradeSM by The Leapfrog Group for 20 consecutive periods.
3. Silver Cross Hospital has forged partnerships with several "best in breed" organizations to deliver state-of-the-art medicine on its campus in New Lenox. Those partners include the Shirley Ryan AbilityLab (formerly the Rehabilitation Institute of Chicago) on rehabilitation, Ann & Robert H. Lurie Children's Hospital of Chicago on pediatrics, and the University of Chicago on cancer care.
4. In 2024, Silver Cross Hospital provided \$57,082,670 in charity care and other community benefits.
5. Silver Cross Hospital (through a joint venture with USPI and certain physicians) owns an interest in Silver Cross Ambulatory Surgery Center, a fully licensed, Medicare-certified, three operating room, nine recovery room, ambulatory surgery center on the Silver Cross Hospital campus. See Project No. 16-021.
6. Silver Cross Hospital (through a joint venture with US HealthVest and various US Healthvest affiliates) owns an interest in Silver Oaks Hospital, a fully licensed, Medicare-certified, 100 bed behavioral health hospital on the Silver Cross Hospital Campus. See Project No. 17-009.
7. There have been no adverse actions taken against any facility owned or operated by Silver Cross Hospital during the three (3) years prior to the filing of this Application. A letter certifying the above information is attached at ATTACHMENT 11.
8. An authorization letter granting access to the Board and the Illinois Department of Public Health ("IDPH") to verify information about Silver Cross Hospital is attached at ATTACHMENT 11.

Silver Cross Health System

1. Silver Cross Health System, an Illinois not-for-profit corporation, is the sole member of Silver Cross Hospital and Medical Centers.

2. There have been no adverse actions taken against any facility owned or operated by Silver Cross Health System during the three (3) years prior to the filing of this Application. A letter certifying the above information is attached at ATTACHMENT 11.
3. An authorization letter granting access to the Board and IDPH to verify information about Silver Cross Health System is attached at ATTACHMENT 11.



ILLINOIS DEPARTMENT OF
PUBLIC HEALTH

HF132445

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Sameer Vohra, MD,JD,MA
 Director

Issued under the authority of
 the Illinois Department of
 Public Health

EXPIRATION DATE	CATEGORY	ID NUMBER
2/25/2026		0005827
General Hospital		
Effective: 02/26/2025		

Silver Cross Hospital and Medical Centers
 1900 Silver Cross Blvd
 New Lenox, IL 60451

The face of this license has a colored background • Printed by Authority of the State of Illinois • P O #4024001 2M 4/24

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 2/25/2026
 Lic Number 0005827
 Date Printed 12/16/2024

Silver Cross Hospital and Medical Cent
 1900 Silver Cross Blvd
 New Lenox, IL 60451

FEE RECEIPT NO.



May 12, 2023

Ruth Colby
President and CEO
Silver Cross Hospital
1900 Silver Cross Blvd
New Lenox, IL 60451

Joint Commission ID #: 7365
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of Standards
Compliance
Accreditation Activity Completed: 5/1/2023

Dear Ms. Colby:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning February 25, 2023, and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Deborah A. Ryan, MS, RN
Executive Vice President
Division of Accreditation and Certification Operations

July 7, 2025

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: No Adverse Actions Certification (Silver Cross Lemont Medical Office Building)

Dear Mr. Constantino:

I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, as follows:

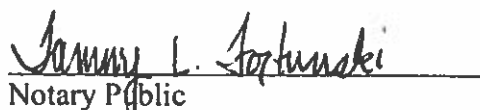
1. There have been no adverse actions taken against any facility owned or operated by Silver Cross Health System during the three (3) years prior to the filing of this Certificate of Need Application.
2. There have been no adverse actions taken against any facility owned or operated by Silver Cross Hospital and Medical Centers during the three (3) years prior to the filing of this Certificate of Need Application.

Sincerely,



Michael Mutterer
President & CEO
Silver Cross Health System
Silver Cross Hospital and Medical Centers

Subscribed and Sworn to before me
this 7th day of July, 2025.


Notary Public



1900 Silver Cross Blvd. • New Lenox, IL 60451
(815) 300-1100 • www.silvercross.org

July 7, 2025

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Authorization to Access Information (Silver Cross Lemont Medical Office Building)

Dear Mr. Constantino:

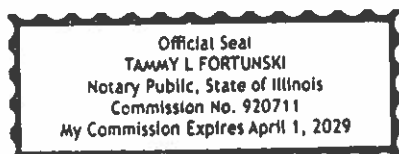
I hereby authorize the Illinois Health Facilities & Services Review Board (the "Board") and the Illinois Department of Public Health ("IDPH") to access all information necessary to verify any documentation or information submitted by Silver Cross Health System and Silver Cross Hospital and Medical Centers with this Certificate of Need Application. I further authorize the Board and IDPH to obtain any additional documentation or information which the Board or IDPH finds pertinent and necessary to process this Certificate of Need Application.

Sincerely,

Michael Mutterer
President & CEO
Silver Cross Health System
Silver Cross Hospital and Medical Centers

Subscribed and Sworn to before me
this 7th day of July, 2025.

Notary Public



Section III
Attachment 12
Criterion 1110.110(b)
Purpose of Project

Purpose Statement

Silver Cross Hospital and Medical Centers, an Illinois not-for-profit corporation ("Silver Cross"), and Silver Cross Health System, an Illinois not-for-profit corporation ("Silver Cross Health System," collectively with Silver Cross, the "Applicants") hereby seek a Certificate of Need ("CON") from the Illinois Health Facilities & Services Review Board (the "Board"), to construct a one story, 20,550 square foot, medical office building (the "Silver Cross Lemont Medical Office Building") to be located at 15505 East 127th Street, Lemont, Illinois (the "Project").

The Silver Cross Lemont Medical Office Building will house Silver Cross primary care physicians, imaging (ultrasound, X-ray, CT and MRI), an urgent care center, and a blood draw lab.

The Silver Cross Lemont Medical Office Building will: (1) replace the existing medical office building on the site which has become outdated and cannot accommodate additional growth; and (2) allow the Applicants to meet the health care needs of the growing population in the area.

Identify the Existing Problems or Issues that need to be Addressed

1. The Village of Lemont is one of the fastest growing suburbs in Chicago. Its population is expected to increase to 30,209 by the year 2030 (up 72% since 2022). See Chicago Metropolitan Agency for Planning (2022).
2. Silver Cross is currently the largest provider of inpatient and outpatient care to residents living in Lemont, enjoying a 28% inpatient share and a 23% outpatient share. See COMPData July 2023-June 2024.
3. 41% of residents living in Lemont seek and receive emergency care or urgent care at Silver Cross. See COMPData July 2023-June 2024.
4. Silver Cross has identified primary care as the number one needed service in Lemont (followed by cardiology).
5. Silver Cross' existing medical office building in Lemont (which houses Silver Cross primary care physicians) has become outdated and cannot accommodate the additional growth needed by the residents of Lemont.
6. See ATTACHMENT 12 (Market Snapshot)

Detail how the Project will Address or Improve the Previously Referenced Issues as well as the Population's Health Status and Well-Being

1. The Silver Cross Lemont Medical Office Building will allow the Applicants to relocate their primary care physicians from the existing, outdated medical office building on the same site into a modern medical office building.
2. The Applicants are also imaging (ultrasound, X-ray, CT and MRI), an urgent care center, and a blood draw lab.
3. Thus, the Silver Cross Lemont Medical Office Building will: (1) replace the existing medical office building on the same site which has become outdated and cannot accommodate additional growth; and (2) allow the Applicants to meet the health care needs of the growing population in the area.
4. The Silver Cross Lemont Medical Office Building will also allow other Silver Cross Hospital patients to seek treatment closer to home, and take some of the volume pressure off of Silver Cross Hospital. Thus, as an additional benefit, this project will improve Silver Cross Hospital's ability to meet its goal of treating patients closer to home in a more convenient, cost-effective setting.
5. The following Silver Cross physicians in the existing medical office building on the same site will move into the new Silver Cross Lemont Medical Office Building once it is complete:

Mary Dea, DO (Internal Medicine)
Sushma Nagabhairava, MD (Family Medicine)
Sara Chabra, PA (Family Medicine)
Ashley Miniet, NP (Internal Medicine)
Haley Koth, DO (Family Medicine)(*starts in August of 2025).

Provide Goals with Quantified and Measurable Objectives with Specific Timeframes that Relate to Achieving the Stated Goals

1. See ATTACHMENT 15 for the volume projections for the Project for the first three years after completion of the Project.
2. The projections for this Project were generated after reviewing the available historical volume numbers and growth projections for the Silver Cross physicians currently in the existing medical office building, as well as accounting for future growth and recruiting efforts. Silver Cross Hospital also considered its own increasing outpatient volumes for imaging, urgent care, and lab tests.



The way you *should* be treated.

MARKET SNAPSHOT

Lemont, IL

December 2024



Lemont, IL 60439

- Growing population, projected to increase by 72% to 30,209 by 2030
- SCH currently captures largest portion of market share in from Lemont:
 - 28% Inpatient
 - 18% Outpatient
 - 41% Emergency Dept
- Specialties in demand: Primary Care, Cardiac Services and Urology

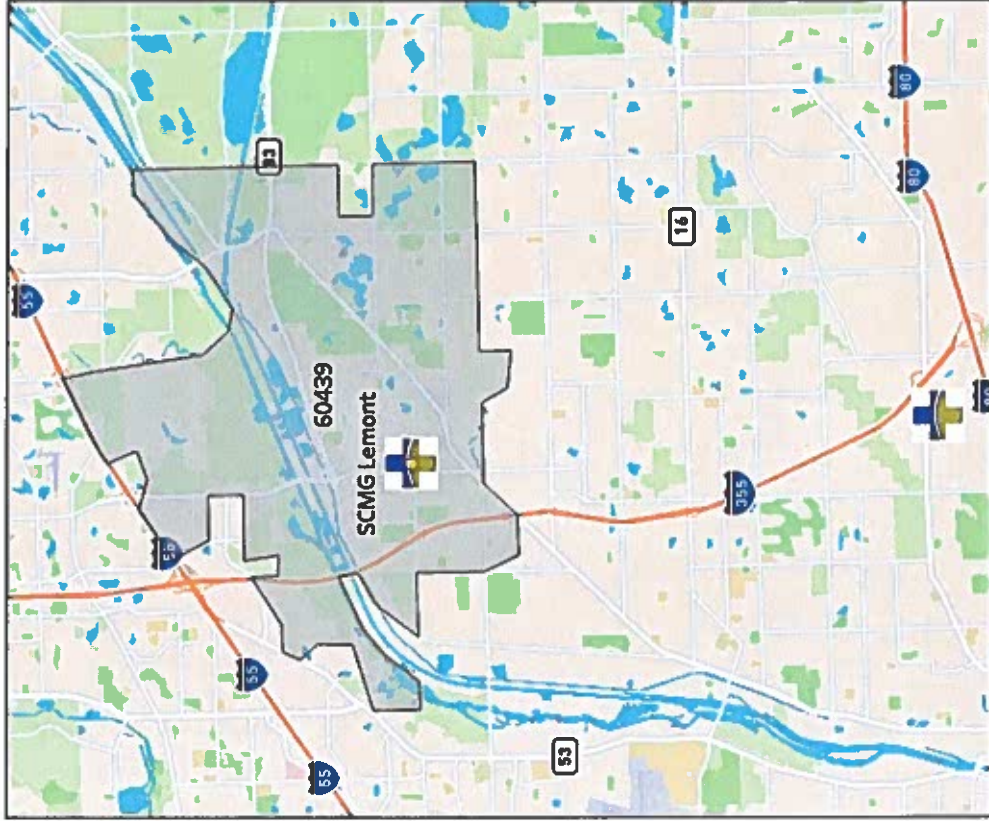
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Recommendation:

Data supports addition/expansion of an ambulatory location

Lemont, IL 60439

Population 2022	17,558
Population Growth	72% by 2030 30,209
Ages	Children 0-19 27% Adult 20-34 13% Adult 35-64 41% Senior 65+ 19%
Payor Mix*	Commercial 48% Medicare 32% Medicaid 7% Other 13%
Median Income**	\$120,035
Education Levels	Higher Than State Avg



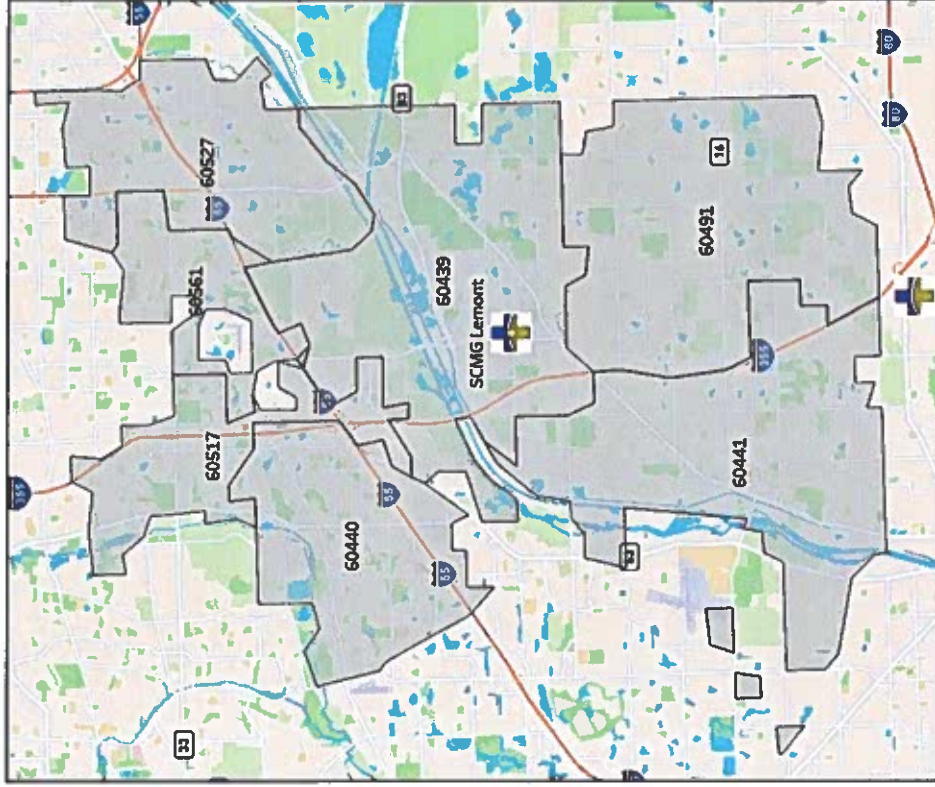
Source: Chicago Metropolitan Agency for Planning, 2022
*Payor Mix Source: COMPDData, July 2023 – June 2024
** Median Household Income Source: Merative, 2023

Lemont 5-Mile Radius

Population 2022	222,302
Population Growth	3% by 2032 229,574
Ages	Children 0-19 23% Adult 20-34 19% Adult 35-64 40% Senior 65+ 18%
Payor Mix*	Commercial 27% Medicare 46% Medicaid 17% Other 10%
Median Income	\$105,688
Education Levels	Higher Than State Avg

Source: Merative Data, 2023.

*Payor Mix Source: COMPDdata, July 2023 – June 2024.

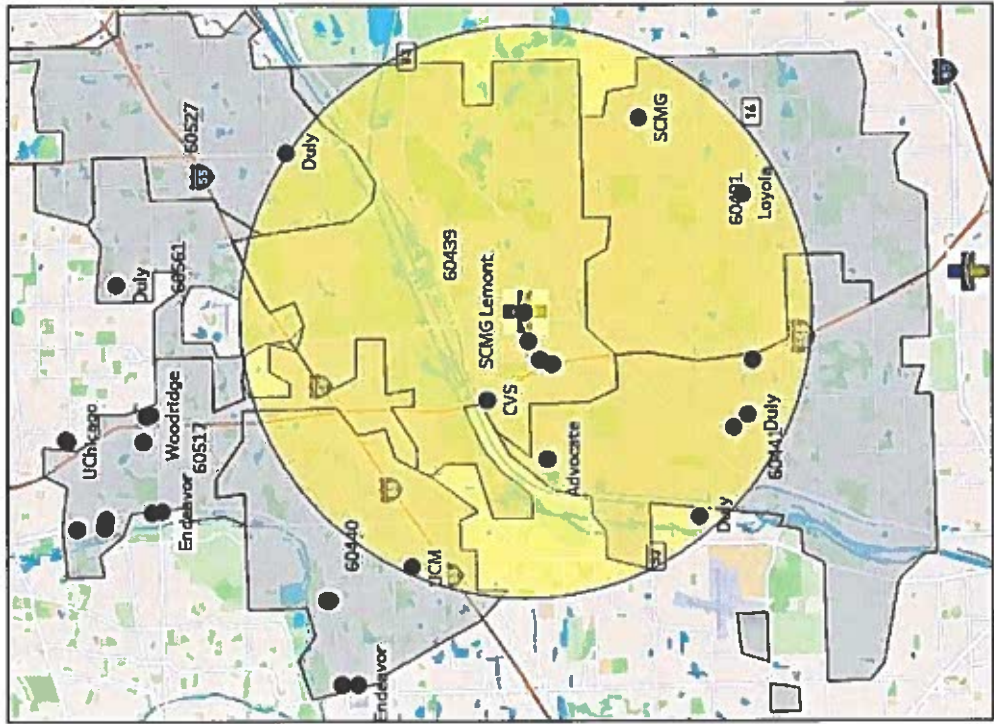


Zip Codes: Lemont 60439, Bolingbrook 60440, Lockport 60441, Homer Glen 60491, Woodridge 60517, Willowbrook 60527, Darien 60561

Lemont 5-Mile Radius

Number of Sites	
Medical Center/ Group	24
Urgent Care/ Walk In Clinic	11
ER	2
TOTAL	37

Hospital Distance (in miles)	
Silver Cross Hospital	10
Advent Bolingbrook	8
NM Palos Hospital	10
Advocate Good Sam	12
Endeavor Edward	15
Advocate Christ	16





Market Share Analysis

Inpatient / Outpatient

Patient Origin: Lemont, IL 60439

System	Inpatient Share*	Outpatient Share*
Silver Cross <i>includes Homer ED</i>	28%	23%
All Others	23%	36%
Northwestern Palos	15%	6%
Advocate Good Sam	9%	15%
Advent UCM Hinsdale	8%	9%
Endeavor Edward	5%	6%
Advocate Christ	5%	3%
Advent UCM Bolingbrook	4%	6%
Northwestern Memorial	3%	2%
Endeavor Elmhurst	3%	2%
Loyola	2%	7%

Highest share in region
Second highest share in region

*Source: COMPData July 2023-June 2024

**Hospital-based outpatient procedures

	Total Inpatient Discharges	Total Outpatient Procedures**
FY22	2,432	18,635
FY23	2,375	20,350
FY24 Ann.	2,443	20,680
CAGR	0.23%	5.34%

3% anticipated increase in hospital admissions by 2032

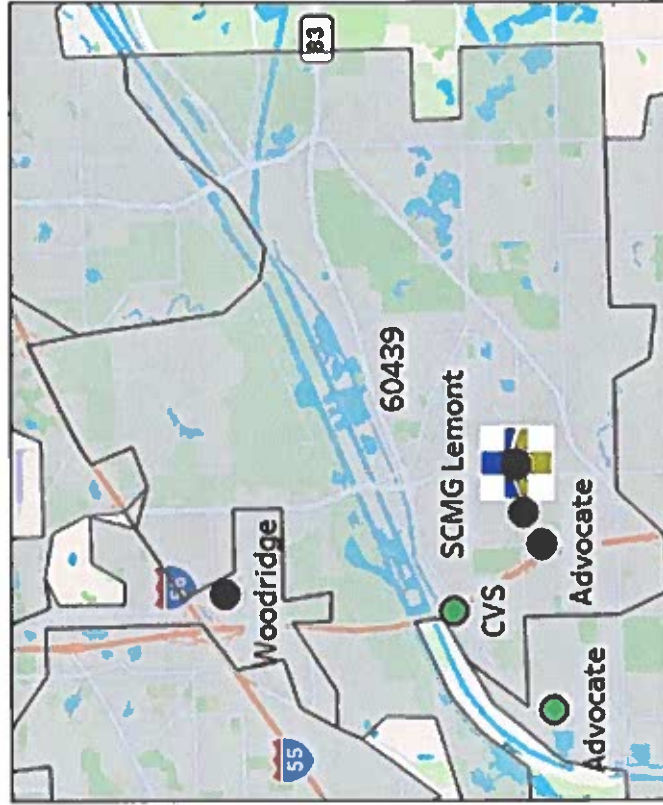
26% anticipated increase in outpatient procedures by 2032



Market Share Analysis

Emergency / Urgent Care

Patient Origin: Lemont, IL 60439



- Emergency Department
- Medical Center
- Urgent / Walk-In Care

System	Emergency
Silver Cross	41%
Northwestern Palos	14%
Advocate Good Sam	9%
Advent UCM Bolingbrook	8%
Endeavor Edward	7%
Advent UCM Hinsdale	6%
Advent UCM LaGrange	3%
Advocate Christ	2%
Endeavor Elmhurst	2%
Northwestern Central DuPage	1%
Loyola	1%

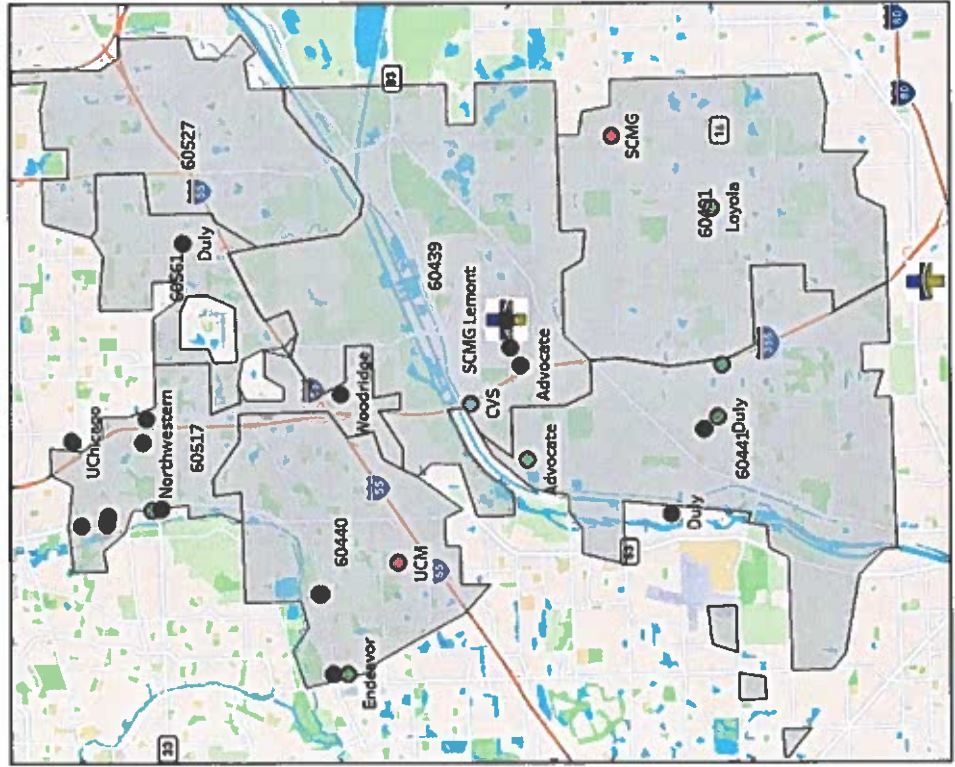
Highest share in region
Second highest share in region

Source: COMPDData July 2023-June 2024

Market Share Analysis

Emergency / Urgent Care

Patient Origin: Lemont 5-Mile Radius



System	Emergency
Silver Cross	21%
Advent UCM Bolingbrook	21%
Endeavor Edward	15%
Advocate Good Sam	11%
Advent UCM Hinsdale	11%
Northwestern Palos	3%
Advent UCM LaGrange	2%
Endeavor Elmhurst	2%
Ascension St. Joes	1%

Source: COMData July 2023-June 2024

Highest share in region
Second highest share in region

- Emergency Department
- Medical Center
- Urgent / Walk-In Care

Section III
Attachment 13
Criterion 1110.110(d)
Alternatives to Proposed Project

The Applicants considered various alternatives before electing to file this Application.

Alternative No. 1: Lease Vacant Medical Office Space (Cost: Unable to Determine)

The Applicants explored leasing one or more properties within the market to relocate services. However, they were unable to find vacant medical office space of sufficient size or ability to accommodate the Silver Cross physicians currently located at the existing medical office building in Lemont. The Applicants also looked at current effective rental rate, escalation factors in effect, services included in the rent, costs of services not included in the rent, the term of leases, the buildings' gross, usable or rentable square feet, current occupancy in the building, tenant finish-out allowance, the mix of tenants in the building and medical services provided, and quality of construction.

Alternative No. 2: Lease Space in a Medical Office Building to be Constructed by a Developer (Cost: More than \$25 Million in total project costs)

Under this alternative, the Applicants would engage a developer to construct and own the new medical office building. The Applicants would then lease back the medical office building from the developer under a triple net lease. Given the current economic environment (i.e., rapidly increasing construction costs and an uncertain long term, interest rate environment for developers), the Applicants would have spent more in leasing costs over the term of the lease (after discounting to present value) than the projected costs for this Project. The Applicants considered proposals in the \$25 million plus range under this Alternative.

Alternative No. 3: Construct a Medical Office Building Without a Developer (Selected Alternative)

This Alternative was selected as the least expensive alternative that would allow for continuity of care for the existing Silver Cross physicians and patients who utilize the existing Lemont medical office building.

Section IV
Attachment 14
Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.120
Size of Project

Overall, the Silver Cross Lemont Medical Office Building will occupy 20,550 gross square feet. The Floor Plan is attached at ATTACHMENT 14.

The portions of the Silver Cross Lemont Medical Office Building with state sizing standards are set forth below.

Urgent Care Center

The Urgent Care Center will occupy 2,542 gross square feet of space, of which 1,888 has been designated as clinical space.

Immediate Care Center Sizing Analysis			
Equipment/Rooms Proposed	Proposed GSF (Clinical)	State Standard	Meets State Standard?
5 Exam Rooms, 1 Minor Procedure Room	1,888	800 GSF per Exam Room Total = 4,800	Yes. Meets State Norm.

Imaging Center/Diagnostics

The Imaging Center will occupy 2,920 gross square feet of space, all of which has been designated as clinical space.

Imaging Center Sizing Analysis			
Equipment/Rooms Proposed	Proposed GSF (Clinical)	State Standard	Meets State Standard?
1 X-Ray Unit 1 Ultrasound 1 MRI 1 CT	2,920	1,300 GSF per X Ray Unit 900 GSF per Ultrasound 1,800 GSF per MRI 1,800 GSF per CT Total = 5,800	Yes. Meets State Norm.

The portions of the Silver Cross Lemont Medical Office Building with NO state sizing standards are set forth below.

Medical Offices

The Medical Offices will occupy 6,583 gross square feet of space. The clinical portions of the Medical Offices will occupy **4,140** gross square feet of space.

Medical Office Clinical Portions Sizing Analysis			
Equipment/Rooms Proposed	Proposed GSF (Clinical)	State Standard	Meets State Standard?
22 Exam Rooms, Clinical Work Areas, Etc.	4,140	N/A	N/A

Well Patient/Blood Draw Labs

The Well Patient/Blood Draw Labs area will occupy **414** gross square feet of space, all of which has been designated as clinical space.

Well Patient/Blood Draw Labs			
Equipment/Rooms Proposed	Proposed GSF (Clinical)	State Standard	Meets State Standard?
2 Well Patient/Blood Draw Labs	414	N/A	N/A

Non-Clinical Portions

The remainder of the Non-Clinical space totals 8,091 gross square feet, and includes the Waiting Rooms, Registration, Administration, Bathrooms, Storage, Housekeeping, Data Rooms, Mechanical Rooms, and Circulation.

Total Sizing

The follow chart summarizes the sizing for the Silver Cross Lemont Medical Office Building.

Area	Clinical Portion	Non-Clinical Portion	Total
Urgent Care Center	1,888	654	2,542
Imaging Center	2,920	0	2,920
Medical Offices	4,140	2,443	6,583
Well Patient/Blood Draw Labs	414	0	414
Other Non-Clinical	0	8,091	8,091
Total	9,362	11,188	20,550



Section IV
Attachment 15
Criterion 1110.120(b), Project Services Utilization

1. The following chart sets forth the projected visits and volumes for those services at the Silver Cross Lemont Medical Office Building with state utilization standards (at years 2 and 3).

Utilization Metrics							
		Year 2 (2028) Visits/ Procedures/ Exams	Year 3 (2029) Visits/ Procedures/ Exams	State Norm	Proposed Number of Units/Rooms	Allowable Number of Units/Rooms under State Norms	Meets State Standard?
Imaging Center							
X-Ray		2,218 procedures	2,440 procedures	8,000 procedures per X ray machine	1	1	Yes. Meets State Norm.
Ultrasound		1,371 visits	1,600 visits	3,100 visits per ultrasound machine	1	1	Yes. Meets State Norm.
MRI		1,372 procedures	1,600 procedures	2,500 procedures	1	1	Yes. Meets State Norm.
CT		1,989 visits	2,321 visits	7,000 visits	1	1	Yes. Meets State Norm.
Urgent Care Center							
		8,871 visits	9,758 visits	2,000 visits per exam room	5	5	Yes. Meets State Norm

2. The following chart sets forth the projected visits and volumes for those services at the Silver Cross Lemont Medical Office Building with NO state utilization standards.

Medical Practices		Projected Year Two (2028)	Projected Year Three (2029)
Primary Care		12,994 Visits	16,368 Visits

Well Patient/Blood Draw Labs		Projected Year Two (2028)	Projected Year Three (2029)
		4,267 tests	4,978 tests

Section VI
Attachment 31
Clinical Service Areas Other Than Categories of Service
Criterion 1110.270

Criterion 1110.270(a), Services

The proposed Project does not involve any designated categories of service recognized by the Review Board.

The Silver Cross Lemont Medical Office Building will house Silver Cross primary care physicians, an imaging center, an urgent care center, and a patient wellness/blood draw lab.

Criterion 1110.270(b)(1), Establishment (Service to Planning Area Residents)

1. The Village of Lemont is one of the fastest growing suburbs in Chicago. Its population is expected to increase to 30,209 by the year 2030 (up 72% since 2022). See Chicago Metropolitan Agency for Planning (2022).
2. Silver Cross is currently the largest provider of inpatient and outpatient care to residents living in Lemont, enjoying a 28% inpatient share and a 23% outpatient share. See COMPData July 2023-June 2024.
3. 41% of residents living in Lemont seek and receive emergency care or urgent care at Silver Cross. See COMPData July 2023-June 2024.
4. Silver Cross has identified primary care as the number one needed service in Lemont (followed by cardiology).
5. Silver Cross' existing medical office building in Lemont (which houses Silver Cross primary care physicians) has become outdated and cannot accommodate the additional growth needed by the residents of Lemont.
6. The Silver Cross Lemont Medical Office Building will allow the Applicants to relocate their employed primary care physicians from the existing, outdated medical office building into modern medical office building.
7. The Applicants are also adding diagnostic imaging (ultrasound, X-ray, CT and MRI), an urgent care center, and a blood draw lab.
8. Thus, the Silver Cross Lemont Medical Office Building will: (1) replace the existing medical office building which has become outdated and cannot accommodate additional growth; and (2) allow the Applicants to meet the health care needs of the growing population in the area.
9. The Silver Cross Lemont Medical Office Building will also allow other Silver Cross Hospital patients to seek treatment closer to home, and take some of the volume pressure off of Silver Cross Hospital. Thus, as an additional benefit, this Project will improve Silver Cross Hospital's ability to meet its goal of treating patients closer to home in a more convenient, cost-effective setting.

10. See ATTACHMENT 12 in further support of this Criterion.

Criterion 1110.270(b)(1), Establishment (Service Demand)

1. ATTACHMENT 15 sets forth the volume projections for the Silver Cross Lemont Medical Office Building.
2. The projections for this Project were generated after reviewing the available historical volume numbers for the Silver Cross physicians in the existing medical office building in Lemont and growth projections. Silver Cross Hospital also considered its own increasing outpatient volumes for imaging and the other services to be provided at the proposed Silver Cross Lemont Medical Office Building.

Criterion 1110.270(b)(1), Establishment (Impact on Other Area Providers)

1. The services to be provided at the Silver Cross Lemont Medical Office Building (outpatient imaging, urgent care visits, physician visits, labs) are not tracked across all of the providers in the relevant service area. Thus, the Applicants cannot determine whether the Project will lower the utilization of other area providers. That said, the Silver Cross physicians intend to treat their own patients at the new Silver Cross Lemont Medical Office Building – so no providers should be impacted by this Project. The same can be said of any Silver Cross Hospital patients seeking care at the Silver Cross Lemont Medical Office Building.

Criterion 1110.270(b)(1), Establishment (Utilization)

1. As set forth in ATTACHMENT 15, the services provided at the Silver Cross Lemont Medical Office Building will meet the utilization standards set forth in Appendix B of Part 1110 of the Review Board's Rules.

Section VI
Attachment 34
Availability of Funds
Criterion 1120.120

Silver Cross Hospital will be funding this Project with cash and cash equivalents. An Affidavit of Available Funds from Vincent Pryor, the Senior Vice President and Chief Financial Officer of Silver Cross Hospital ("Mr. Pryor"), in support of this Criterion is attached at ATTACHMENT 34.

Silver Cross Hospital's most recent audited financial statements (September 30, 2024) are attached at ATTACHMENT 34 and show that Silver Cross Hospital was holding more than enough cash, cash equivalents, available invested funds, and funds specifically directed for capital improvements, to fund this Project.

Silver Cross Hospital's recent rating letter from Moody's Investors Service (A3) is attached at ATTACHMENT 35. Silver Cross Hospital's recent rating letter from Fitch Ratings (A-) is attached at ATTACHMENT 35.



1900 Silver Cross Blvd. • New Lenox, IL 60451
(815) 300-1100 • www.silvercross.org

July 7, 2025


Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Criterion 1120.120(a) Available Funds Certification
(Silver Cross Lemont Medical Office Building)

Dear Mr. Constantino:

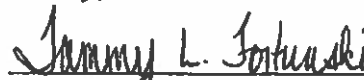
I hereby certify, under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109, and pursuant to 77 Ill. Admin. Code § 1120.120(a), that Silver Cross Hospital and Medical Centers ("Silver Cross") has sufficient and readily accessible cash and cash equivalents to fund the obligations of Silver Cross set forth in the Certificate of Need Application for the "Silver Cross Lemont Medical Office Building" Project.

Sincerely,

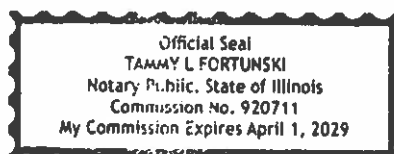


Vincent E. Pryor
Executive Vice President & CFO
Silver Cross Hospital & Medical Centers

SUBSCRIBED AND SWORN
to before me this 7th day
of July, 2025.



Notary Public



0066

4911-3024-1107.1

Attachment

34

The way you should be treated.



SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidated Financial Statements and Schedules

September 30, 2024 and 2023

(With Independent Auditors' Report Thereon)

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

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KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Independent Auditors' Report

The Board of Trustees
Silver Cross Health System and Affiliates:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Silver Cross Health System and Affiliates (the Company), which comprise the consolidated balance sheets as of September 30, 2024 and 2023, and the related consolidated statements of operations and changes in net assets without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a



substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Chicago, Illinois
January 31, 2025

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidated Balance Sheets

September 30, 2024 and 2023

(Amounts in thousands)

Assets	2024	2023
Current assets:		
Cash and cash equivalents	\$ 34,151	33,119
Short-term investments	10,005	5,795
Assets whose use is limited or restricted, required for current liabilities	4	11
Patient accounts receivable	75,066	62,872
Other receivables	70,047	49,666
Inventory	8,843	9,587
Prepaid expenses and other	7,712	7,263
Total current assets	205,828	168,313
Assets whose use is limited or restricted, excluding assets required for current liabilities:		
By board for capital improvements and other	290,607	276,824
By board for self-insurance	35,159	31,684
Under bond indenture agreements – held by trustee	141	71
Pledges receivable	78	374
Donor-restricted investments	2,147	1,830
Beneficial interest in perpetual trusts	8,605	7,395
Total assets whose use is limited or restricted, excluding assets required for current liabilities	336,737	318,178
Land, buildings, and equipment, net	429,861	425,841
Other assets:		
Land held for sale	23,035	23,035
Estimated excess insurance recovery receivables	8,210	6,396
Operating lease right of use assets	43,485	25,097
Other long-term assets	25,039	20,129
Total assets	\$ 1,072,195	986,989
Liabilities and Net Assets		
Current liabilities:		
Current installments of long-term debt	\$ 15,270	8,405
Current portion of operating lease liability	5,781	5,171
Accounts payable	63,500	64,047
Accrued salaries and wages	38,137	30,964
Accrued expenses	27,728	22,322
Estimated payables under third-party reimbursement programs	33,703	31,758
Total current liabilities	184,119	162,667
Estimated self-insured professional and general liability claims	50,159	44,497
Long-term debt, excluding current installments	323,360	339,041
Long-term operating lease liability, net of current portion	40,245	21,528
Capital lease and other long-term liabilities, net of current portion	628	931
Total liabilities	598,511	568,664
Net assets:		
Net assets without donor restrictions	452,042	397,936
Noncontrolling interests in consolidated joint ventures	10,812	10,796
Total net assets without donor restrictions	462,854	408,732
Net assets with donor restrictions	10,830	9,593
Total net assets	473,684	418,325
Total liabilities and net assets	\$ 1,072,195	986,989

See accompanying notes to consolidated financial statements.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidated Statements of Operations and Changes in Net Assets without Donor Restrictions

Years ended September 30, 2024 and 2023

(Amounts in thousands)

	<u>2024</u>	<u>2023</u>
Revenue:		
Net patient service revenue	\$ 554,907	523,089
Other revenue	<u>54,969</u>	<u>55,021</u>
Total revenue	<u>609,876</u>	<u>578,110</u>
Expenses:		
Salaries and wages	213,086	202,397
Payroll taxes and fringe benefits	50,992	46,153
General and administrative	179,360	168,025
Supplies	116,350	110,922
Depreciation and amortization	30,341	31,809
Interest	<u>15,603</u>	<u>15,840</u>
Total expenses	<u>605,732</u>	<u>575,146</u>
Income from operations	4,144	2,964
Nonoperating gains:		
Investment return, net	47,543	18,710
Other, net	<u>1,306</u>	<u>920</u>
Total nonoperating gains, net	<u>48,849</u>	<u>19,630</u>
Revenue and gains in excess of expenses and losses	52,993	22,594
Changes in net assets without donor restrictions:		
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	1,129	880
Contributed capital returned to minority partners in consolidated joint ventures	<u>—</u>	<u>(524)</u>
Increase in net assets without donor restrictions	\$ <u>54,122</u>	<u>22,950</u>

See accompanying notes to consolidated financial statements.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidated Statements of Changes in Net Assets

Years ended September 30, 2024 and 2023

(Amounts in thousands)

	<u>2024</u>	<u>2023</u>
Net assets without donor restrictions:		
Revenue and gains in excess of expenses	\$ 52,993	22,594
Other changes in net assets without donor restriction:		
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	1,129	880
Contributed capital returned to minority partners in consolidated joint ventures	<u>—</u>	<u>(524)</u>
Increase in net assets without donor restrictions	<u>54,122</u>	<u>22,950</u>
Net assets with donor restrictions:		
Contributions for specific purposes	1,323	1,471
Net realized and unrealized gains and losses on net assets with donor restrictions	1,209	486
Net assets released from restriction for operating purposes	(166)	(138)
Net assets released from restriction for land, building, and equipment acquisitions	<u>(1,129)</u>	<u>(880)</u>
Increase in net assets with donor restrictions	<u>1,237</u>	<u>939</u>
Change in net assets	55,359	23,889
Net assets at beginning of year	<u>418,325</u>	<u>394,436</u>
Net assets at end of year	\$ <u><u>473,684</u></u>	<u><u>418,325</u></u>

See accompanying notes to consolidated financial statements.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidated Statements of Cash Flows

Years ended September 30, 2024 and 2023

(Amounts in thousands)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 55,359	23,889
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	30,341	31,809
Amortization of bond issue costs, discounts, and premiums included in interest expense	(411)	(410)
Contributed capital returned to minority partners in consolidated joint ventures	—	524
Income from equity method investments	(4,268)	(3,775)
Distributions received from equity method investments	864	875
Net (gain) loss on sale of land, building, and equipment	502	(114)
Change in the carrying amount of right of use asset	(18,388)	5,130
Net long-term contributions	(1,157)	(1,333)
Net realized and unrealized gains and losses on investments	(47,174)	(17,965)
Changes in assets and liabilities:		
Patient accounts receivable	(12,194)	(2,803)
Estimated excess insurance recovery receivables	(1,814)	(485)
Other assets	(21,592)	(10,948)
Estimated payables under third-party reimbursement programs	1,945	(5,724)
Change in operating lease liability	19,327	(4,826)
Accounts payable, accrued expenses, and other liabilities	17,694	15,092
Net cash provided by operating activities	<u>19,034</u>	<u>28,936</u>
Cash flows from investing activities:		
Acquisition of land, buildings, and equipment	(35,820)	(25,234)
Proceeds from sale of land, buildings, and equipment	957	114
Cash received from consolidation of previous equity investment	—	—
Net change in assets whose use is limited or restricted	28,622	8,932
Net change in short-term investments	(4,210)	(1,087)
Net cash used in investing activities	<u>(10,451)</u>	<u>(17,275)</u>
Cash flows from financing activities:		
Repayment of capital leases	(303)	(291)
Repayments of long-term debt	(8,405)	(9,120)
Contributed capital returned to minority partners in consolidated joint ventures	—	(524)
Net long-term contributions	1,157	1,333
Net cash used in financing activities	<u>(7,551)</u>	<u>(8,602)</u>
Net change in cash and cash equivalents	1,032	3,059
Cash and cash equivalents at beginning of year	<u>33,119</u>	<u>30,060</u>
Cash and cash equivalents at end of year	\$ <u>34,151</u>	\$ <u>33,119</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 16,355	16,126

See accompanying notes to consolidated financial statements.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

(1) Organization and Purposes

Silver Cross Health System (the Health System) was incorporated during 1981 for charitable, educational, and scientific purposes to support health and human services by providing management assistance and in all other relevant ways. The accompanying consolidated financial statements include the accounts of the Health System and the following affiliates, which it controls (collectively referred to as the Corporations):

- Silver Cross Hospital and Medical Centers (the Hospital), a not-for-profit acute care hospital of which the Health System is the sole member; the Hospital facility is located in New Lenox, Illinois and has 348 licensed beds.
- Silver Cross Foundation (the Foundation), a not-for-profit corporation of which the Health System is the sole member, which is dedicated to the advancement of healthcare in Will, Grundy, South Cook, and DuPage counties in Illinois.
- Health Service Systems, Inc. (HSSI), a wholly owned subsidiary of the Health System, which was incorporated to provide administrative and management services to its affiliates and other businesses.
- Midwest Community Real Estate Corporation (MCREC), a not-for-profit corporation of which the Health System is the sole member, which was incorporated to establish and maintain healthcare centers and other facilities for the benefit of the Health System and its affiliates.
- Prime Medical Imaging LLC (Prime Medical), a for-profit joint venture providing radiological healthcare services; the Health System owns 51% and controls the joint venture, resulting in consolidation with noncontrolling interest. Outside capital of \$1,225 was received in formation of the joint venture in 2019. Ownership percentages remained consistent with the prior year.
- Silver Cross MSO, LLC (MSO), a for profit joint venture providing professional management services for physician healthcare practices; the Health System owns 86.7% and controls the joint venture, resulting in consolidation with noncontrolling interest. Outside capital of \$8,000 was received in formation of the joint venture in 2021. The Health System invested an additional \$20,000 in 2022 and \$20,000 in 2023, thus increasing their ownership percentage from 80% to 86.7% in 2023. \$0 was contributed during the year ended September 30, 2024.
- On February 19, 2019, the Hospital, along with Innovista, LLC, became the founding members of Essential Health Partners, LLC (EHP), whose purpose was to develop and operate a clinically and financially integrated healthcare provider network. The Hospital had an initial 60% ownership at inception of EHP. In 2020, an additional partner was added, reallocating the Hospital's ownership to 33.33%. In 2021, that new partner had to exit EHP due to a merger and parent company affiliations. In late fiscal year 2021, the Hospital added an additional healthcare provider, reallocating the Hospital's ownership percentage to 27.5%. In 2022, due to the exit of certain healthcare provider partners, the Hospital had an ownership percentage of 60% of EHP, and determined it had a controlling financial interest in EHP. Prior to 2022, the Hospital accounted for its investment in EHP using the equity method of accounting, but now consolidates them based upon control.

All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

(2) Summary of Significant Accounting Policies

Significant accounting policies of the Corporations that conform to general practice within the healthcare industry are as follows:

- The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- Transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are reported as revenue and expenses. Transactions incidental to the provision of healthcare services are reported as nonoperating gains and losses.
- The consolidated statements of operations and changes in net assets without donor restrictions include revenue and gains in excess of expenses and losses. Changes in net assets without donor restrictions, which are excluded from revenue and gains in excess of expenses and losses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets) and contributed capital from (returned to) minority partners for consolidated joint ventures.
- The Corporations consider demand deposits with banks, cash on hand, and all highly liquid debt instruments (including repurchase agreements) purchased with original maturity dates of three months or less to be cash and cash equivalents, excluding those instruments classified as assets whose use is limited or restricted. Short-term investments consist of money market funds or mutual funds that are held and managed by an external broker. These funds have not had a specific limitation placed on them to classify them as assets whose use is limited or restricted. Cash equivalents held by investment managers are treated as an investing activity in the consolidated statement of cash flows.
- Assets limited as to use include amounts held by the bond trustee for payment of principal and interest donor restricted investments and beneficial interests in perpetual trusts, and designated assets set aside for self-insurance, capital improvements, and other. Assets whose use is limited required for current liabilities are reported as current assets and are also used at the Corporations' boards of directors' discretion. Assets whose use is limited required for current liabilities are required as approved by the Corporations' board of directors to cover all outstanding current liabilities at least annually.
- Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment return (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenue and gains in excess of expenses and losses as all investments are considered to be trading securities unless the income or loss is restricted by donors, in which case the investment return is recorded directly to net assets with donor restrictions. Investment return of unrestricted investments is reported as nonoperating gains and losses. Unrealized gains and losses of permanently and investments with donor restrictions are recorded directly to net assets with donor restrictions. Management considers all investments to be trading securities and maintains cash equivalents as part of the investment strategy and overall investing policy.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

- The Corporations apply the provisions of Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, for fair value measurements of financial assets and liabilities and for fair value measurement of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- Except as otherwise disclosed, the carrying value of all financial instruments of the Corporations approximates fair value. Inventories are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis.
- Land, buildings, and equipment are stated at cost or fair value at date of donation. Depreciation is provided over the estimated useful lives of depreciable assets and is computed on the straight-line method.
- The Corporations evaluate long-lived assets, such as buildings and equipment, for impairment on an annual basis. Long-lived assets are considered to be impaired whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairments have been recognized for the years ended September 30, 2024 or 2023.
- Unconditional promises to give cash or other assets are reported at fair value at the date the promise is received. All contributions are considered to be available for unrestricted use unless specifically restricted by donors. Contributions are reported as direct additions to net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported as net assets released from restriction. Net assets with donor restriction used for operating purposes are included in other operating revenue to the extent expended during the period. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted contributions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Donor-restricted contributions whose restrictions are met within the same year as received are reported directly within the consolidated statements of operations and changes in net assets without donor restrictions.
- Net assets with donor restrictions include the Hospital's interest in a charitable remainder trust, beneficial interest in perpetual trusts, and donor-restricted contributions, the principal amount of which may not be expended. Investment income of the perpetual trust is distributable within specified limits to an unrelated party. Investment income of the charitable remainder trust is distributable within specified limits to an unrelated party. All other net assets with donor restrictions are restricted primarily for land, building, and equipment acquisitions at both September 30, 2024 and 2023.
- Provisions for estimated self-insured professional, general liability, workers' compensation, and employee healthcare risks include estimates of the ultimate cost of both reported losses and losses

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

incurred but not reported as of the respective consolidated balance sheet dates. All liabilities are presented as long term.

- Net patient service revenue is reported at the amounts that reflect the consideration to which the Hospital, Prime Medical, HSSI (collectively referred to as the Providers) expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors, and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. The Providers have agreements with third-party payors, which provide for reimbursement at amounts different from their established rates. Explicit price concessions under third-party reimbursement programs represent the difference between billings at list price and the amounts reimbursed by Medicare, Blue Cross, and certain other third-party payors; the difference between billings at list price and the allocated cost of services provided to Medicaid patients; and any differences between estimated retroactive third-party reimbursement settlements for prior years and subsequent final settlements. The Hospital had \$797 and \$2,808 of changes in prior year settlement accruals, resulting in an increase in net patient service revenue in 2024 and 2023, respectively.

Performance obligations are determined based on the nature of the services provided by the Providers. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Providers believe that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the Hospital receiving inpatient acute care services or patients and receiving outpatient services. The Providers measure the performance obligation from admission into the Hospital, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to patients and customers in a retail setting (e.g., pharmaceuticals and medical equipment), and the Providers do not believe it is required to provide additional goods or services related to that sale.

The Providers determine the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions provided to third-party payors, discounts provided to uninsured patients in accordance with the Health System's policy, and implicit price concessions provided to uninsured patients. The Providers determine their estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Providers determine their estimate of implicit price concessions based on its historical collection experience with this class of patients.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

adjustments become known (i.e., new information becomes available) or as years are settled or are no longer subject to such audits, reviews, and investigations.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Providers also provide services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Providers estimate the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. In evaluating the collectability of patients' accounts receivable, the Providers analyze their past history and identify trends for each of their major payor sources of revenue to estimate the variable consideration. Management regularly reviews data about these major payor sources of revenue in evaluating the variable consideration. The initial estimate of the transaction price is determined by reducing the standard charge by any explicit price concessions, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

The Providers use a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The portfolios consist of major payor classes for inpatient revenue and major payor classes and types of services provided for outpatient revenue. Based on the historical collection trends and other analyses, the Providers believe that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach was used.

The Providers provided for an allowance against patient accounts receivable for amounts that could become uncollectible. The Providers estimate this allowance based on the aging of accounts receivable, historical collection experience by payor, and other relevant factors. These various factors can impact collection and trends, such as changes in the economy, which in turn have an impact on unemployment rates and the number of uninsured and underinsured patients, the increased burden of copayments to be made by patients with insurance coverage, and business practices related to collection efforts. These factors continuously change and can have an impact on collection trends the estimation process used by the Providers. The Providers records implicit price concessions in the period of services on the basis of past experience, which has historically indicated that many patients are unresponsive or are otherwise unwilling to pay the portion of their bill for which they are financially responsible.

- Other operating revenue includes rental income, joint venture activity, and other miscellaneous revenue.
- Other receivables consist primarily of receivables recorded by the MSO for advances to Premier Suburban Medical Group, an independent primary and specialty care physician practice which is affiliated with the Hospital and amounts recorded by EHP related to quality and risk adjustment receivables and stop-loss insurance receivables. The receivables are valued by management at their estimated realizability at September 30, 2024 and 2023 and no impairments have been recorded in 2024 or 2023.

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- The Health System, the Hospital, MCREC, and the Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. A provision for income taxes has not been recorded for HSSI, as there are net operating losses of approximately \$37,135 available for carryforward, which expire at various future dates through 2040. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Deferred tax assets have been offset in their entirety by valuation allowances at both September 30, 2024 and 2023 based upon management's assessment that those deferred tax assets may not be utilized.
- The Corporations account for tax positions in accordance with ASC Topic 740, Income Taxes. ASC Topic 740 clarifies the accounting for uncertainty in tax positions and also provides guidance on when the tax positions are recognized in an entity's consolidated financial statements and how the values of these positions are determined. The Corporations do not have any liabilities recognized for uncertain tax positions.
- The Corporations account for derivatives and hedging activities in accordance with ASC Subtopic 815-10, *Derivatives and Hedging – Overall*, as amended, which requires that an entity recognize all derivatives as either assets or liabilities in the consolidated balance sheets and measure those instruments at fair values. The fair values of the interest rate swap programs are included as a component of the assets whose use is limited under bond indenture agreements – held by trustee in the accompanying consolidated balance sheets. The derivatives are not designated as hedge instruments, and therefore, the change in fair value of the interest rate swap is recorded as a component of nonoperating gains (losses) – other, net in the period of change as well as net settlement of derivative instruments.
- The Corporations follow the provisions of Accounting Standards Update (ASU) No. 2016-02, *Leases* (ASC Topic 842). ASU No. 2016-02, which requires lessees to recognize leases on the balance sheet and to disclose key information about leasing arrangements. The standard establishes a right-of-use (ROU) model that requires a lessee to recognize an ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases are classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of operations. The Corporations are a lessee in several noncancellable operating leases, primarily for office space, transportation, medical, and office equipment.

The Corporations recognize an ROU asset and a lease liability at the lease commencement date. For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid payments at the lease commencement date.

Key estimates and judgments include how the Corporations determine the following: (1) the discount rate it uses to discount the unpaid lease payments to present value; (2) lease term; and (3) lease payments.

- ASC Topic 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate.

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Generally, the Corporations cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, the Corporations generally uses a risk-free rate as the discount rate for the lease. The Corporations' incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because the Corporations do not generally borrow on a collateralized basis, it uses the interest rate it pays on its noncollateralized borrowings as an input to deriving an appropriate incremental borrowing rate, adjusted for the amount of the lease payments, the lease term, and the effect on that rate of designating specific collateral with a value equal to the unpaid lease payments for that lease.

- The lease term for all of the Corporations' leases includes the noncancelable period of the lease plus any additional periods covered by either one of the Corporations' options to extend (or not to terminate) the lease that the Corporations are reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.
- Lease payments included in the measurement of the lease liability comprise the following:
 - o Fixed payments, including in-substance fixed payments, owed over the lease term (which includes termination penalties the Corporations would owe if the lease term assumes the Corporations' exercise of a termination option).
 - o Variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease commencement date.
 - o Amounts expected to be payable under the Corporations' provided residual value guarantee; and
 - o The exercise price of the Corporations' option to purchase the underlying asset if the Corporations' are reasonably certain to exercise the option.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Variable lease payments associated with the Corporations' leases are recognized when the event, activity, or circumstances in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented as operating expense in the Corporations' consolidated statements of operations and changes in net assets without donor restrictions in the same line item as expense arising from fixed lease payments (operating leases).

ROU assets for operating are periodically reduced by impairment losses. The Corporations use the long-lived assets impairment guidance in ASC Subtopic 360-10, *Property, Plant, and Equipment* –

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Overall, to determine whether an ROU asset is impaired, and if so, the amount of the impairment loss to recognize. No impairment losses were recognized during the fiscal year ended September 30, 2024.

The Corporations monitor for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance in profit or loss.

Operating lease ROU assets are presented as operating lease ROU assets on the consolidated balance sheet. The current portion of operating lease liabilities is included in other current liabilities and the long-term portion is presented separately as operating lease liabilities on the consolidated balance sheet.

The Corporations have elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Corporations have elected not to apply the short-term lease recognition and measurement exemption for other classes of leased assets. The Corporations recognizes the lease payments associated with its short-term leases as an expense on the straight-line basis over the lease term. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other of the Corporations' leases.

- Certain reclassifications have been made to the 2023 consolidated financial statements to conform to the 2024 presentation.

Other significant accounting policies are set forth in the following notes.

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(3) Financial Assets and Liquidity Resources

As of September 30, 2024, and 2023, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows:

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 34,151	33,119
Short-term investments	10,005	5,795
Assets whose use is limited	290,607	276,824
Patient accounts receivable and other receivables	145,113	112,538
Total financial assets and liquidity resources available within one year	479,876	428,276
Current liabilities:		
Current installment of long-term debt	15,270	8,405
Current portion of operating lease liability	5,781	5,171
Accounts payable	63,500	64,047
Accrued salaries and wages	38,137	30,964
Accrued expense	27,728	22,322
Estimated payable under third-party reimbursement programs	33,703	31,758
Total current liabilities	184,119	162,667
Net resources available	\$ 295,757	265,609

Assets whose use is limited or restricted exclude assets restricted for self-insurance liabilities and those restricted under bond indenture agreements. All other noncurrent investments, although intended to satisfy long-term obligations, could be utilized within the next year, if necessary.

(4) Net Patient Service Revenue

A summary of the reimbursement methodologies with major third-party payors is as follows:

(a) Medicare

The Hospital is paid for inpatient acute care, outpatient, rehabilitative, and home health services rendered to Medicare program beneficiaries under prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. The prospectively determined rates are not subject to retroactive adjustment. The Hospital's classification of patients under the prospective payment systems and the appropriateness of patient admissions are subject to validation reviews.

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For certain services rendered to Medicare beneficiaries, the Providers' reimbursement is based upon cost or other reimbursement methodologies. The Providers are reimbursed at a tentative rate, with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. Medicare reimbursement reports through September 30, 2018 have been audited and final settled by the Medicare fiscal intermediary.

(b) Medicaid

The Hospital is paid for inpatient acute care services rendered to Medicaid program beneficiaries under prospectively determined rate per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Medicaid outpatient services are reimbursed based on fee schedules. Medicaid reimbursement methodologies may be subject to periodic adjustment, as well as to changes in existing payment levels and rates, based on the amount of funding available to the State of Illinois (the State) Medicaid program, and any such changes could have a significant effect on the Hospital's revenue.

The Hospital continues to participate in the State of Illinois (State) provider assessment program that assists in the financing of its Medicaid program. Under the current Hospital Assessment Program pursuant to Public Act 100-581, the Illinois hospital community has increased revenue related to Medicaid patient claims and lesser revenue related to the supplemental payments through the assessment program. Pursuant to this program, hospitals within the State are required to remit payment to the State of Illinois Medicaid program under an assessment formula approved by the Centers for Medicare and Medicaid Services (CMS). The Hospital has included its assessment of \$22,278 and \$21,485 for the years ended September 30, 2024 and 2023, respectively, within general and administrative expense. The assessment program also provides hospitals within the State with additional Medicaid reimbursement based on funding formulas also approved by CMS. The Hospital has included its additional reimbursement of \$25,236 and \$31,739 for the years ended September 30, 2024 and 2023, respectively, within net patient service revenue.

(c) Blue Cross

The Providers also participate as a provider of healthcare services under a reimbursement agreement with Blue Cross. The basis for payment under this agreement is negotiated by the Providers and includes prospectively determined rate per discharge, discounts from established charges, capitation, CPT fee schedules, and prospectively determined per diem rates.

(d) Other

The Providers have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements is negotiated by the Providers and includes prospectively determined rate per discharge, discounts from established charges, capitation, and prospectively determined per diem rates.

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A summary of the Providers' utilization percentages based upon net patient service revenue is as follows:

	<u>2024</u>	<u>2023</u>
Medicare	41.5 %	40.7 %
Medicaid	9.6	11.8
Managed care/commercial	45.5	45.6
Self-pay and other	3.4	1.9
	<u>100.0 %</u>	<u>100.0 %</u>

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Providers have determined they have provided an implicit price concession. The Providers record this in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Providers expect to collect based on their collection history with those patients.

The Providers recognize net patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Providers recognize revenue on the basis of their standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Providers' uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Providers record a significant provision for implicit price concessions related to uninsured patients in the period the services are provided. Net patient service revenue, net of implicit and explicit price concessions, recognized in the period from these major payor sources, is as follows:

	<u>2024</u>	<u>2023</u>
Medicare	\$ 230,310	212,840
Medicaid	53,365	61,912
Managed care/commercial	252,463	238,581
Self-pay and other	18,769	9,756
Net patient service revenue	<u>\$ 554,907</u>	<u>523,089</u>

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(5) Concentration of Credit Risk

The Providers grant credit without collateral to their patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors as of September 30, 2024 and 2023 is as follows:

	2024	2023
Medicare	42.6 %	46.0 %
Medicaid	8.7	11.4
Managed care	38.0	28.8
Self-pay	7.2	8.4
Commercial and other	3.5	5.4
	100.0 %	100.0 %

(6) Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. In addition, reimbursement for services provided to Medicaid program beneficiaries is substantially less than the cost to the Hospital for providing these services.

The Hospital maintains records of the amount of charges forgone and related cost for services and supplies furnished under its charity care policy, as well as the estimated differences between the cost of services provided to Medicaid patients and the reimbursement under that program estimated based on an overall cost-to-charge ratio. The following information measures the estimated level of charity care provided and unreimbursed cost under the Medicaid program during 2024 and 2023:

	2024	2023
Estimated charity care costs for non-Medicaid patients	\$ 2,744	2,506
Excess of cost over reimbursement for services provided to Medicaid patients (1)	22,544	12,867

- (1) The net impact of Medicaid assessment program has been allocated to each year based upon the State's fiscal year.

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(7) Investments

A summary of the composition of the Corporations' investment portfolio at September 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 680	28,918
Money market funds	8,176	11,303
Common stock	49,774	36,045
U.S. Treasury securities	19,903	17,832
Mutual funds	249,481	212,142
Corporate bonds and notes	8,741	8,805
U.S. agency securities	1,308	1,170
Beneficial interest in perpetual trusts	8,605	7,395
	<u>\$ 346,668</u>	<u>323,610</u>

Investments are reported in the accompanying consolidated balance sheets at September 30 as follows:

	<u>2024</u>	<u>2023</u>
Short-term investments	\$ 10,005	5,795
Assets whose use is limited or restricted, excluding pledges receivable:		
Required for current liabilities	4	11
By board for capital improvements and other	290,607	276,824
By board for self-insurance	35,159	31,684
Under bond indenture agreements – held by trustee	141	71
Donor-restricted investments	2,147	1,830
Beneficial interest in perpetual trusts	8,605	7,395
	<u>\$ 346,668</u>	<u>323,610</u>

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The composition of investment return on the Corporations' investment portfolio for 2024 and 2023 is as follows:

	2024	2023
Interest and dividend income, net of fees, and expenses	\$ 1,578	1,231
Net realized gains on sale of investments	4,604	11,922
Net change in unrealized gains and losses during the holding period	42,570	6,043
	<u>\$ 48,752</u>	<u>19,196</u>

The Corporations have designated all unrestricted investments to be trading securities and maintains cash equivalents as part of the investment strategy and overall investing policy. Investment return is included in the accompanying consolidated financial statements for the years ended September 30, 2024 and 2023 as follows:

	2024	2023
Nonoperating gains – investment income, net	\$ 47,543	18,710
Net realized and unrealized gains and losses on donor-restricted investments	1,209	486
	<u>\$ 48,752</u>	<u>19,196</u>

(8) Fair Value Measurements

(a) Fair Value of Financial Instruments

The following methods and assumptions were used by the Corporations in estimating the fair value of its financial instruments:

- The carrying amount reported in the consolidated balance sheets for the following approximates fair value because of the short maturities of these instruments: cash and cash equivalents, short-term investments, patient accounts receivable, accounts payable and accrued expenses, and estimated third-party payor settlements.
- Assets whose use is limited or restricted: Fair values are estimated based on prices provided by their investment managers and custodian banks. Common stocks and U.S. Treasury securities are measured using quoted market prices at the reporting date multiplied by the quantity held. Corporate bonds and notes, U.S. agency securities, and asset-backed securities are measured using observable market inputs. Mutual funds are valued using net asset value (NAV). Changes in market conditions and the economic environment may impact the NAV of the funds and consequently the fair value of the Corporations' interest in the funds. The carrying value equals fair value.

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- Beneficial interest in perpetual trusts: The assets held by third-party trustees comprise common stock, mutual funds, money market funds, corporate bonds and notes, U.S. agency securities, and U.S. Treasury notes. The Trust Administrators use quoted market prices or other observable market inputs to estimate the fair value of its beneficial interests based on the underlying assets of the trusts, as provided by the trust administrators.
- Fair value of interest rate swaps is determined using pricing models developed based on the SOFR swap rate and other observable market data. The value was determined after considering the potential impact of collateralization and netting agreements, adjusted to reflect nonperformance risk of both the counterparty and the Corporations.

(b) Fair Value Hierarchy

ASC Subtopic 820-10, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporations have the ability to access at the measurement date.
- Level 2 inputs are observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

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The following table presents assets and liabilities that are measured at fair value on a recurring basis at September 30, 2024:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Cash and cash equivalents	\$ 34,151	34,151	—	—
Short-term investments:				
Money market funds	4,845	4,845	—	—
Mutual funds	2,519	2,519	—	—
Common stock	2,640	2,640	—	—
Assets whose use is limited or restricted:				
Money market funds and cash equivalent:	4,011	4,011	—	—
Common stock	47,134	47,134	—	—
U.S. Treasury securities	19,903	19,903	—	—
Mutual funds	246,962	246,962	—	—
Corporate bonds and notes	8,741	—	8,741	—
U.S. agency securities	1,308	—	1,308	—
Beneficial interest in perpetual trusts	8,605	—	—	8,605
Subtotal	346,668	328,014	10,049	8,605
Fair value of swap agreements	141	—	141	—
Total financial assets	<u>\$ 380,960</u>	<u>362,165</u>	<u>10,190</u>	<u>8,605</u>

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The following table presents assets and liabilities that are measured at fair value on a recurring basis at September 30, 2023:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Cash and cash equivalents	\$ 33,119	33,119	—	—
Short-term investments:				
Money market funds	2,863	2,863	—	—
Mutual funds	2,410	2,410	—	—
Common stock	522	522	—	—
Assets whose use is limited or restricted:				
Cash and cash equivalents	37,358	37,358	—	—
Common stock	35,523	35,523	—	—
U.S. Treasury securities	17,832	17,832	—	—
Mutual funds	210,218	210,218	—	—
Corporate bonds and notes	8,319	—	8,319	—
U.S. agency securities	1,170	—	1,170	—
Beneficial interest in perpetual trusts	7,395	—	—	7,395
Subtotal	323,610	306,726	9,489	7,395
Fair value of swap agreements	71	—	71	—
Total financial assets	\$ <u>356,800</u>	<u>339,845</u>	<u>9,560</u>	<u>7,395</u>

The Corporations' policy is to recognize transfers between levels of the fair value hierarchy in the year of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1 or Level 2 for the year ended September 30, 2024 or 2023.

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The following table presents the activity for the beneficial interest in perpetual trusts for the years ended September 30, 2024 and 2023 for assets measured at fair value using unobservable inputs classified in Level 3:

	Beneficial interest in trusts	
	2024	2023
Beginning fair value	\$ 7,395	6,908
Current year contributions	—	—
Interest and dividends, net of fees and expenses	126	167
Realized gains (losses), net	309	(74)
Change in unrealized gains and losses, net	934	549
Distributions	(159)	(155)
Ending fair value	\$ 8,605	7,395

(9) Land, Buildings, and Equipment, Net

A summary of land, buildings, and equipment, net at September 30, 2024 and 2023 is as follows:

	2024		2023	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Land	\$ 39,826	—	37,108	—
Land improvements	21,091	9,817	20,215	8,879
Buildings, building improvements, and fixed equipment	470,145	162,094	456,074	150,108
Major movable equipment	294,108	242,142	272,941	227,557
Construction in progress	18,744	—	26,047	—
	<u>\$ 843,914</u>	<u>414,053</u>	<u>812,385</u>	<u>386,544</u>

Since moving its main facilities to New Lenox, Illinois, in 2018 the Hospital demolished its former Hospital structure in Joliet, Illinois. The Hospital has land held for sale of \$23,035 as of September 30, 2024 and 2023 relating to the former hospital site.

The Corporations are currently engaged in various construction and renovation projects. There were no contractual commitments as of September 30, 2024. Interest cost is capitalized as a component cost of significant capital projects, net of any interest income earned on unexpended project-specific borrowed funds. No interest was capitalized during 2024 or 2023.

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(10) Long-Term Debt

A summary of long-term debt at September 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Illinois Finance Authority Revenue Refunding Bonds, Series 2008A, principal is due annually at fixed-interest rates of 5.00% to 5.82%; interest is due semiannually depending upon date of maturity through August 15, 2030	\$ 44,775	50,580
Illinois Finance Authority Revenue Refunding Bonds, Series 2010A, at a variable interest rate (effective rates of 4.79% and 4.13% for September 30, 2024 and 2023, respectively), maturing in fiscal year 2041	8,305	8,820
Illinois Finance Authority Revenue Refunding Bonds, Series 2010B, at a variable interest rate (effective rates of 5.02% and 4.42% for September 30, 2024 and 2023, respectively), maturing in fiscal year 2040	5,580	5,920
Illinois Finance Authority Revenue Refunding Bonds, Series 2015C, principal is due annually at fixed-interest rate of 5.00%; interest is due semiannually depending on date maturity through 2044	<u>270,030</u>	<u>271,775</u>
Total fixed and variable-rate debt	328,690	337,095
Less unamortized net bond premiums	12,406	12,996
Less unamortized bond issue costs	<u>(2,466)</u>	<u>(2,645)</u>
Total debt	338,630	347,446
Less current installments	<u>15,270</u>	<u>8,405</u>
Total long-term debt, excluding current installments	\$ <u><u>323,360</u></u>	<u><u>339,041</u></u>

The Hospital and the Health System (collectively known as the Obligated Group) entered into an Amended and Restated Master Trust Indenture (Master Trust Indenture) dated as of June 1, 1996, as subsequently supplemented and amended. The purpose of the Master Trust Indenture is to provide a mechanism for the efficient and economical issuance of notes by individual members of the Obligated Group using the collective borrowing capacity and credit rating of the Obligated Group. The Master Trust Indenture requires members of the Obligated Group to make principal and interest payments on notes issued for their benefit as well as other Obligated Group member if the other members are unable to make such payments. The Master Trust Indenture requires the Obligated Group to comply with financial and other covenant requirements, including making deposits with the bond trustees for payment of principal and interest when due on the individual series of bonds. The Obligated Group pledged a security interest in its gross revenue as collateral on borrowings under the Master Trust Indenture.

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(In thousands)

The Series 2010A and Series 2010B principal is payable annually, with a balloon payment of \$7,275 for 2010A due in fiscal year 2027, and a balloon payment of \$5,580 for 2010B due in fiscal year 2025 which is reflected in the current portion of long-term debt in the 2024 consolidated balance sheet. Interest on the Series 2010A bonds is variable based on 80% of the sum of one-month Bloomberg ST Bank Yield (BSBY) plus 60 basis points and is payable monthly. Interest on the Series 2010B bonds is variable based on 80% of the sum of one-month Bloomberg ST Bank Yield (BSBY) plus 84 basis points and is payable monthly. If the Obligated Group chooses to extend the debt beyond the date of the balloon payment, the interest rates will be reset by the lenders at a rate not to exceed 12%.

On January 1, 2015, the Illinois Finance Authority issued variable-rate revenue bonds, Series 2015A and Series 2015B, in the aggregate amount of \$26,860 on behalf of the Obligated Group. On April 22, 2015, the Illinois Finance Authority issued fixed-rate revenue refunding bonds, Series 2015C in the amount of \$286,435 on behalf of the Obligated Group. The Obligated Group received a bond premium of \$18,800 and paid bond issue costs of \$3,236 related to these issuances.

Scheduled annual principal payments on long-term debt for the ensuing five years and thereafter are as follows:

Year	
2025	\$ 15,270
2026	10,720
2027	18,025
2028	11,335
2029	11,945
Thereafter	<u>261,395</u>
	<u>\$ 328,690</u>

(11) Derivative Instruments

The Corporations have an interest-rate-related derivative instrument to manage its exposure on debt instruments. By using derivative financial instruments to manage the risk of changes in interest rates, the Corporations are exposed to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contracts. When the fair value of a derivative contract is positive, the counterparty owes the Corporations, which creates credit risk for the Corporations. When the fair value of a derivative contract is negative, the Corporations owe the counterparty, and therefore, it does not possess credit risk; however, the Corporations are required to post collateral to the counterparty when certain thresholds as defined in the derivative agreements are met. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate changes is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken. The Corporations' management also mitigates risk through periodic reviews of their derivative positions in the context of their total blended cost of capital.

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Notes to Consolidated Financial Statements

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(In thousands)

The fair value of the swap is the estimated amount the Corporations would receive or pay to terminate the swap agreement at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

The Corporations entered into two variable interest rate swap agreements on August 15, 2018 to offset long-term fixed rates set on the Series 2008A debt issuance, with notional amounts of \$50,580 and \$15,425 and maturity dates of August 5, 2023 and May 15, 2021, respectively. The agreements were amended and restated on May 12, 2021. Under the amended agreements, the notional amounts are \$50,580 and \$10,595. The swap agreements have extended maturity dates of March 9, 2026 and May 20, 2022, respectively. The swap agreement that matured May 20, 2022 was not renewed or extended and the swap was terminated, leaving the variable rate interest rate swap maturing March 9, 2026 as the one outstanding at September 30, 2023 and 2024. The Corporations receive, on a monthly basis, 1.57% of one-month SIFMA plus 65 basis points and either receive or pay cash settlements semiannually determined by the swap value at time of settlement. The fair value of the Series 2018 interest rate swap agreement receivable of \$141 and \$71 at September 30, 2024 and 2023, respectively, is included as a component of assets whose use is limited under bond indenture agreements in the accompanying consolidated balance sheet. The change in fair value of the interest rate swap agreements of \$70 and (\$140) in 2024 and 2023, respectively, has been included as a component of nonoperating gains (losses) other, net in the accompanying consolidated statements of operations and changes in net assets without donor restrictions. The differential to be paid or received under the Series 2018 interest rate swap agreement is recognized monthly and has been included as a component of interest expense in the accompanying consolidated statement of operations and changes in net assets without donor restriction.

(12) Pension Plans

The Health System, HSSI, MSO, and the Hospital sponsor various voluntary, defined-contribution, and money purchase pension plans for all qualified, full-time employees. Benefits for individual employees are the amounts that can be provided by the sums contributed and accumulated for each individual employee. The Health System, HSSI, MSO, and the Hospital recognized expense under the terms of the plans in the amount of \$8,707 and \$8,322 for 2024 and 2023, respectively. The Health System, HSSI, MSO, and the Hospital fund the plans on a current basis.

The Health System also sponsors several supplemental retirement plans. Eligibility for these plans is limited to specified employees. The supplemental plans are defined-benefit plans and are not qualified plans under Section 401 of the Code. The Health System has recognized expense under the terms of these supplemental retirement plans in the amount of \$465 and \$195 for 2024 and 2023, respectively. Amounts owed to specified employees under the supplemental retirement plans are included in accrued salaries and wages.

(13) Self-Insured Risks

(a) Professional and General Liability

The Corporations maintain a self-insurance program for professional and general liability coverage. The self-insurance program includes varying levels of self-insured retention and excess malpractice insurance coverage purchased from commercial insurance carriers. In connection with the

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

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(In thousands)

self-insurance program, the Corporations have engaged the services of a professional actuarial consultant to assist in the estimation of self-insurance provisions and claim liability reserves.

Provisions for estimated self-insured professional and general liability claims amounted to \$6,716 and \$3,170 in 2024 and 2023, respectively, and are included in general and administrative expenses. It is the opinion of management that the estimated professional and general liabilities accrued at September 30, 2024 and 2023 are adequate to provide for the ultimate cost of potential losses resulting from pending or threatened litigation; however, such estimates may be more or less than the amounts ultimately paid when claims are resolved. The Corporations have also designated attorneys to handle legal matters relating to malpractice and general liability claims. No portion of the accrual for estimated self-insured professional and general liability claims has been reported as a current liability.

(b) Workers' Compensation

The Health System, HSSI, MSO, and the Hospital maintain a self-insurance program for workers' compensation coverage. This program limits the self-insured retention to \$650 per occurrence. Coverage from commercial insurance carriers is maintained for claims in excess of the self-insured retention. Provisions for workers' compensation claims amounted to \$2,353 and \$2,309 for 2024 and 2023, respectively, and are included in payroll taxes and fringe benefits expense. Management believes the estimated self-insured workers' compensation claims liability, which is included within accrued salaries and wages, of \$3,630 and \$3,245 at September 30, 2024 and 2023, respectively, is adequate to cover the ultimate liability; however, such estimates may be more or less than the amounts ultimately paid when claims are resolved.

(c) Healthcare

The Health System, HSSI, and the Hospital also have a program of self-insurance for employee healthcare coverage. Stop-loss reinsurance coverage is maintained for claims in excess of stop-loss limits. Provisions for employee healthcare claims amounted to \$20,402 and \$17,927 for 2024 and 2023, respectively, and are included with payroll taxes and fringe benefits expense. It is the opinion of management that the estimated healthcare costs accrued, which is included within accrued salaries and wages, of \$3,409 and \$2,340 at September 30, 2024 and 2023, respectively, are adequate to provide for the ultimate liability; however, final payouts as claims are paid may vary significantly from estimated claim liabilities.

(14) Investment in Joint Ventures

(a) Unconsolidated Affiliates

The Corporations have investments in organizations that are not majority owned or controlled by the Corporations. These investments are accounted for using the cost or equity method of accounting. The largest investments are disclosed in further detail below.

(i) UCMC/SCH Oncology JV, LLC

On March 22, 2010, the Hospital, along with the University of Chicago Medical Centers (UCMC), became the founding members of UCMC/SCH Oncology JV, LLC (the Cancer Center), whose purpose was to develop and operate a radiation oncology cancer center on the Hospital's campus.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

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(In thousands)

The board is governed equally by the two members, who each has a 50% voting share. Pursuant to the operating agreement, profits and losses are allocated approximately 60% to the Hospital and approximately 40% to UCMC.

The Hospital accounts for its investment in the Cancer Center using the equity method of accounting. As of and for the year ended September 30, 2024, the Cancer Center had unaudited total assets of \$37,298, members' equity of \$28,701, revenue of \$12,651, and net income of \$5,356. As of and for the year ended September 30, 2023, the Cancer Center had unaudited total assets of \$32,090, members' equity of \$23,911, revenue of \$12,875, and net income of \$6,279. The Cancer Center made cash distributions to the Hospital of \$0 in 2024 and 2023. The carrying value of the Hospital's investment in the Cancer Center is \$17,220 and \$14,347 as of September 30, 2024 and 2023, respectively, and is included in other long-term assets in the accompanying consolidated balance sheets.

(ii) *Silver Oaks Behavioral, LLC*

On December 2, 2016, the Hospital, along with US HealthVest, LLC, became the founding members of Silver Oaks Behavioral Hospital, whose purpose was to operate a 100-bed Behavioral Health Hospital on the Hospital's campus. Silver Oaks Behavioral Hospital opened for business in January of 2019. The Hospital has an approximate 20% ownership in Silver Oaks Behavioral, LLC. Pursuant to the operating agreement, profits and losses are allocated 20% to the Hospital and 80% to US Health Vest, LLC.

The Hospital accounts for its investment in Silver Oaks Behavioral Hospital, LLC using the equity method of accounting. As of and for the year ended September 30, 2024, Silver Oaks Behavioral Hospital, LLC had unaudited total assets of \$38,360, members' equity of \$29,087, net revenue of \$33,146, and a net income of \$6,556. As of and for the year ended September 30, 2023, Silver Oaks Behavioral Hospital, LLC had unaudited total assets of \$39,634, members' equity of \$22,532, net revenue of \$31,908, and a net income of \$5,372. The carrying value of the Hospital's investment in Silver Oaks Behavioral Hospital, LLC is \$5,861 as of September 30, 2024 and \$4,488 as of September 30, 2023 and is included in other long-term assets in the accompanying consolidated balance sheets.

(iii) *Silver Cross/USP Surgery Center, LLC. And Silver Cross Ambulatory Surgery Center, LLC.*

In August of 2017, the Hospital, along with United Surgical Partners International, Inc. became the founding members of Silver Cross/USP Surgery Center, LLC., and along with independent physicians founded the Silver Cross Ambulatory Surgery Center, LLC., whose purpose was to operate an outpatient surgery center on the Hospital's campus. The surgery center opened for business in December of 2017. The Hospital has a 49.9 % ownership in Silver Cross/USP Surgery Center, LLC. and Silver Cross/USP Surgery Center, LLC. has a 55.65% ownership in Silver Cross Ambulatory Surgery Center, LLC. Overall, this creates an approximate 27.77% ownership for the Health System in Silver Cross Ambulatory Surgery Center, LLC. Pursuant to the operating agreement, profits and losses are allocated 27.46% to the Hospital, 27.57% to United Surgical Partners Inc, and 44.97% to the individual invested physicians.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

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(In thousands)

The Hospital accounts for its investment in Silver Cross Ambulatory Surgery Center, LLC., using the equity method of accounting. As of and for the year ended September 30, 2024, Silver Cross Ambulatory Surgery Center, LLC., had unaudited total assets of \$5,731, members' equity of \$81, net revenue of \$16,221, and a net income of \$2,825. As of and for the year ended September 30, 2023, Silver Cross Ambulatory Surgery Center, LLC., had unaudited total assets of \$6,067, members' equity of \$326, net revenue of \$14,727, and a net income of \$3,052. The carrying value of the Hospital's investment in Silver Cross Ambulatory Surgery Center, LLC., is \$154 as of September 30, 2024 and \$233 as of September 30, 2023 and is included in other long-term assets in the accompanying consolidated balance sheets. Silver Cross Ambulatory Surgery Center, LLC., made cash distributions to the Hospital of \$864 in 2024 and \$875 in 2023.

(b) Noncontrolling Interest in Consolidated Joint Ventures

The Corporations apply the guidance under ASC Topic 810, *Consolidation*, for the presentation of noncontrolling interests, reporting it as a separate component of net assets without donor restrictions and including a schedule reconciling beginning and ending balances of controlling and noncontrolling interests of net assets in the notes to the consolidated financial statements.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

Changes in net assets without donor restrictions attributable to the Corporations and to noncontrolling interest in consolidated joint ventures for the year ended September 30, 2024 are as follows:

	Total	Controlling interest	Noncontrolling interest
Balance, September 30, 2022	\$ 385,782	374,431	11,351
Revenue and gains in excess of expenses and losses	22,594	22,625	(31)
Other changes in net assets without donor restrictions:			
Contributed capital returned to minority partners in consolidated joint ventures	(524)	—	(524)
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	880	880	—
Balance, September 30, 2023	408,732	397,936	10,796
Revenue and gains in excess of expenses and losses	52,993	52,977	16
Other changes in net assets without donor restrictions:			
Contributed capital returned to minority partners in consolidated joint ventures	—	—	—
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	1,129	1,129	—
Balance, September 30, 2024	\$ 462,854	452,042	10,812

(15) Endowments and Beneficial Interest in Trusts

The Corporations have donor-restricted endowment funds (collectively referred to as the Funds), the principal of which may not be expended. The interest and dividend income from investment of the Funds is to be used for a variety of purposes consistent with the intent of the donor. The interest and dividend income earned on the Funds are transferred to net assets with donor restrictions until appropriated for expenditure by the Corporations. All other changes in the Funds, including unrealized and realized gains and losses, are recorded directly to the Funds, which are classified as net assets with donor restrictions.

The Corporations also have beneficial interests in trusts (collectively referred to as the Trusts). The Corporations have recorded their share of the principal of the Trusts as net assets with donor restrictions. Distributions from the Trusts are recorded within net assets without donor restrictions if unrestricted; otherwise, they are classified as net assets with donor restrictions until appropriated for expenditure.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

The activity of the Funds and Trusts for the year ended September 30, 2024 is as follows:

	<u>Total</u>	<u>Donor-restricted endowment funds</u>	<u>Beneficial interest in trusts</u>
Beginning fair value	\$ 7,445	952	6,493
Current year contributions	—	—	
Investment return:			
Interest and dividends	158	—	158
Realized gains, net	294	—	294
Change in unrealized gains, net	830	—	830
Disbursements:			
Fees and expenses	(58)	—	(58)
Assets released from restriction	(159)	—	(159)
Ending fair value	\$ <u>8,510</u>	<u>952</u>	<u>7,558</u>

The activity of the Funds and Trusts for the year ended September 30, 2023 is as follows:

	<u>Total</u>	<u>Donor-restricted endowment funds</u>	<u>Beneficial interest in trusts</u>
Beginning fair value	\$ 6,979	932	6,047
Current year contributions	20	20	—
Investment return:			
Interest and dividends	177	—	177
Realized gains, net	29	—	29
Change in unrealized gains, net	459	—	459
Disbursements:			
Fees and expenses	(72)	—	(72)
Assets released from restriction	(147)	—	(147)
Ending fair value	\$ <u>7,445</u>	<u>952</u>	<u>6,493</u>

The historical cost basis of the Funds was approximately \$952 for both September 30, 2024 and 2023. The fair value of assets associated with individual donor-restricted endowment funds may fall below the amount of the original donation as a result of unfavorable market conditions. There were no such deficiencies as of September 30, 2024 or 2023.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

(16) Leases

Information as of and for the year ended September 30, 2024:

The Corporations have several noncancelable operating leases, primarily for office space, transportation, medical, and office equipment that expire over the next 19 years. The Corporation includes renewal options in the lease term if the options are considered to be reasonably certain of being exercised. Because the Corporations are not reasonably certain to exercise these renewal options, the options are not considered in determining the lease term, and associated potential option payments are excluded from lease payments. The Corporations' leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments plus, for many of the Corporations' leases, variable payments. For office space leases that include variable payments, those include payments for the Corporations' proportionate share of the building's property taxes, insurance, and common area maintenance.

The components of lease cost for the years ended September 30, 2024 and 2023, were as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 7,827	6,772
Variable lease cost	<u>1,333</u>	<u>1,312</u>
Total lease cost	\$ <u>9,160</u>	<u>8,084</u>

Amounts reported in the consolidated balance sheet as of September 30, 2024 and 2023, were as follows:

	<u>2024</u>	<u>2023</u>
Operating lease ROU asset	\$ 48,777	28,719
Operating lease accumulated depreciation	<u>(5,292)</u>	<u>(3,622)</u>
Operating lease ROU assets	<u>43,485</u>	<u>25,097</u>
Current portion of operating lease liability	5,781	5,171
Long-term operating lease liability, net of current portion	<u>40,245</u>	<u>21,528</u>
Total operating lease liabilities	<u>46,026</u>	<u>26,699</u>
Operating lease liabilities, net of ROU liabilities	\$ <u>2,541</u>	<u>1,602</u>

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

Other information related to operating leases as of September 30, 2024 was as follows:

	<u>2024</u>	<u>2023</u>
Supplemental information:		
Operating cash flows from capitalized operating leases	\$ 5,414	5,281
Weighted average remaining lease term – capitalized operating leases (in years)	12.56	7.29
Weighted average discount rate – capitalized operating leases	3.66 %	0.98 %

Amounts disclosed for ROU assets obtained in exchange for lease obligations include amounts added to the carrying amount of ROU assets resulting from lease modifications and reassessments.

Maturities of lease liabilities under noncancelable leases as of September 30, 2024 are as follows:

	<u>Operating leases</u>
2025	\$ 7,029
2026	7,088
2027	4,319
2028	3,716
2029	3,409
Thereafter	<u>35,343</u>
Total undiscounted lease payments	60,904
Less imputed interest	<u>(15,437)</u>
Total lease liabilities	<u>\$ 45,467</u>

Information as of and for the year ended September 30, 2024:

The Corporations occupy space in certain facilities under long-term noncancelable operating lease arrangements. Total equipment rental, asset lease, and facility rental expenses in 2024 was \$12,407.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

The following table is a schedule by year of future minimum lease payments to be made under operating leases as of September 30, 2024 that have initial or remaining lease terms in excess of one year:

	Amount
2025	\$ 7,029
2026	7,088
2027	4,319
2028	3,716
2029	3,409
Thereafter	35,343
	<u>\$ 60,904</u>

(17) Commitments and Contingencies

(a) Medicare Reimbursement

The Hospital recognized \$230,310 of net patient service revenue during 2024 from services provided to Medicare beneficiaries. Federal legislation routinely includes provisions to modify Medicare payments to healthcare providers. Changes in Medicare reimbursement as a result of the CMS implementation of the provisions of Medicare legislation and other healthcare reform initiatives may have an adverse effect on the Hospital's net patient service revenue.

(b) Litigation

The Corporations are involved in litigation arising in the normal course of business. In consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Corporations' financial position or results of operations.

(c) Regulatory Investigations

Federal agencies routinely conduct regulatory investigations and compliance audits of healthcare providers. The Corporations are subject to these regulatory efforts. Management is currently unaware of any regulatory matters that may have a material adverse effect on the Corporations' financial position or results of operations.

(d) Tax Exemption for Sales Tax and Property Tax

Effective June 14, 2012, the Governor of Illinois signed into law *Public Act 97-0688*, which creates standards for state sales tax and property tax exemptions in Illinois. The law establishes new standards for the issuance of charitable exemptions, including requirements for a nonprofit hospital to certify annually that in the prior year, it provided an amount of qualified services and activities to low-income and underserved individuals with a value at least equal to the Hospital's estimated property tax liability. The Corporations certified in 2024 and 2023 and have not recorded a liability for related property taxes based upon management's current determination of qualified services provided.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

(e) Investment Risk and Uncertainties

The Corporations invest in various investment securities. Investment securities are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated balance sheets.

(18) Functional Expenses

The Health System provides healthcare services to residents within its geographic location. Expenses related to providing these services included in the consolidated statements of operations and changes in net assets without donor restrictions as of September 30, 2024 and 2023 corresponding totals are as follows:

	Program activities Healthcare services	Supporting activities		Total
		Administration	Fundraising	
2024:				
Salaries and wages	\$ 200,056	12,785	245	213,086
Payroll taxes and fringe benefits	47,871	3,060	61	50,992
General and administrative	165,535	13,273	552	179,360
Supplies	116,289	—	61	116,350
Depreciation and amortization	29,886	455	—	30,341
Interest	15,603	—	—	15,603
	<u>\$ 575,240</u>	<u>29,573</u>	<u>919</u>	<u>605,732</u>
2023:				
Salaries and wages	\$ 190,021	12,144	232	202,397
Payroll taxes and fringe benefits	43,326	2,769	58	46,153
General and administrative	155,055	12,434	536	168,025
Supplies	110,862	—	60	110,922
Depreciation and amortization	31,332	477	—	31,809
Interest	15,840	—	—	15,840
	<u>\$ 546,436</u>	<u>27,824</u>	<u>886</u>	<u>575,146</u>

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(In thousands)

Some categories of natural class expenses are attributable to more than one activity and require allocation, applied on a consistent basis. Property costs, including depreciation, are allocated on the basis of square footage. Indirect salaries and benefits are allocated on the basis of budgeted full-time equivalent employees. Purchased services and supplies are assigned directly to specific activities as expenditures are made.

(19) Related Parties

Members of the Board of Trustees, officers, and employees are subject to the Health System's conflict of interest policies, under which business and financial relationships must be disclosed annually and are subject to review and approval. From time to time, the Health System may obtain goods and services in the ordinary course of business from entities with which certain of the Health System Trustees may be associated.

(20) Subsequent Events

In connection with the preparation of the consolidated financial statements and in accordance with the recently issued ASC Topic 855, *Subsequent Events*, the Corporations evaluated subsequent events after the consolidated balance sheet date of September 30, 2024 through January 31, 2025, which was the date the consolidated financial statements were available to be issued, and other than those noted above, there were no items to disclose.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidating Schedule – Balance Sheet Information

September 30, 2024

(Amounts in thousands)

Assets	Silver Cross Health System	Health Service Systems, Inc.	Silver Cross Hospital and Medical Centers	Silver Cross Foundation	Midwest Community Real Estate Corporation	Silver Cross MSO, LLC	Prime Medical	Essential Health Partners	Eliminations	Consolidated
Current assets:										
Cash and cash equivalents	\$ 1,996	23	15,862	140	90	125	618	15,297	—	34,151
Short-term investments	—	5,683	4,316	6	—	—	—	—	—	10,005
Assets whose use is limited or restricted, required for current liabilities	—	—	4	—	—	—	—	—	—	4
Patient accounts receivable	—	3,228	71,582	—	—	—	256	—	—	75,066
Due from affiliates	80,215	7,696	200,318	2,374	9,443	57,694	—	—	(357,740)	—
Other receivables	702	—	1,640	112	1,109	53,971	—	12,513	—	70,047
Inventory	—	—	8,843	—	—	—	—	—	—	8,843
Prepaid expenses and other	245	153	7,212	2	5	32	41	22	—	7,712
Total current assets	83,158	16,783	308,777	2,634	10,647	111,822	915	27,832	(357,740)	205,828
Assets whose use is limited or restricted, excluding assets required for current liabilities:										
By board for capital improvements and other	—	—	290,607	—	—	—	—	—	—	290,607
By board for self-insurance	35,159	—	—	—	—	—	—	—	—	35,159
Under bond indenture agreements – held by trustee	—	—	141	—	—	—	—	—	—	141
Pledges receivable	—	—	78	—	—	—	—	—	—	78
Donor-restricted investments	—	—	2,147	—	—	—	—	—	—	2,147
Beneficial interest in perpetual trusts	—	—	8,605	—	—	—	—	—	—	8,605
Total assets whose use is limited or restricted	35,159	—	301,578	—	—	—	—	—	—	336,737
Land, buildings, and equipment, net	—	4,192	391,852	—	28,829	2,482	2,506	—	—	429,861
Other assets:										
Land held for sale	—	—	23,035	—	—	—	—	—	—	23,035
Investments	22,650	—	—	—	—	—	—	—	(22,650)	—
Estimated excess insurance recovery receivables	8,210	—	—	—	—	—	—	—	—	8,210
Operating lease right of use assets	—	5,294	38,191	—	—	—	—	—	—	43,485
Other long-term assets	—	—	79,191	—	—	1,500	21	—	(55,673)	25,039
Total assets	\$ 149,177	26,269	1,143,624	2,634	39,476	115,804	3,442	27,832	(436,063)	1,072,195

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidating Schedule – Balance Sheet Information

September 30, 2024

(Amounts in thousands)

	Silver Cross Health System	Health Service Systems, Inc.	Silver Cross Hospital and Medical Centers	Silver Cross Foundation	Midwest Community Real Estate Corporation	Silver Cross MSO	Prime Medical	Essential Health Partners	Eliminations	Consolidated
Liabilities and Net Assets										
Current liabilities:										
Current installments of long-term debt	\$ —	—	15,270	—	—	—	—	—	—	15,270
Current portion of operating lease liability	—	1,029	4,752	—	—	—	—	—	—	5,781
Accounts payable	117	442	60,053	—	202	1,954	52	680	—	63,500
Accrued salaries and wages	3,517	7,953	26,198	—	—	431	38	—	—	38,137
Accrued expenses	184	93	3,485	13	471	—	80	23,402	—	27,728
Estimated payables under third-party reimbursement programs	—	—	33,703	—	—	—	—	—	—	33,703
Due to affiliates	70,675	53,819	129,765	321	49,858	53,302	—	—	(357,740)	—
Total current liabilities	74,493	63,336	273,226	334	50,531	55,687	170	24,082	(357,740)	184,119
Estimated self-insured professional and general liability claims	50,159	—	—	—	—	—	—	—	—	50,159
Long-term debt, excluding current installments	—	—	323,360	—	—	—	—	—	—	323,360
Long-term operating lease liability, net of current portion	—	4,490	35,755	—	—	—	—	—	—	40,245
Capital lease and other long-term liabilities, net of current portion	—	—	—	—	—	—	628	—	—	628
Total liabilities	124,652	67,826	632,341	334	50,531	55,687	798	24,082	(357,740)	598,511
Net assets (deficit):										
Net assets (deficit) without donor restrictions	24,525	(41,567)	500,463	2,300	(11,055)	52,101	1,348	2,250	(78,323)	452,042
Noncontrolling interests in consolidated joint ventures	—	—	—	—	—	8,016	1,296	1,500	—	10,812
Total net assets (deficit) without donor restrictions	24,525	(41,567)	500,463	2,300	(11,055)	60,117	2,644	3,750	(78,323)	462,854
Net assets with donor restrictions	—	10	10,820	—	—	—	—	—	—	10,830
Total net assets (deficit)	24,525	(41,557)	511,283	2,300	(11,055)	60,117	2,644	3,750	(78,323)	473,684
Total liabilities and net assets	\$ 149,177	26,269	1,143,624	2,634	39,476	115,804	3,442	27,832	(436,063)	1,072,195

See accompanying independent auditors' report.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidating Schedule – Statement of Operations and Changes in Net Assets without Donor Restriction Information

Year ended September 30, 2024

(Amounts in thousands)

	Silver Cross Health System	Health Service Systems, Inc.	Silver Cross Hospital and Medical Centers	Silver Cross Foundation	Midwest Community Real Estate Corporation	Silver Cross MSO	Prime Medical	Essential Health Partners	Eliminations	Consolidated
Revenue:										
Net patient service revenue	\$ 10,580	23,125	529,471	—	—	—	3,118	—	(807)	554,907
Other revenue	—	681	12,235	—	2,388	3,083	—	40,160	(14,158)	54,969
Total revenue	10,580	23,806	541,706	—	2,388	3,083	3,118	40,160	(14,965)	609,876
Expenses:										
Salaries and wages	6,623	19,738	185,050	—	—	940	735	—	—	213,086
Payroll taxes and fringe benefits	1,923	3,680	44,977	—	—	195	217	—	—	50,992
General and administrative	2,552	3,983	143,423	—	1,457	880	1,796	40,150	(14,891)	179,360
Supplies	—	1,615	114,666	—	—	1	68	—	—	116,350
Depreciation and amortization	—	772	27,187	—	1,137	968	257	—	—	30,341
Interest	—	—	15,568	—	—	—	35	—	—	15,603
Total expenses	11,098	29,788	530,871	—	2,594	3,004	3,108	40,160	(14,891)	605,732
Income (loss) from operations	(518)	(5,982)	10,835	—	(206)	79	10	—	(74)	4,144
Nonoperating gains (losses):										
Investment income, net	3,542	(260)	44,261	—	—	—	—	—	—	47,543
Other, net	—	—	314	490	502	—	—	—	—	1,306
Total nonoperating gains (losses), net	3,542	(260)	44,575	490	502	—	—	—	—	48,849
Revenue and gains in excess (deficient) of expenses and losses	3,024	(6,242)	55,410	490	296	79	10	—	(74)	52,993
Other changes in net assets without donor restrictions:										
Net assets released from restriction for land, building and equipment acquisitions financed by net assets with donor restrictions	—	—	1,129	—	—	—	—	—	—	1,129
Increase (decrease) in net assets without donor restrictions	3,024	(6,242)	56,539	490	296	79	10	—	(74)	54,122

See accompanying independent auditors' report.

SILVER CROSS HEALTH SYSTEM AND AFFILIATES

Consolidating Schedule – Statement of Changes in Net Assets Information

Year ended September 30, 2024

(Amounts in thousands)

	Silver Cross Health System	Health Service Systems, Inc.	Silver Cross Hospital and Medical Centers	Silver Cross Foundation	Midwest Community Real Estate Corporation	Silver Cross MSO	Prime Medical	Essential Health Partners	Eliminations	Consolidated
Net assets without donor restrictions:										
Revenue and gains in excess (deficit) of expenses and losses	\$ 3,024	(6,242)	55,410	490	296	79	10	—	(74)	52,993
Other changes in net assets without donor restrictions:										
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	—	—	1,129	—	—	—	—	—	—	1,129
Increase (decrease) in net assets without donor restrictions	3,024	(6,242)	56,539	490	296	79	10	—	(74)	54,122
Net assets with donor restrictions:										
Contributions for specific purposes	—	—	1,323	—	—	—	—	—	—	1,323
Net realized and unrealized gains and losses on net assets with donor restrictions	—	—	1,209	—	—	—	—	—	—	1,209
Net assets released from restriction for operating purposes	—	—	(166)	—	—	—	—	—	—	(166)
Net assets released from restriction for land, building, and equipment acquisitions	—	—	(1,129)	—	—	—	—	—	—	(1,129)
Change in net assets with donor restrictions	—	—	1,237	—	—	—	—	—	—	1,237
Change in net assets	3,024	(6,242)	57,776	490	296	79	10	—	(74)	55,359
Net assets (deficit) at beginning of year	21,501	(35,315)	453,507	1,810	(11,351)	60,038	2,634	3,750	(78,249)	418,325
Net assets (deficit) at end of year	\$ 24,525	(41,557)	\$ 511,283	2,300	(11,055)	60,117	2,644	3,750	(78,323)	473,684

See accompanying independent auditors' report.

**SILVER CROSS HEALTH SYSTEM AND
SILVER CROSS HOSPITAL AND MEDICAL CENTERS**

Combining Schedule – Special-Purpose Combined Balance Sheet Information – Obligated Group

September 30, 2024

(Amounts in thousands)

Assets	Silver Cross Health System	Silver Cross Hospital and Medical Centers	Eliminations	Obligated Group Combined
Current assets:				
Cash and cash equivalents	\$ 1,996	15,862	—	17,858
Short-term investments	—	4,316	—	4,316
Assets whose use is limited or restricted, required for current liabilities	—	4	—	4
Patient accounts receivable	—	71,582	—	71,582
Due from affiliates	80,215	200,318	(4,542)	275,991
Other receivables	702	1,640	—	2,342
Inventory	—	8,843	—	8,843
Prepaid expenses and other	245	7,212	—	7,457
Total current assets	83,158	309,777	(4,542)	388,393
Assets whose use is limited or restricted, excluding assets required for current liabilities:				
By board for capital improvements and other	—	290,607	—	290,607
By board for self-insurance	35,159	—	—	35,159
Under bond indenture agreements – held by trustee	—	141	—	141
Pledges receivable	—	78	—	78
Donor-restricted investments	—	2,147	—	2,147
Beneficial interest in perpetual trusts	—	8,605	—	8,605
Total assets whose use is limited or restricted	35,159	301,578	—	336,737
Land, buildings, and equipment, net	—	391,852	—	391,852
Other assets:				
Land held for sale	—	23,035	—	23,035
Investment in unconsolidated subsidiary	22,650	—	(22,650)	—
Estimated excess insurance recovery receivables	8,210	—	—	8,210
Operating lease right of use assets	—	79,191	—	79,191
Other long-term assets	—	38,191	—	38,191
Total assets	\$ 149,177	1,143,624	(27,192)	1,265,609

**SILVER CROSS HEALTH SYSTEM AND
SILVER CROSS HOSPITAL AND MEDICAL CENTERS**

Combining Schedule – Special-Purpose Combined Balance Sheet Information – Obligated Group

September 30, 2024

(Amounts in thousands)

Liabilities and Net Assets	Silver Cross Health System	Silver Cross Hospital and Medical Centers	Eliminations	Obligated Group Combined
Current liabilities:				
Current installments of long-term debt	\$ —	15,270	—	15,270
Current portion of operating lease liability	—	4,752	—	4,752
Accounts payable	117	60,053	—	60,170
Accrued salaries and wages	3,517	26,198	—	29,715
Accrued expenses	184	3,485	—	3,669
Estimated payables under third-party reimbursement	—	33,703	—	33,703
Due to affiliates	112,232	129,765	(4,542)	237,455
Total current liabilities	116,050	273,226	(4,542)	384,734
Estimated self-insured professional and general liability claims	50,159	—	—	50,159
Long-term debt, excluding current installments and unamortized bond discounts and premiums	—	323,360	—	323,360
Long-term operating lease liability, net of current portion	—	35,755	—	35,755
Total liabilities	166,209	632,341	(4,542)	794,008
Net assets (deficit):				
Net assets (deficit) without donor restrictions	(17,042)	500,463	(22,650)	460,771
Net assets with donor restrictions	10	10,820	—	10,830
Total net assets (deficit)	(17,032)	511,283	(22,650)	471,601
Total liabilities and net assets	\$ 149,177	1,143,624	(27,192)	1,265,609

See accompanying independent auditors' report.

**SILVER CROSS HEALTH SYSTEM AND
SILVER CROSS HOSPITAL AND MEDICAL CENTERS**

Combining Schedule – Special-Purpose Combined Statement of Operations and Changes in Net Assets without Donor Restrictions Information – Obligated Group

Year ended September 30, 2024

(Amounts in thousands)

	Silver Cross Health System	Silver Cross Hospital and Medical Centers	Eliminations	Obligated Group Combined
Revenue:				
Net patient service revenue	\$ —	529,471	—	529,471
Other revenue	10,580	12,235	(9,482)	13,333
Total revenue	10,580	541,706	(9,482)	542,804
Expenses:				
Salaries and wages	6,623	185,050	—	191,673
Payroll taxes and fringe benefits	1,923	44,977	—	46,900
General and administrative	2,552	143,423	(9,482)	136,493
Supplies	—	114,666	—	114,666
Depreciation and amortization	—	27,187	—	27,187
Interest	—	15,568	—	15,568
Total expenses	11,098	530,871	(9,482)	532,487
Income (loss) from operations	(518)	10,835	—	10,317
Nonoperating gains (losses):				
Investment income, net	3,542	44,261	—	47,803
Loss on investment in unconsolidated subsidiary	(6,242)	—	—	(6,242)
Other, net	—	314	—	314
Total nonoperating gains (losses), net	(2,700)	44,575	—	41,875
Revenue and gains in excess (deficient) of expenses and losses	(3,218)	55,410	—	52,192
Other changes in net assets without donor restrictions:				
Net assets released from restriction for land, building, and equipment acquisitions financed by net assets with donor restrictions	—	1,129	—	1,129
Increase (decrease) in net assets without donor restrictions	(3,218)	56,539	—	53,321
	\$			

See accompanying independent auditors' report.

Section VII
Attachment 35
Financial Feasibility
Financial Viability
Criterion 1120.130

Silver Cross Hospital will be funding its obligations under the Project from internal sources – specifically cash and cash equivalents. Silver Cross Hospital also has an “A3” bond rating from Moody’s Investors Service and an “A-” rating from Fitch Ratings, which are attached at ATTACHMENT 35.

Thus, Silver Cross Hospital is entitled to a financial viability waiver pursuant to Criterion 1120.130(a)(1). Mr. Pryor’s Financial Viability Waiver Certification in support of this Criterion is attached at ATTACHMENT 35.

July 7, 2025

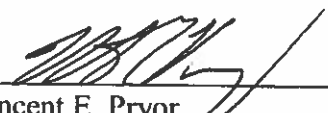
Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Criterion 1120.130(a) Financial Viability Waiver Certification
(Silver Cross Lemont Medical Office Building)

Dear Mr. Constantino:


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 § 1120.130(a), that Silver Cross Hospital and Medical Centers ("Silver Cross") will fund the obligations of Silver Cross set forth in the Certificate of Need Application for the "Silver Cross Lemont Medical Office Building" Project from internal sources – specifically, cash and cash equivalents.

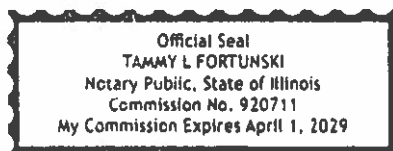
Sincerely,



Vincent E. Pryor
Executive Vice President & CFO
Silver Cross Hospital & Medical Centers

SUBSCRIBED AND SWORN
to before me this 7th day
of July, 2025.



Notary Public

11 APR 2025

Fitch Rates Silver Cross Health System, IL's Series 2025 Rev Bonds 'A-'; Outlook Stable

Fitch Ratings - Chicago - 11 Apr 2025: Fitch Ratings has assigned a 'A-' rating to the Illinois Finance Authority (IFA) \$202 million series 2025A Revenue Refunding Bonds and \$70 million series 2025B-1 and B-2 revenue refunding bonds issued on behalf of Silver Cross Health System (Silver Cross).

Additionally, Fitch has affirmed the Issuer Default Rating (IDR) of Silver Cross at 'A-'. Fitch has also affirmed the revenue bond rating on the series 2008A and 2015C bonds issued by the IFA on behalf of Silver Cross at 'A-'.

The Rating Outlook is Stable.

Silver Cross is issuing the series 2025 bonds to refinance the approximately \$270 series 2015C bonds and the approximately \$13 million series 2010A and B bonds. The refunding will provide Silver Cross with savings, address credit expiration dates, and update the Master Trust Indenture. The bonds are expected to price the week of April 21, 2025.

The assignment and affirmation of the 'A-' reflects Silver Cross' historically strong cash flow generation, with operating EBITDA margins sustained in the 8%-10% range, and the expectation that this level will be maintained. The rating also reflects Silver Cross' leading and growing market position in an attractive service area with a favorable payor mix.

Fitch expects fiscal 2025 operating performance to be on par with fiscal 2024, with an 8.2% operating EBITDA margin. Silver Cross will continue investing in its service area growth through various access points for the system. Silver Cross has also targeted approximately \$8 million of operational improvements for fiscal 2025. Fitch's five-year forward-looking scenario analysis continues to show a gradual improvement in operating EBITDA, driven by strong demand and a favorable payor mix, and supported by Silver Cross' strategic outpatient growth, improved access, and the strength of its core service lines.

Silver Cross' financial profile remains consistent with the lower end of the 'A' rating category when applying revenue stress and a portfolio sensitivity analysis.

SECURITY

The existing bonds are secured by a gross revenue pledge and a mortgage on certain property, including the hospital campus. The series 2025 will be secured by a security interest in the gross receipts of the obligated and will not be secured by a mortgage under an amended master trust indenture.

KEY RATING DRIVERS

Revenue Defensibility - bbb

Leading Market Share in Stable Service Area

Silver Cross, located about 35 miles southwest of Chicago, maintains a leading and growing market position with just under 44% of its primary service area. This area benefits from sound population growth and favorable median income levels. Silver Cross has a favorable payor mix, with combined Medicaid and self-pay accounting for less than 13% of gross revenues in fiscal 2024.

Silver Cross faces competition primarily from Prime St. Josephs, located about nine miles to the west, which holds about 20% market share. In addition, several academic medical centers and other large health systems are located in the broader secondary service area. Silver Cross benefits from a large medical staff that is both independent and employed, and several affiliations with leading Chicago-area health systems. The hospital has successfully expanded its open-heart and cardiac surgery program and its Level III neo-natal intensive care unit.

Operating Risk - a

Sustained Operational Performance Expected to be Maintained

Silver Cross had historically demonstrated very strong operating cost flexibility, with operating EBITDA margins averaging about 11% over the past five years. Silver Cross' operating EBITDA declined to 7% in fiscal 2022, its lowest in the last five years, driven by the industry economic headwinds. Management is executing strategic initiatives to improve and sustain an operating EBITDA margin of 9% or higher. For fiscal 2024, Silver Cross posted an operating EBITDA margin of 8.2% (8.9% in 1Q25) and is targeting 10% for fiscal 2025.

Capex requirements remain manageable and supported by cash flow with Silver Cross' average age of plant of approximately 12 years. Capital spending averaged about 107% of depreciation over the past five years. Capex is expected to average about 144% of depreciation over the next five years, with a strategic focus on access points, expanding inpatient capacity, and technology. The capital plan is flexible, with the ability to scale back during stress years, as management focuses on building liquidity.

Financial Profile - a

Adequate Balance Sheet Consistent with the Rating Level

Silver Cross' consistently strong cash flow generation and manageable capital needs, given its relatively young facilities, has sustained the financial profile assessment. Silver Cross reported unrestricted cash and investments of \$334 million at fiscal YE 2024, translating to a cash-to-adjusted debt ratio of 79%. Its somewhat modest debt metrics are the lingering effect of a \$260 million replacement hospital project completed in 2012. Fitch did not make any adjustments to the \$375 million total debt as Silver Cross does not have a defined benefit pension plan and includes operating lease expenses as liability on its balance sheet.

The financial profile assessment demonstrates adequate financial flexibility in Fitch's forward-looking stress case, which applies a revenue and portfolio sensitivity stress (based on asset allocation), with cash-to-adjusted debt exceeding 75% by year four. This is consistent with the 'A' rating category given Silver Cross' midrange revenue defensibility and strong operating risk assessment.

Asymmetric Additional Risk Considerations

There are no asymmetric risks.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--A weakening of the financial profile where cash-to-adjusted debt remains below 75% in a forward-looking stress scenario;

--While not expected, compression in operating margins, particularly if the operating EBITDA margin falls below the 7%-8% range for a sustained period.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

--Positive rating action over the medium or longer term would require continued strong operating performance, with operating EBITDA margins consistently exceeding 12% and a financial profile with a cash-to-adjusted debt ratio sustained at over 100% in Fitch's stress scenario.

PROFILE

Silver Cross operates a 348-bed acute care hospital about 35 miles southwest of downtown Chicago. In 2012, the health system successfully transitioned to its replacement hospital in New Lenox, IL, from its original hospital in Joliet, IL. The new hospital has enabled Silver Cross to capitalize on a growing market, improve efficiencies, and enhance service offerings through various clinical partnerships. Total consolidated operating revenue reached \$610 million in fiscal 2024.

Sources of Information

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by data from Lumesis.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG

Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

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Rating Actions

ENTITY/DEBT	RATING		RECOVERY		PRIOR
Silver Cross Health System (IL)	LT IDR	A- 	Affirmed		A- 
• Silver Cross Health System (IL)	LT	A- 	Affirmed		A- 

ENTITY/DEBT	RATING	RECOVERY	PRIOR
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/General
Revenues/
1 LT

RATINGS KEY OUTLOOK WATCH

POSITIVE	⊕	◊
NEGATIVE	⊖	◊
EVOLVING	⊙	◆
STABLE	○	

Applicable Criteria

U.S. Not-For-Profit Hospitals and Health Systems Rating Criteria (pub.12 Nov 2024)
(including rating assumption sensitivity)

U.S. Public Sector, Revenue-Supported Entities Rating Criteria (pub.10 Jan 2025) (including
rating assumption sensitivity)

Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing
description of model(s).

Portfolio Analysis Model (PAM), v2.0.1 (1)

Additional Disclosures

Solicitation Status

Endorsement Status

Illinois Finance Authority (IL) EU Endorsed, UK Endorsed

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CREDIT OPINION

16 April 2025

✓ Send Your Feedback

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Silver Cross Hospital & Medical Centers, IL

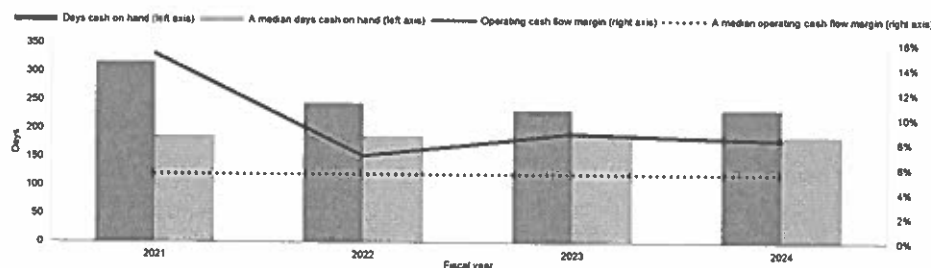
Update to credit analysis

Summary

Silver Cross Hospital & Medical Centers' (Silver Cross; A3 stable) strong revenue growth supported by service line expansion, clinical partnerships and physician recruitment will provide for maintenance of a leading market position. Operating performance will remain at roughly 8%-9% operating cash flow (OCF) margins which will help balance a high debt load and fund strategic investments. Proforma debt structure will move to 100% fixed rate and an amended and restated Master Trust Indenture will modernize covenants and release the current mortgage requirement. Silver Cross will achieve savings with the proposed refunding and proforma debt will decrease by roughly 4%. Liquidity, as measured by days cash on hand (DCOH) of about 230-250 days. Silver Cross' leverage will remain elevated which will continue to stress debt to cash flow and cash to debt, however, leverage will improve over time with debt amortization and cash growth. Additional challenges include Silver Cross' moderate size, which presents challenges with the presence of larger more tertiary competitors in the broader service area.

Exhibit 1

Financial performance is strong outpacing A3 rated peers



A medians represent 2023 data
Source: Moody's Ratings

Credit strengths

- » Leading local market position supported by the expansion of services, outpatient access and physician recruitment
- » High single digit OCF margins, 8%-9%
- » Moderate capital spending needs aid in strong liquidity with over 230 DCOH
- » 100% fixed rate proforma debt structure and reduced exposure to bank debt; defined contribution pension plan

Credit challenges

- » Debt to cash flow will remain above 4x due to high debt load with over 50% debt to operating revenue
- » Cash to debt will remain soft for the rating at roughly 115%; exposure to equities could stress liquidity given current investment market volatility
- » High and growing exposure to Medicare and Medicaid will constrain operating results
- » Moderate sized hospital with larger tertiary competitors in the broader service area

Rating outlook

The stable outlook incorporates high single digit OCF margins and roughly 230-250 days cash on hand which will continue to balance a high debt load.

Factors that could lead to an upgrade

- » Reduction in leverage that results in material strengthening of debt to cash flow under 3 times
- » Continued build of liquidity and strengthening of cash to debt closer to 200%
- » Maintenance of good operating performance with 8%-9% OCF margins

Factors that could lead to a downgrade

- » Sustained dilution of cash to debt below 100%
- » Material weakening of operating performance that represents a new normal of mid to low single digit OCF margins
- » A decline in liquidity and DCOH below 200

Key indicators

Exhibit 2

Silver Cross Hospital and Medical Centers, IL

	2021	2022	2023	2024	2024 Proforma	2023 A rated medians
Operating Revenue (\$'000)	497,527	522,242	578,110	609,876	609,876	2,178,795
3 Year Operating Revenue CAGR (%)	7.9	7.7	9.4	7.0	7.0	8.0
Operating Cash Flow Margin (%)	15.1	7.0	8.8	8.2	8.2	5.5
PM: Medicare (%)	46.7	48.8	49.4	49.5	49.5	48.5
PM: Medicaid (%)	10.5	10.6	11.1	10.6	10.6	15.9
Days Cash on Hand	317	245	233	235	235	188
Unrestricted Cash and Investments to Total Debt (%)	105	96	103	112	117	164
Total Debt to Cash Flow (x)	3.8	6.6	4.9	4.7	4.6	3.6

Based on audited financials for Silver Cross Health System and Affiliates fiscal year ended September 30, 2020-2021 includes Medicare advances and FICA deferrals; 2024 proforma assumes refunding of the Series 2015C, Series 2010A and Series 2010B Bonds; Investment returns are normalized at 5%

Source: Moody's Ratings

Profile

Silver Cross Hospital and Medical Center is an independent, not-for-profit health care provider serving Will County and southwest suburban communities since 1895. With over 3,000 employees, physicians and volunteers, Silver Cross operates a 348-bed acute care hospital and 8 satellite facilities providing outpatient services and physician offices.

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

Detailed credit considerations

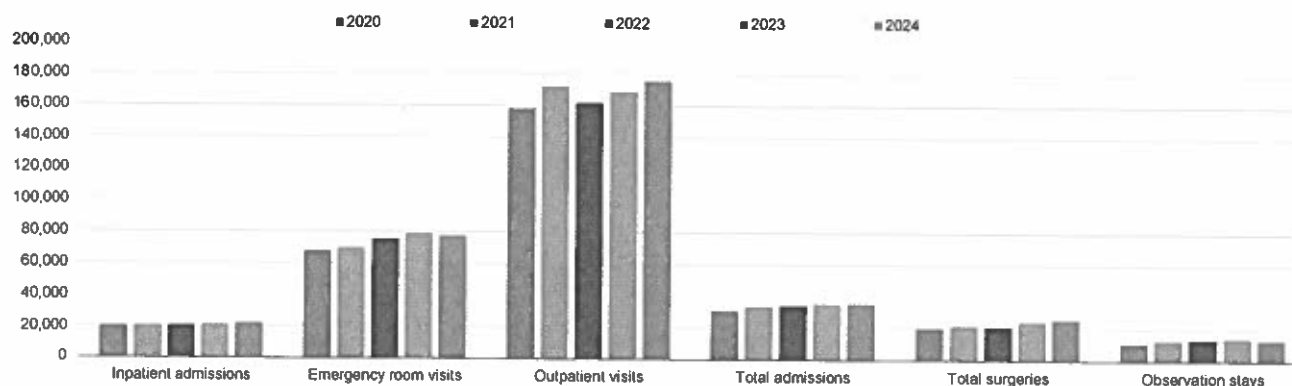
Market position

Silver Cross' leading market position will be anchored by its ongoing growth strategies and clinical and strategic partnerships with other health systems. Although the service area is competitive and consolidating, Silver Cross maintains 44% market share in its primary service area (according to management). In addition, Silver Cross has successfully grown market share in key service lines including cardiac surgery, thoracic surgery, vascular care, and oncology. Planned expansion of outpatient access points will continue to support a leading market position and patient volumes.

Clinical and strategic partnerships will augment the expansion of services including the hospital's relationship with University of Chicago Medical Center for oncology and neuroscience, Lurie Children's Hospital for deliveries, and Shirley Ryan Ability Lab for rehab. Silver Cross' partnership with Innovista Health Solutions will support the coordination of population health management and physician contracting. The partnership will provide a network of over 1,200 doctors. Employed physicians continues to grow now at 55 physicians and midlevels. Additionally, Silver Cross has a management arrangement with a large multi-specialty group to support good volume trends from the eastern market.

Exhibit 3

Good growth in volumes will support leading market share and solid revenue growth



Source: Moody's Ratings

Operating performance and liquidity

Operating performance is expected to remain steady in fiscal 2025, with OCF margins between 8% and 9%. Silver Cross has also made significant progress in reducing premium labor expenses, which will further support strong operating outcomes. Additionally, an annual focus on performance improvements in areas such as revenue cycle, supply chain, pharmacy, and documentation will help maintain robust margins.

Through first quarter of fiscal 2025, OCF margins are solid at 8.9%.

Liquidity

Cash reserves will continue to provide credit strength at roughly 235 DCOH. Current investment market volatility could lead to some moderation as Silver Cross has nearly 60% exposure to equities, however DCOH should remain at least at 200 days.

Capital expenditures of roughly \$30 million or 1x depreciation have been budgeted for fiscal 2025. Spend is largely focused on outpatient expansion. Spending could increase beginning in 2026 as Silver Cross contemplates needs and expansion plans at the main hospital.

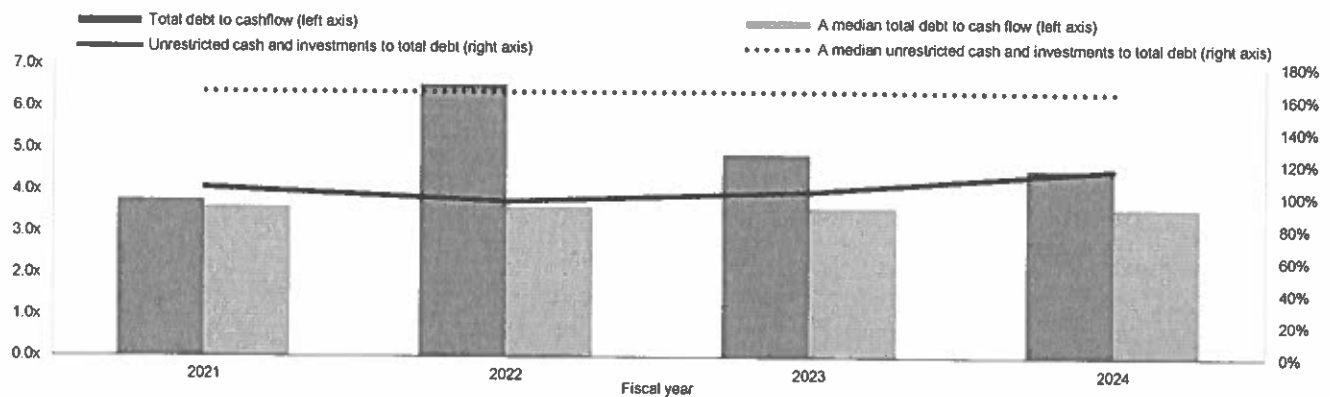
Investments are fairly liquid but exposed to volatility given nearly 60% is allocated to equities.

Leverage

Leverage will remain elevated for the next several years but good operating cash flow and gradual pay down of debt will allow for improvements to debt to cash flow and cash to debt. Debt to cash flow will likely remain between 4x-4.5x and cash to debt will continue to improve.

Exhibit 4

Despite meaningful improvement leverage will remain elevated relative to liquidity and OCF



Median figures represent 2023 data

Source: Moody's Ratings

Legal security

Bonds will be secured by a joint and several gross receipts pledge of the obligated group. The obligated group represents 89% of Silver Cross total revenues.

As part of the proposed refunding Silver Cross will be issuing an amended and restated Master Trust Indenture (MTI) which is expected to go into effect on the closing date of the Series 2025 Bonds. Silver Cross has received consent from the necessary parties including existing banks and the swap counterparty. The new MTI introduces several adjustments including release of the mortgage. Key covenant changes include the removal of the liquidity covenant, more flexible debt service coverage provisions, and a lower definition threshold for Balloon Indebtedness. Additionally, the new MTI includes revised conditions for additional long-term debt, and updated provisions for guaranteed debt service and replacement master indentures, along with higher thresholds for acceleration and more flexible permitted lien limits.

Debt structure and covenants

Proforma debt structure will be comprised of 100% fixed rate debt.

Silver Cross will maintain ample room to its covenants. Under the new MTI, an Event of Default will occur if the Obligated Group's Income Available for Debt Service is less than 100% of the Debt Service Requirement for two consecutive Fiscal Years and the Cash on Hand is below 150 days at the end of the second Fiscal Year.

Debt-related derivatives

We do not expect any changes to Silver Cross' swap program. In 2018, the system entered into a total return swap for its Series 2008A Bonds. The swap converts fixed rate debt to synthetic floating rate debt for an initial five year-term through 2026. The counterparty to the swap is Barclays. The swap's notional amount is roughly \$44.8 million.

Pensions and OPEB

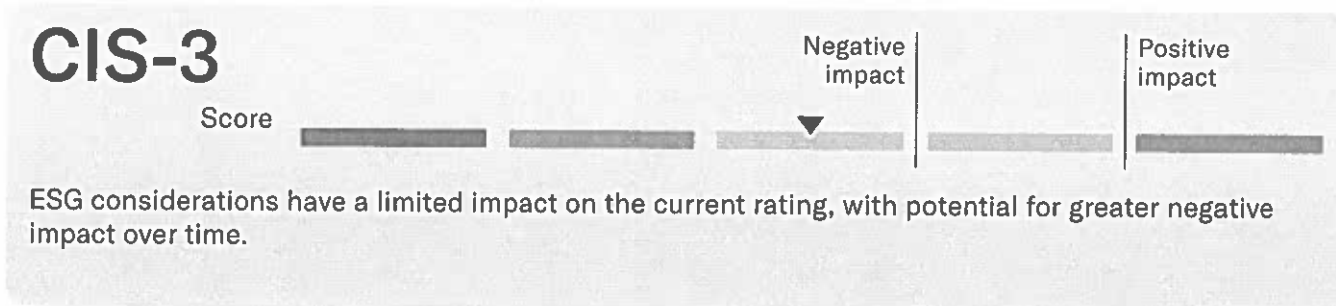
Silver Cross' modest indirect load will continue to be a credit positive and provide some balance given the high direct debt load. Silver Cross sponsors a defined contribution pension plan and the net present value of operating leases was \$46 million at September 30, 2024.

ESG considerations

Silver Cross Hospital & Medical Centers, IL's ESG credit impact score is CIS-3

Exhibit 5

ESG credit impact score

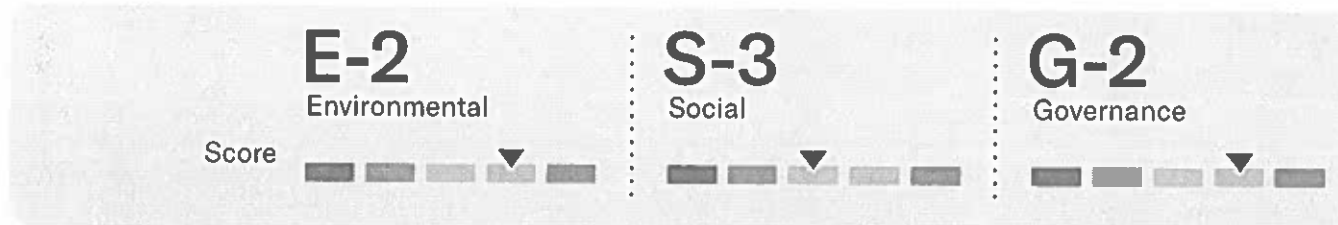


Source: Moody's Ratings

Silver Cross Hospital & Medical Center's (Silver Cross) credit impact score is moderately negative 3 reflecting moderate exposure to social risks balanced by a neutral assessment of environmental and governance risks. Silver Cross is an independent, not-for-profit health care provider serving Will County, with over 3,000 employees, physicians and volunteers, Silver Cross operates a 348-bed acute care hospital and various satellite facilities providing outpatient services and physician offices. Despite a competitive marketplace and high reliance on governmental payors, the system has consistently translated volume growth into increased revenue and maintenance of leading market share. Silver Cross' ESG risks are concentrated in social categories, which is consistent with most Not For Profit Hospitals. These challenges are partly mitigated by the organization's good wealth levels and long track record of strong operating performance.

Exhibit 6

ESG issuer profile scores



Source: Moody's Ratings

Environmental

Silver Cross' environmental considerations are neutral given the absence of physical climate risks.

Social

Silver Cross' social risks stem from a concentration in governmental payors and a moderately competitive service area. These risks are balanced against a leading market position and its partnership with Innovista Health Solutions which supports physician contracting and provides a network of over 1200 doctors as well as its clinical partnerships with larger more tertiary health systems. Other risks include challenges inherent to the sector with regard to negotiating reimbursement with commercial insurers and cyber-security.

Governance

Silver Cross' governance considerations are neutral and in line with the average for the sector. Silver Cross is structured as a 501-c 3 and has a self-perpetuating board of directors. Senior financial management has been with the organization for many years and has a long track record of stable and good financial performance and executing various operational and capital projects on time and on budget.

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

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REPORT NUMBER 1444984

Section VIII
Attachment 37
Economic Feasibility
Criterion 1120.140

Criterion 1120.140(a), Reasonableness of Financing Arrangements

Silver Cross will be funding the Project with cash and cash equivalents. See Mr. Pryor's Affidavit of Available Funds in support of this Criterion is attached at ATTACHMENT 34.

Criterion 1120.140(c), Reasonableness of Project and Related Costs

1. The construction cost per gross square foot for the clinical portions of the Project is \$580.0769. The contingency cost per gross square foot for the clinical portions of the Project is \$21.30808. The clinical portions of the Project encompass 8,007 building gross square feet. The construction and contingency costs for the clinical portions of the Project total \$4,815,289.

**COST AND BUILDING GROSS SQUARE FEET
(CLINICAL PORTIONS OF PROJECT)**

Department (list below)	A Cost/Building Square Foot	B Gross	C Building Sq. Ft. (Clinical Portions Only)	D Gross Portions	E Building Sq. Ft.	F Gross	G Const. \$ (Clinical Portions Only)	H Mod. \$	Total Cost (Clinical Portions Only)
	NEW	MOD	NEW	CIRC	MOD	CIRC	(A x C)	(B x E)	(G + H)
Medical Office Building (Clinical Portions)	\$601.385	---	9,362		---	---	\$5,630,166	---	\$5,630,166
Construction Total	\$580.0769	---	9,362		---	---	\$5,430,680	---	\$5,430,680
Contingencies	\$21.30808	---	9,362		---	---	\$199,486	---	\$199,486
Construction & Contingencies Total	\$601.385	---	9,362		---	---	\$5,630,166	---	\$5,630,166

2. The Applicants will incur the following costs in completing this Project.

Project Costs			
USE OF FUNDS	CLINICAL	NON CLINICAL	TOTAL
Preplanning Costs	9,412	11,248	20,660
Site Survey and Soil Investigation	11,663	13,937	25,600
Site Preparation	1,180,336	1,410,554	2,590,890
Off Site Work			
New Construction Contracts	5,430,680	6,489,900	11,920,580
Modernization Contracts			
Contingencies	199,486	238,395	437,881
Architectural/Engineering Fees	381,537	455,953	837,490
Consulting and Other Fees	114,804	137,196	252,000
Movable or Other Equipment (not in construction contracts)	2,874,966	1,618,546	4,493,512
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leases			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	10,202,884	10,375,729	20,578,613

The Section 1120 norms are set forth below:

Project Item	Project Cost (Clinical Parts Only)	Section 1120 Norm	Project Cost Compared to Section 1120 Norm
Preplanning Costs	\$9,412	1.8% * (Construction Costs + Contingencies + Equipment) = 153,092	Below Section 1120 Norm.
Site Survey, Soil Investigation and Site Preparation	\$11,663 + \$1,180,336 = \$1,191,999	5% * (Construction Costs + Contingencies) = 281,508	Above Section 1120 Norm. See below for explanation.
Construction Contracts and Contingencies The midpoint of construction will occur in 2026	\$5,630,166/9,362 GSF = \$601.385 per GSF	\$359.78 per GSF	Above Section 1120 Norm. See below for explanation.
Contingencies	\$99,486	10% * (Construction Costs) = 343,582	Below Section 1120 Norm.
Architectural and Engineering Fees	\$381,537	8.66% * (Construction Costs + Contingencies) = 487,572	Below Section 1120 Norm.
Consulting and Other Fees	\$114,804	No Section 1120 Norm	Reasonable as compared to other approved projects.
Equipment	\$2,874,966	No Section 1120 Norm	Reasonable as compared to other approved projects.

The Applicants acknowledge that two of the above metrics have not been met (albeit, with the understanding that the entire project is only before the Review Board because the Project costs exceed the current capital expenditure threshold and that, technically, none of the metrics are applicable).

That said, the Site Preparation costs are above the State Norm due to: (a) the need to stage/manage the construction site because there is an existing medical office building, which will require additional earthwork, additional asphalt paving for parking, and additional fencing; (b) poor soil on the site which needs to be enhanced to support the new Silver Cross Lemont Medical Office Building; (c) the need to bring utilities to the new site from the road; and (d) the demolition costs associated with the existing medical office building once the new Silver Cross Lemont Medical Office Building is open.

In terms of the construction costs, the per square foot construction costs seem to be in line with similar projects by other applicants. The Applicants are using a healthcare general contractor (Leopardo), so the Applicants have confidence that they have set forth a fair market value construction number. It also bears noting that the applicable State Norm is a function of the location (Lemont). Other zip codes have a far higher State Norm.

Criterion 1120.140(d), Projected Operating Costs

1. The projected operating costs for the Silver Cross Lemont Medical Office Building in 2029 are as follows:

Total Operating Expenses: \$7,207,323

Depreciation Expense: \$1,877,317

Bad Debt Expense: \$100,000

Estimated Number of 39,065
Visits/Procedures at Silver Cross
Lemont Medical Office Building:

Proj. Operating Costs = $\frac{\text{Total Operating Expenses} - \text{Depreciation Expense} - \text{Bad Debt Expense}}{\text{Estimated Number of Visits}}$

Projected Operating Costs: \$5,230,006

Proj. Operating Costs per \$133.88
Visit/Procedure at Silver Cross
Lemont Medical Office Building:

2. The remaining parts of this Project are not subject to this Criterion.

Criterion 1120.140(e), Total Effect of the Project On Capital Costs (in 2029)

Total Projected Annual Capital Costs in 2029 = \$0

Total Projected Annual Capital Costs Per Visit/Procedure in 2029: \$0

Section X
Attachment 39
Charity Care Information

Silver Cross Hospital's charity care for the last three audited fiscal years is set forth below:

	FY 2022	FY 2023	FY 2024
Total Net Patient Revenue	\$467,991,000	\$501,604,000	\$529,470,000
Amount of Charity Care (Charges)	\$12,913,000	\$8,075,000	\$8,869,000
Cost of Charity Care	\$4,120,000	\$2,506,000	\$2,744,000

In total, Silver Cross Hospital's provided \$57,082,670 in charity care and other community benefits in FY 2024. Silver Cross Hospital's Community Benefit Report is attached at ATTACHMENT 39.

Community Benefit Report

Fiscal Year 2024



The way you should be treated.™

Silver Cross Hospital Community Benefit Report Fiscal Year 2024

Introduction:

Our Tradition of Caring for the Community

Our History

Generation after generation, families have depended upon Silver Cross Hospital for exceptional, personalized healthcare. Our commitment goes back to Thanksgiving Day in 1895 when the Will County Union of King's Daughters and Sons opened the doors to a 33-bed, not-for-profit and non-denominational hospital in Joliet. They named it Silver Cross after their emblem – the Maltese cross, and they made a promise to provide care of the highest quality delivered in a compassionate manner to all who come through our doors.

One hundred and thirty years later, Silver Cross remains true to that promise, evolving into a 348-bed regional medical center that, to this day, remains an independent hospital. We serve the residents of Will County and the southwest suburbs of Chicago with services typically not found in a community hospital setting, including sophisticated heart and lung procedures, robotic-assisted surgeries and Will County's first and only 24-bed neonatal intensive care unit, the Amy, Matthew and Jay Vana Neonatal Intensive Care Unit at Silver Cross.

Silver Cross has a long-standing tradition of caring for the community and meeting the needs of our patients by treating them the way they should be treated. At Silver Cross, we recognize each of our patients as individuals with their own sets of wants and concerns. And, we have made it our goal to address them all. It's what we call the *Silver Cross Experience*.

Silver Cross continues to provide safe, exceptional care. In Fiscal Year 2024, Silver Cross earned its 19th Straight A for Safety by the Leapfrog Group (we're currently at 20) and was named #1 in Illinois for Surgical Care by Healthgrades. We also were named one of the World's Best Hospitals by Newsweek – the 6th straight time we've earned this accolade!

In the following pages, you will see how Silver Cross is living our promise to treat all patients the way they should be treated while providing added benefit to the communities we serve.



Mission (see Silver Cross Hospital Values Statement Attachment #1)

Our mission is to improve the health of those we serve and advance wellness in our community.

Vision

We, the Silver Cross Family, are known for our culture of excellence and will deliver an unrivaled healthcare experience for patients, their families and the communities we serve.

Core Values

We, as members of Silver Cross Hospital team, are dedicated to meeting the needs of the people we serve by living our Core Values.

Core Value	Guiding Principle
Safety	We do no harm.
Inclusiveness	We work collaboratively and transparently.
Leadership	We take initiative, demonstrate professionalism and accountability.
Virtue	We demonstrate integrity and ethical behaviors.
Excellence	We achieve distinction for high reliability in quality and service.
Respect	We honor the feelings, traditions and rights of others.

Standards of Conduct

1. Promote quality health care and ethical behavior
2. Ensure compliance with the law
3. Demonstrate respect, fairness, and courtesy in the workplace
4. Understand, avoid and disclose conflicts of interest
5. Maintain confidentiality of information
6. Ensure safety and security

Seven Behaviors

1. Speak up for patient safety
2. Always introduce yourself
3. Wear your name badge appropriately
4. Always give explanation of processes
5. Escort patients and visitors
6. Keep the environment clean and safe
7. Always greet patients, visitors, physicians and colleagues



SAFETY Habits

1. Support Each Other
2. Ask Questions
3. Focus on the Details
4. Explain Clearly

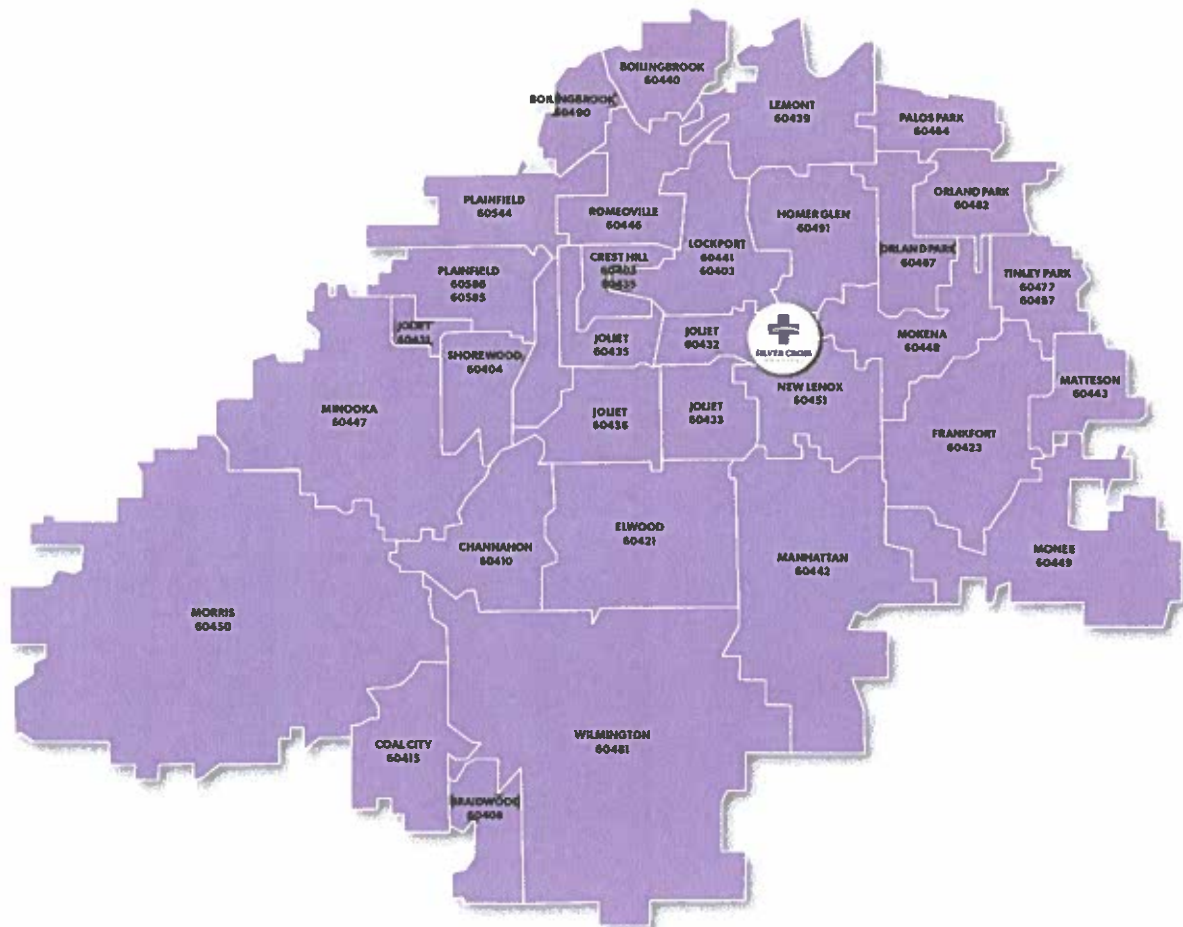
Defining Who We Serve

Community Health Needs Assessment (CHNA): Community Definition and Population Served

Silver Cross Hospital's Primary Service Area (PSA), as defined for the purposes of the Community Health Needs Assessment, consists of the following residential ZIP Codes in portions of Will and southwestern Cook counties, Illinois:
60403; 60421; 60423; 60432; 60433; 60435; 60436; 60439; 60441; 60442; 60448; 60451; 60467; and 60491.

Silver Cross' Secondary Service Area (SSA) includes: 60440; 60446; 60490; 60544; 60586; 60404; 60410; 60431; 60447; 60450; 60408; 60416; 60481; 60487, 60443; 60449; 60462; 60464; and 60477.

Our service area is composed of widely diverse cross-sections of the population. Large sections of our community are more established suburban areas and are rapidly growing. There are also segments that are becoming more racially and ethnically diverse and that are more densely populated. Median incomes range broadly throughout the community – with distinct pockets that have very low incomes, and with other areas that are significantly more affluent. Other sections of the community could be considered more rural in nature and are much smaller in terms of population size but growing and are less ethnically and racially diverse. A geographic description is illustrated in the following map.



Defining How Much We Provide

Financial Assistance Program

Silver Cross Hospital has a policy and defined guidelines for identifying and assisting low-income, uninsured individuals who reside in our community, and who do not have the ability to pay full charges, and for providing financial assistance to patients who have exhausted their insurance benefits.

Silver Cross Hospital provides quality healthcare and services to all individuals, regardless of race, creed, sex, national origin, income level, sexual orientation, handicap or age.

In accordance with our mission, we care for the sick that are medically or financially indigent patients who cannot pay for part or all the care they receive.

Silver Cross Hospital provides charity care assistance to patients who maintain a household income up to 400% above the federal poverty level (see *Charity Care Policy Attachment #2*). In addition, the hospital provides a 65% discount off hospital charges to all uninsured patients (see *Self-Pay Discount Program Policy Attachment #3*).



Patient eligibility of assistance is based on completion of the Determination of Eligibility Application Form or proof of family income. Silver Cross accepts all applications for determination. Eligibility is examined on a case-by-case basis. We have bilingual financial counselors available to help patients obtain and apply for government assistance programs, such as Medicare, Medicaid, All Kids, FamilyCare, and Get Covered Illinois.

Financial Assistance	Complete and Incomplete Applications Submitted Including Presumptive Eligibility	Patients Approved	Patients Denied
Financial Assistance Applications Submitted	1,447	1,387	60

The only reasons for denial for the fiscal year included:

1. Incomplete documentation to determine eligibility
2. Over income for charity guidelines

Race/ethnicity/sex/preferred language information is currently provided by the patient as part of the financial assistance application process. The distribution of the information for this fiscal year is as follows:

Race	% of Total Charity Care Applicants
White	66.74%
Other	14.32%
Black	11.53%
Unknown	5.65%
One or More	1.37%
Asian	0.22%
Amer Ind-Alaskan	0.11%
Pacific Island/Hawaiian	0.05%
Total	100.00%

Preferred Language	% of Total Charity Care Applicants
Unknown/Unwilling to Answer	59.11%
English	36.87%
Spanish	3.02%
Total	100.00%

Ethnicity	% of Total Charity Care Applicants
Non-Hispanic	77.33%
Hispanic	19.10%
Unknown	3.57%
Total	100.00%

Gender	% of Total Charity Care Applicants
Female	59.06%
Male	40.94%
Total	100.00%

Notice of the hospital's financial assistance policy is clearly posted and available in the Emergency Department in English and Spanish, at all registration areas, in the Patient Handbook and on the hospital's website (www.silvercross.org).

Defining How Much We Provide

Community Benefits Data Summary

Silver Cross Hospital is dedicated to caring for and serving our community that extends far beyond the walls of our organization.

In Fiscal Year **2024 (Oct. 1, 2023 – Sept. 30, 2024)**, Silver Cross provided over **\$57 million** in charity care and other community benefits. The numbers reported below are reported at cost:

Community Benefit

Charity Care (at cost)	\$2,744,000
Government sponsored Indigent Healthcare (unreimbursed Medicaid at cost)	\$22,544,000
Subtotal Uncompensated Care (Charity Care & Medicaid)	<u>\$25,288,000</u>
Additional Community Benefits	
Language Assistance	\$172,052
Donations	\$269,699
Volunteer Services	\$2,371,548
Education	\$805,886
Government-sponsored program services (unreimbursed Medicare at cost)	\$22,137,000
Subsidized Health Services	\$1,298,717
**Bad Debts (at cost)	\$4,626,000
Other Community Benefits	\$113,768
Total Community Benefit	<u>\$57,082,670</u>

Of Note:

****14.9%** of bad debt patients are uninsured = **\$1,607,365**(at cost)

Reporting at cost gives a more accurate picture of true community benefit. Therefore, Silver Cross Hospital has chosen to present the data in this fashion.

Defining How Much We Provide

Uninsured in Will County

According to the Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2023, lack of health insurance is a key driver of health status:

- 5.9% of Will County residents are uninsured.
 - A larger percentage reside in zip codes 60432, 60433 and 60484, in the Joliet area, as well as parts of Eastern Will County.
- 7% of males and 4.8% of females are uninsured.
- Most of Will County's Medicaid recipients are 18 years old and younger (24.9%), compared to ages 18-64 years (9.7%) and ages 65+ (6.0%).

Uninsured and Medicaid at Silver Cross

The demographics of Silver Cross Hospital reflect a picture of patients being served who are in need. The hospital Emergency Department data reflects a significant picture of need in our community, where **27%** of all patients were uninsured or on public aid. Many were likely using the Emergency Department for primary care. In fact, **29%** of all emergency room visits among this population were non-emergent visits.

Charity Care

In **FY24**, the hospital provided **\$2,744,000** of charity care at cost. Charity care includes all services for which the hospital does not expect payment. As a matter of course, we provide charitable assistance to all qualifying patients through our financial assistance program. The program is administered by the Patient Accounts Department and offers bilingual financial counselors to help with inquiries for assistance.

Applicants are asked to provide income and employment information as a part of the screening and qualification process. Silver Cross employs social workers, case managers and discharge planners who also assist in finding appropriate follow-up services at a sliding scale or for no cost to low-income patients.

Providing quality care with compassion is at the center of the Silver Cross Experience regardless of ability to pay. Our goal is to work with each individual to fully explore payment options, including government assistance programs, payment plans, grants and charity. (Charity Care Policy Attachment #2)

Uncompensated Care (at cost) % of Net Revenues

Charity Care	\$2,744,000	.52%
Government-Sponsored Indigent Healthcare (Unreimbursed Medicaid at Cost)	\$22,544,000	4.26%
Total Uncompensated Care (Charity Care & Medicaid)	\$25,288,000	4.78%
Emergency Department	\$6,744,000	1.27%
Total Net Patient Revenue	\$529,469,729	

Bad Debt (at cost)

Silver Cross Hospital funded **\$4,626,000** in bad debt. Bad debt is defined as services for which payment is expected but is not received. In some cases, these patients may qualify for charity care or financial assistance but have been unwilling to complete the required paperwork due to a variety of personal reasons ranging from embarrassment to fear. Our records indicate that **14.9%** of the patients in this group do not have insurance and would possibly qualify for **\$1,607,365** of charity care. We will continue to work with our patients to help them qualify for charity care.

Government-Sponsored Healthcare

Silver Cross provided **\$44,681,000** in unreimbursed services at cost through the Medicaid (**\$22,544,000**) and Medicare (**\$22,137,000**) programs.

Obstetrics Care

Silver Cross continues to provide obstetrical care for poor and uninsured expectant mothers from the Will County Community Health Center, a division of the Will County Health Department and Aunt Martha's Joliet Community Center, delivering more than 600 babies from community centers in FY24.



What's more, to ensure babies with special needs can receive all the care they need under one roof, and families can stay together close to home, Silver Cross opened Will County's first and only Level III Neonatal Intensive Care Unit (NICU) in August 2022.

The Amy, Matthew and Jay Vana Neonatal Intensive Care Unit at Silver Cross features 24 private, single-family rooms. It's modeled after the NICU of Ann & Robert Lurie Children's Hospital in Chicago, staffed by Lurie neonatologists around the clock and equipped to care for newborns who require the most advanced treatment.

This includes:

- Assisted ventilation
- Neonatal surgery
- Nitric oxide therapy and
- Subspecialty diagnosis, consultation, and treatment for congenital anomalies

Notably, as the only Level III NICU in Will County, the NICU is a destination for premature or ill babies born at other nearby hospitals.

Pediatric Care

There was a total of over **248** pediatric inpatient admissions at Silver Cross. Of those, **33%** of the admissions were covered by Medicaid or uninsured.

Aligning Our Programs and Services with MAPP

At Silver Cross Hospital, we continue our tradition of caring for the community by providing programs and services that meet the community's needs. Since 2009, Silver Cross Hospital has participated in the Will County healthcare assessment and planning process.

Through the Mobilizing for Action through Planning and Partnerships (MAPP) initiative, Silver Cross Hospital participates with other healthcare and community organizations to create the *Will County Community Health Needs Assessment (CHNA) and Strategic Plan*.

This assessment utilizes national public health performance standards by the Centers for Disease Control and Prevention to gather information through community surveys and focus groups. MAPP has enabled organizations to engage in a county-wide strategic planning process to ensure that area residents receive the best possible public health services.

To ensure we are aligned with the most current community needs, a number of Silver Cross Hospital professionals have participated on the MAPP Steering Committee, Behavioral Health Action Team, Primary Care Action Team, and Chronic Care Action Team.

Silver Cross Hospital has used the *Will County Community Health Needs Assessment (CHNA) and Strategic Plan* as a resource tool to develop its community programming. Silver Cross' programs and services fall into the following four categories: **Access to Healthcare, Access to Food and Nutrition, Behavioral Health and Substance Use, and Stabilizing the Built Environment.**



MAPP Members

UChicago Medicine Advent Bolingbrook	Silver Cross Hospital
Ascension Saint Joseph Joliet	Stepping Stones, Inc.
Aunt Martha's Youth Services	United Way of Will County
Catholic Charities	Valley View School District
Chestnut Health Systems	Will County Center for Community Concerns
Easterseals Joliet Region, Inc.	Will County Community Health Center
Edward Hospital	Will County Executive's Office
Governors State University	Will County Health Department
Greater Joliet YMCA	Will-Grundy Medical Clinic
Senior Services of Will County	

1.) Access to Healthcare



Silver Cross Hospital's mission to "improve the health of those we serve and advance wellness in the community" guides every decision we make. Ensuring access to healthcare for all is paramount, and in FY24, Silver Cross continued to make great strides by adding programs and technology to make our services even more accessible.

We've also expanded healthcare access in a number of critical ways: by adding primary care providers in our total service area; continuing to provide urgent care on our hospital campus and in neighboring Mokena; expanding our Homer Glen freestanding emergency department; and by continuing to partner with federally qualified healthcare centers in our community.

Primary Care

Silver Cross Hospital continues to actively recruit primary care providers – physicians and advanced practice providers – to expand access to healthcare via more than a dozen locations throughout our total service area.

What's more, through our partnerships with the Will Grundy Medical Clinic, Aunt Martha's and the VA Clinic on our former Joliet hospital campus, we continue to bring vitally needed primary care services to at-risk residents on the east side of Joliet.

In March 2024, Silver Cross Hospital opened our 42,000-square-foot **Premier Suburban Medical Group Orland Park Medical Pavilion** at 171st Street and LaGrange Road in Orland Park. The facility offers a full spectrum of primary and specialty care physicians and services, including lab, comprehensive imaging services, a cancer infusion center, endoscopy suite and more. Additionally, patients can conveniently schedule online appointments to see their provider of choice.



General Communication

Silver Cross provides consumer information, physician and service referrals through our 24/7 Call Center.

In FY24, we provided more than **2,000 physician and service referrals** to several thousand individuals at no charge. In addition, we continued to provide important health education through community programming and screenings, e-blasts, videos and social media.

IMatter Health Podcasts

Podcasting continues to be a popular way for consumers of all kinds to receive information, and hospitals are no different! To continue our commitment to make health information available across a spectrum of communications channels, Silver Cross introduced our IMatter Health Podcasts in January 2024.



We publish monthly podcasts on a wide range of health topics that consumers and their families are interested in, including weight loss, colorectal cancer, stress management, vaping and lung health, dementia, heart health and more. All podcasts, which also include video, are accessible through our website, our YouTube channel and all podcasting platforms. We also share them in our monthly e-newsletter and on our social media platforms.

Transportation

According to the most recent Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2023, access to transportation was identified and remains a top concern for individuals living in the region.

At Silver Cross, there have been several occasions when a patient has arrived at the hospital by ambulance but does not have a means of getting back home after discharge. To accommodate these individuals, we provided **\$5,991 in taxi and bus services in FY24**. What's more, we partner with Kaizen Health as an additional transportation resource for medical rideshare services. We also provide free valet and shuttle bus services on our campus for patients and their family members. Silver Cross also works in conjunction with Pace Transportation, Uber, and city and county officials to assess the availability of public transportation for residents of Will County whenever possible.

Donations

Area churches, schools and other not-for-profit organizations look to large employers like Silver Cross Hospital to support projects that positively impact our community. Silver Cross offered support through monetary donations, goods and services, and time.

Coverage for the Uninsured/Underinsured

*Every day at Silver Cross, we see that the absence of coverage is a significant barrier to people receiving the right care at the right time in the right setting. Our Emergency Department is a living example: **19%** of all visits in the hospital and Homer Glen Emergency Departments are classified as non-emergent; **40%** of these non-emergent visits were public aid recipients or uninsured patients. We demonstrate our strong commitment to providing care in our Emergency Department regardless of a patient's ability to pay.*

According to the most recent Will County Community Health Needs Assessment (CHNA) and Strategic Plan 2023, there is a need in the county to maximize and expand resources that will increase access to healthcare that is affordable, geographically accessible and culturally sensitive. To assist in this endeavor, staff from Silver Cross Hospital participate in the MAPP's Access to Care Committee.

To provide access and coverage for patients who were either uninsured or underinsured, Silver Cross supported the Will-Grundy Medical Clinic through free services and procedures as well as **\$20,000** in monetary donations in **FY24**. Silver Cross Hospital accepted Will-Grundy Medical Clinic patients for surgical procedures and related services for more than **\$1 million**. The Will-Grundy Medical Clinic provides free medical and dental services to individuals who do not have health insurance or the ability to pay for quality healthcare. Silver Cross encourages employees and its Medical Staff to volunteer time at the Will-Grundy Medical Clinic. Allied Anesthesia Associates also donated their services, estimated at **\$40,000**.

Lastly, Silver Cross assists patients in applying for government health programs including Medicaid, Medicare, State of Illinois' All Kids, Family Care and Get Covered Illinois.

Rehabilitation

Silver Cross Hospital continues to treat hundreds of patients through its partnership with the Shirley Ryan AbilityLab at Silver Cross Hospital (formerly the Rehabilitation Institute of Chicago). In 2024, Silver Cross offered several free fall and balance screenings for seniors and post-natal screenings for women. Additionally, Silver Cross outlaid **\$133,400** in expenses for rehabilitation student interns.

Obstetrics

Silver Cross Hospital continues to treat a large and growing portion of the Medicaid and uninsured population in our communities for inpatient obstetrical care, as **1,046** newborn deliveries from these populations were at Silver Cross. This represents **34%** of all deliveries at Silver Cross. In addition, these mothers received prenatal services and testing at Silver Cross.

Health Equity Plan

Silver Cross Hospital's mission to "improve the health of those we serve and advance wellness in the community" serves as the foundation of our efforts to promote health equity and reduce health disparities for the patients we are privileged to serve.

To further our work in promoting health equity and reducing health disparities, Silver Cross chartered a **Health Equity Steering Committee** in 2024. The goal of this steering committee is to provide strategic direction, coordination and oversight of health equity initiatives, and to ensure compliance with CMS, Joint Commission and Leapfrog requirements for addressing health disparities and social drivers of health. The committee developed the following health equity goals for 2024:

- Make care more accessible by ensuring that interpreter services are provided to those patients with an identified need for interpreter services.
- Ensure equitable care by promoting self-awareness of implicit biases against patients from racially and ethnically minoritized groups and stereotypes about the behavior or health of patients in these groups.
- Decrease the rate of severe maternal morbidity, pregnancy related mortality and pregnancy complications in the hospital setting by providing education for ED providers on high acuity recognition of sick post-partum patients and timely escalation of care to obstetrics.
- Decrease infant mortality by participating in the Illinois Perinatal Quality Collaborative (ILPQC) on Equity and Safe Sleep for Infants (ESSI)
- Embed Equity into Safety Reporting by fostering a culture that empowers patients and staff to speak up for safety and fosters a psychologically safe work environment.

Through the execution of this Health Equity plan, Silver Cross Hospital continues to live its promise to treat all patients the way they *should* be treated while providing added benefit to the communities we serve.

Prenatal Care

Silver Cross provides referrals to the Will County Health Department's Healthy Families Program. This program promotes positive parenting and child health and development, thereby preventing child abuse and other poor childhood outcomes.

Silver Cross continues to actively participate in the Joliet Area Breastfeeding Alliance (JABA) and the International Lactation Consultant Association (ILCA) to reach mothers in the local community who are or

would like to breastfeed. Silver Cross also partners with Ann & Robert H. Lurie Children's Hospital of Chicago to provide neonatal coverage for all high-risk deliveries.

In addition, Silver Cross has certified lactation consultants available to support new moms who choose to breastfeed their babies. They offer education and support before and after delivery, even for those babies who were not delivered at Silver Cross.

Premature Births

Premature births continue to be a major health concern in Will County. To respond to this threat, Silver Cross opened Will County's first and only neonatal intensive care unit (NICU) in August 2022. The 24-bed Amy, Matthew and Jay Vana NICU is located on the third floor of Silver Cross Hospital's new addition on the east side of the hospital, adjacent to our birthing center and features all single-family private rooms. Modeled after and staffed 24/7 by neonatologists from the NICU of Ann & Robert H. Lurie Children's Hospital of Chicago, Silver Cross Hospital's Level III NICU provides care for seriously ill or very premature newborns.

Patients are safely cared for by a team of highly skilled neonatologists, neonatal nurse practitioners, neonatal nurses, therapists, and other caregivers and have immediate access to Lurie Children's Hospital pediatric medical and surgical subspecialists.

In Fiscal Year 2024, our NICU cared for its very first micro-preemie, born at 22 weeks gestation and expertly cared for in the hospital NICU for six months before her triumphant discharge in May 2024 with a huge send-off from staff and physicians. Baby Nyla Brooke Haywood's incredible survival story captured a global audience, garnering 1.86 billion media impressions around the world. In August, the NICU also hosted its first NICU reunion, attended by more than 150 parents, family members and NICU graduates.



Emergency Services

The Emergency Department at Silver Cross Hospital in New Lenox and our Homer Glen Free-Standing Emergency Care Center cared for **more than 77,100 patients in FY24**.

To accommodate the growing number of patients seeking emergency care at our Homer Glen location, last spring, we invested **\$3 million** in this facility by adding 3 more treatment rooms and a procedure room; expanding our laboratory, adding a 2nd blood-draw area; and by expanding ultrasound testing.

In addition, we offer urgent care services at our Urgent Care Center in New Lenox, opened in July 2020, and our second Urgent Care Center in Mokena, which opened in the fall of 2021.

These two facilities provide care for patients with flu and cold symptoms, broken bones and fractures, stomach and joint pain, infections, minor burns, asthma, allergic reactions and more.



Silver Cross Emergency Medical Services System

Silver Cross continues to serve as the resource hospital for the Silver Cross EMS System, training **49** paramedics from more than a dozen fire departments and ambulance services, including dispatch centers in Cook and Will counties in **FY24** at a total cost of **\$530,170**. This program provides the initial paramedic training, continuing education, and monitoring of ambulance service and staff within Will, Cook and Grundy Counties. Silver Cross also provided EMS training and program development assistance for medical providers in other states.

The Silver Cross EMS System is a network of more than 2,000 specially trained personnel within 34 fire departments, ambulance services, industrial responder agencies, and dispatch centers, and four associate hospitals, all committed to the coordination of quality pre-hospital patient care.

Language Assistance

It's estimated that there are over 126,000 individuals of Hispanic background living in the Will County area – or approximately 18% of the entire population. (Source: census.gov 2020)

Silver Cross Hospital has a formal Limited English Proficiency (LEP) policy. What's more, we continue to provide Voyce language assistance 24 hours/day, 365 days/year. Voyce connects through an easy-to-use app via an iPad, delivering instant, accurate VRI/OPI medical interpretation, allowing for visualization of the interpreter as well as sign language if needed.

Through the use of a translation service, vital health information and educational materials are translated into Spanish or any other language. Further, Silver Cross continues to provide education and discharge instructions in Spanish, as well as a 24/7 bilingual Physician Referral Service, and signage with the Universal Hospital symbols to assist people in navigating through the campus.

Our website also features a link to Google Translate so patients and consumers can quickly and easily translate all content to their preferred language.

Coverage for Senior Citizens

To meet the needs of our significant senior population, Silver Cross offers education and outreach about health topics of interest and assistance with Medicare plan and prescription selection through our partnership with LifeSmart Senior Services.

In addition, Silver Cross provides dedicated billing experts to help senior patients sort through medical bills and determine appropriate payments for services provided not only by the hospital, but also by other healthcare facilities.

Prevention and Management of Disease

It takes more than blood pressure checks and medications to sustain a healthy lifestyle. It requires an understanding of the behaviors that cause poor health. At Silver Cross, we combine education and support to promote healthier lifestyles and improve health through health screenings, clinical lectures and

educational classes. In Fiscal Year, we offered 16 free community lectures on a variety of health-related topics including heart disease prevention, chronic heartburn, cancer prevention, arthritis and more.



Silver Cross Connected Care

Nearly 70% of Medicare beneficiaries have two or more chronic conditions such as arthritis, diabetes, heart disease and high blood pressure that requires regular care and an understanding of how they can proactively manage their conditions between medical appointments.

That is why Silver Cross developed its Connected Care program, which encourages a patient's doctor and clinical team to provide additional care in between visits to help patients manage their health and achieve their health goals. Patients are paired with a personal health coach – a registered nurse or mid-level provider – to create and share a tailored care plan. Once the plan is created, enrolled patients receive two weekly text messages to ensure they're managing their health and chronic conditions. Health coaches also are available to discuss lab results, medication schedules, schedule medical appointments and ensure patients avoid unnecessary and costly hospital visits.



In FY24 our Connected Care program delivered nearly **12,000 hours of in-between visit care for approximately 3,700 of our seniors with multiple chronic conditions, making our chronic care management program one of the biggest in the United States.** The care team is focused on activities around prevention, access to primary care, screening for social factors influencing health, and interventions on positive social factor screenings using community-based organizations. This program has increased access to primary care, resulting in reduction of hospitalizations and ED visits to Medicare and its beneficiaries.

Women's Health – Fighting Heart Disease & Breast Cancer

Cardiovascular disease continues to be a significant health concern in our community. According to the most recent *Will County Community Health Status Assessment*, hypertension and heart conditions are among the leading medical conditions that are found in Will County households. To provide help to these individuals, Silver Cross Hospital collaborates with the MAPP's community-wide coordination of cardiac education and services. What's more, nationally, the American Heart Association reports that heart disease is the number one killer of U.S. women.

Equally concerning for area women is their risk for breast cancer. In 1940, the lifetime risk of a woman developing breast cancer was 5%, or one in 20. The American Cancer Society estimates that risk to be 12%, or almost one in eight women. In many cases, it's not known why a woman gets breast cancer. In fact, 75% of all women with breast cancer have no known risk factors. To continue to meet the breast screening needs of our community, Silver Cross invested in a new digital mammography unit on our main campus last fall.

Silver Cross continues to educate women about the risk of both diseases through social media, regular e-blasts to more than 100,000 email addresses, articles and newsletters. We also offer an affordable \$49 Heart Scan that we heavily market to women and men. And, we've made scheduling a mammogram, Heart Scan and other diagnostic imaging services easier than ever through our online scheduling platform, SCHEDULE NOW.

Addressing Advanced Heart Disease and Heart Failure in ALL Populations

To accommodate the growing number of patients who need heart disease diagnosis and treatment, Silver Cross opened a freestanding **Heart and Vascular Center** on the east side of its campus in late September 2024.

The new Heart and Vascular Center offers a variety of treatments, including minimally invasive interventional radiology procedures such as paracentesis, port insertion and removal and other ultrasound-guided procedures; cardiac catheterizations; and percutaneous coronary intervention (PCI), one of the most commonly performed cardiac procedures done to open obstructed coronary arteries.

Patients undergoing cardiac catheterizations and interventions also have the option of choosing the radial-artery approach versus the femoral artery in the groin. That means minimal post-procedure bleeding, fewer complications, faster recovery and added patient comfort.



The hospital also participates in clinical trials related to heart disease treatment, and last summer, our Structural Heart team became the first in Illinois to utilize the Evolut™ FX+ transcatheter aortic valve replacement (TAVR) system from Medtronic. TAVR is a minimally invasive alternative to open-heart surgical aortic valve replacement and is used to treat symptomatic severe aortic stenosis (SSAS) for patients across all risk categories: extreme, high, intermediate and low.

Each year, more than 270,000 Americans are diagnosed with SSAS, which occurs when the aortic valve leaflets become stiff and thickened and have difficulty opening and closing. This makes the heart work harder to pump blood to the rest of the body. If left untreated, 50% of patients with symptomatic severe aortic stenosis can die from heart failure in as little as two years. TAVR boosts blood flow, allowing patients a greater quality of life and a return to their favorite activities.

This team also was one of the leading participants in the Edward Lifesciences Alliance x4 TAVR Trial, which also uses cutting-edge TAVR technology for the treatment of SSAS.

Heart failure is a leading cause for hospitalization, and the number one reason for hospital readmissions, particularly in the Medicare population. In early 2023, Silver Cross established the Advanced Heart Failure Clinic to help ensure that all patients have access to the care and resources they need to manage their chronic disease.

The Advanced Heart Failure Clinic offers an opportunity for patients to be seen by an Advanced Heart Failure physician and a nurse practitioner. The frequency and duration of the appointments depend on the needs of each patient and includes the use of an app powered by Carium for daily check-ins and monitoring. Cardiologists on staff at the Advanced Heart Failure Clinic collaborate with the patient's primary cardiology team to provide optimal care.

Fighting Cancer

Cancer is the second leading cause of death in the United States, and Will County mirrors this statistic. In keeping with the hospital's commitment to improving access to services, in 2012 the hospital opened the 20,000-square-foot Carolyn J. Czerkies Pavilion, which is home to the UChicago Medicine Comprehensive Cancer Center at Silver Cross Hospital.

The Cancer Center is a collaboration between Silver Cross and UChicago Medicine, bringing academic cancer specialists and access to more than 100 investigational therapies or clinical trials to a community hospital setting at Silver Cross. Patients have access to UChicago Medicine specialists, state-of-the-art chemotherapy and radiation therapy, a wide range of clinical trials close to home, and needed support throughout, thanks to our relationship with the Cancer Support Center.

To ensure cancer patients get the very best care, multi-disciplinary teams continue to meet in the UChicago Medicine Comprehensive Cancer Center at Silver Cross Hospital each week for a Breast Cancer Conference and Lung Cancer Conference. **In FY24 alone, 97 breast and lung cancer conferences were held in which 528 individual patient cases were presented.** At the conferences, physician specialists representing general surgery, medical oncology, radiation oncology, radiology, interventional radiology, pulmonology, plastic surgery, thoracic surgery and pathology review radiological images and pathology slides to develop a consensus treatment recommendation. The team documents the recommendations, and a certified breast and general nurse navigator provides the recommendation to the patient's doctor within 24 hours. Additionally, Silver Cross continues to provide free colon cancer screening kits to all who request them through our website.

In **September 2024**, Silver Cross hosted a free Cancer Prevention and Screening Event with **more than 50** individuals attending. Physicians and medical experts provided vital information on some of the most common cancers, including lung cancer, ear, nose and throat cancer, and skin cancer. Additionally, information about cancer clinical trials was provided, and program participants received free skin cancer screenings by a dermatologist on staff.

Additionally, Silver Cross has developed a plan to impact cancer prevention and awareness in the community by implementing the following programs:

- **Colon Cancer**

In **FY24**, Silver Cross provided **75** free colon cancer kit screenings to the community and continues to encourage individuals ages 45 and over that have never been screened for colon cancer to have a colonoscopy.

- **Breast Cancer**

In May 2024, we hosted a very well-attended breast cancer community education program in which radiation oncologist Anne McCall, M.D., discussed the very latest in breast cancer treatments. Silver Cross also was reaccredited by the National Accreditation Program for Breast Centers by the American College of Surgeons in late fall 2023.

- **Lung Cancer**

Silver Cross continues to offer its Lung Scan, a low-dose CT scan, which has demonstrated significant year-over-year growth since it was reintroduced in 2019. The screening detects nodules

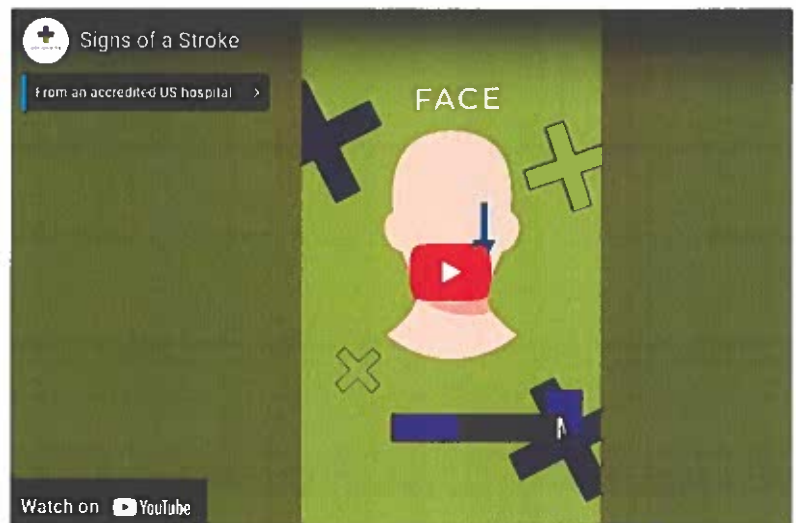
or spots on the lung and has been shown to reduce the lung cancer death rate by 20%. A dedicated lung cancer nurse navigator works with patients to confirm insurance coverage for the Lung Scan and helps create a seamless experience for lung cancer patients and providers, ensuring a timely experience from early screening through treatment – and beyond. Lastly, to catch and cure lung cancer more effectively, Silver Cross invested in the Ion robotic-assisted bronchoscopy platform to remove the earliest lung nodules in hard-to-reach parts of the lung.

Stroke

Stroke continues to be a leading cause of death and disability. To offer the most advanced care and treatment, Silver Cross Hospital collaborates with the University of Chicago Medicine to expand upon our already robust neuroscience program, which includes neurological cancer care, stroke care and neurosurgery. Through this arrangement, residents in Will County and beyond have even greater access to these vital services close to home. UChicago Medicine's *U.S. News & World Report* nationally ranked experts utilize a full range of technologies to provide the latest and most effective treatments for the entire spectrum of neurological diseases, including cancer, stroke and other neurological disorders. This expertise is now available to patients at Silver Cross.

Silver Cross Hospital is an Advanced Certified Primary Stroke Center, meaning it has demonstrated the ability to provide expert stroke care around the clock. A multi-disciplinary team that includes highly skilled neurologists, neuro-interventionalists, emergency department specialists, radiologists, neurosurgeons, nurses, therapists, pharmacists, technicians and more works together in a coordinated, collaborative system to ensure the best outcomes for patients who have suffered a stroke.

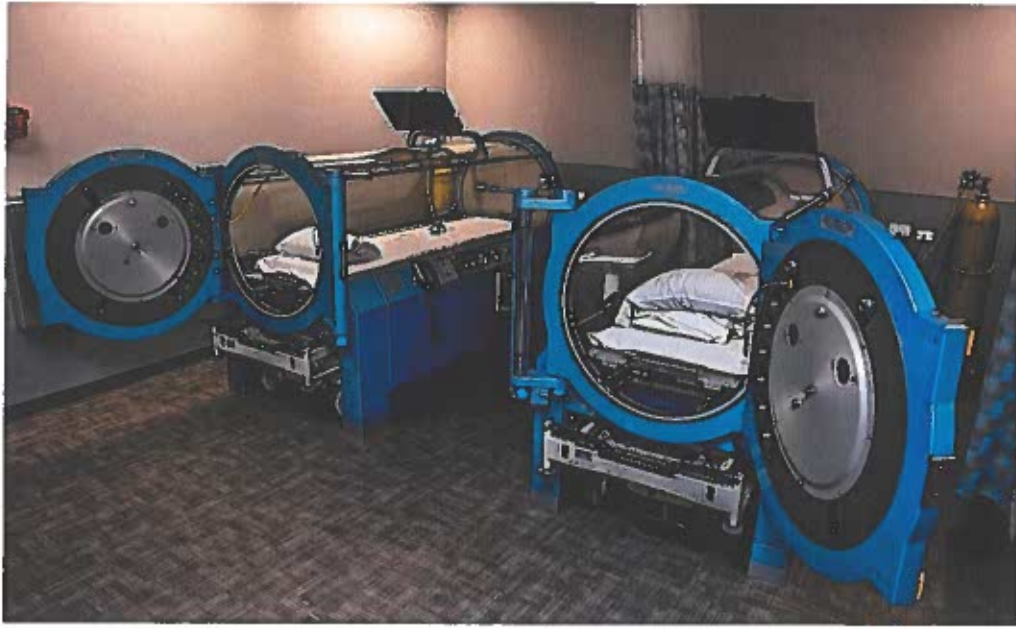
Silver Cross also has a robust stroke presence on its website and offers stroke prevention tips, especially during the month of May, which is Stroke Awareness Month.



Diabetes

As one of the first American Diabetes Association's recognized quality comprehensive diabetes management programs since 1996, the Silver Cross Diabetes Center is focused on helping individuals with diabetes manage their chronic condition and lower the risk of comorbid conditions such as heart disease and stroke.

Silver Cross also offers Silver Cross Center for Advanced Wound Healing and Hyperbaric Medicine, which treats, among many other types of wounds, diabetic foot ulcers. In 2024, the Center earned a Clinical Distinction Award for attaining exceptional outcomes and patient experience scores.



Obesity

Obesity continues to be a leading risk factor for illness; that's why Silver Cross Hospital provides a variety of educational support and nutritional counseling to fight obesity. The hospital also continues to offer its award-winning Crossroads to Health program (re-branded as IMatter Health/Employee Wellness in early 2024), to help our employees make better nutritional and exercise choices.

What's more, the Warren-Sharpe Community Center, supported by the Silver Cross Healthy Community Commission, continues to offer several programs such as Backyard Basics Classes, Kids in the Kitchen, and more.

2.) Access to Food and Nutrition



Food and nutrition are closely related to health. According to the Centers for Disease Control and Prevention, each year, chronic diseases account for 70% of all deaths in the United States. Poor diets lead to chronic illnesses such as heart disease, type 2 diabetes, hypertension, and obesity.

That is why ensuring community access to nutritious foods is a major priority for Silver Cross Hospital. We do this in several ways.

Screen and Intervene Community Relations Program

Studies demonstrate there is a connection between food insecurities and chronic diseases such as obesity, hypertension and diabetes. According to Feeding America, people who reported living in food-insecure households were more than twice as likely to develop Type 2 diabetes as those in food-secure households. Creating direct access to nutritious food and nutrition education can help patients better manage their symptoms and improve their quality of life.

Access to healthy, affordable food is a key component of obesity and chronic disease prevention and is cited in the 2023 Cross Hospital/Will County Community Health Needs Assessment (CHNA).

To bridge the gap between chronic disease and food insecurity, Silver Cross Hospital partners with the Northern Illinois Food Bank to address social determinants of health, specifically food insecurity, through its Screen and Intervene Program. The target population of the Screen and Intervene initiative is food insecure chronic disease patients.

At Silver Cross, all patients are screened to ensure they have proper food, nutrition and healthcare services. As a result, over **3,700** patients have been screened for food insecurity, and hundreds now have access to this weekly benefit through the online food pantry, My Pantry Express (MPX).



Silver Cross Connected Care (referenced earlier in this report) uses a technology platform, Phamily, that enables our care teams to connect with food-insecure patients through texting. It was determined that we could easily and cost-effectively screen thousands of patients using text messaging and workflow design within our existing Chronic Care Management program.

More than **93%** of members from the cohort group completed their annual wellness visits and **94%** completed depression screenings. Other preventative services based on age and gender were delivered such as mammograms and colonoscopies.

Wrap-around services include but are not limited to:

- Bi-Weekly "check-ins" to drive patient engagement with care teams
- Patient chart review and flagging with care gaps and annual wellness visit status
- Vital checks – glucose, blood pressure, gait, falls, depression and loneliness, medication changes and appointments
- Readmission prevention through high-touch care
- Palliative and home health referral management
- Lifestyle Interventions with instruction on proper diet, sleep, movement, etc.
- Transitional care management services after discharge from the hospital
- Smoking and alcohol screening and cessation programs.

Community Garden

Silver Cross continues to work with the Warren Sharpe Community Center, which strives to improve the quality of life for the people in the community.

The center also addresses food insecurities within its area through the Green Sprout Urban Farm, a project designed to educate youth about agriculture, healthy food choices and increased physical activity along with supporting their food pantry.

The center currently serves 250+ meals per week to needy children and now has four complete lots for gardens, which are handicapped accessible.

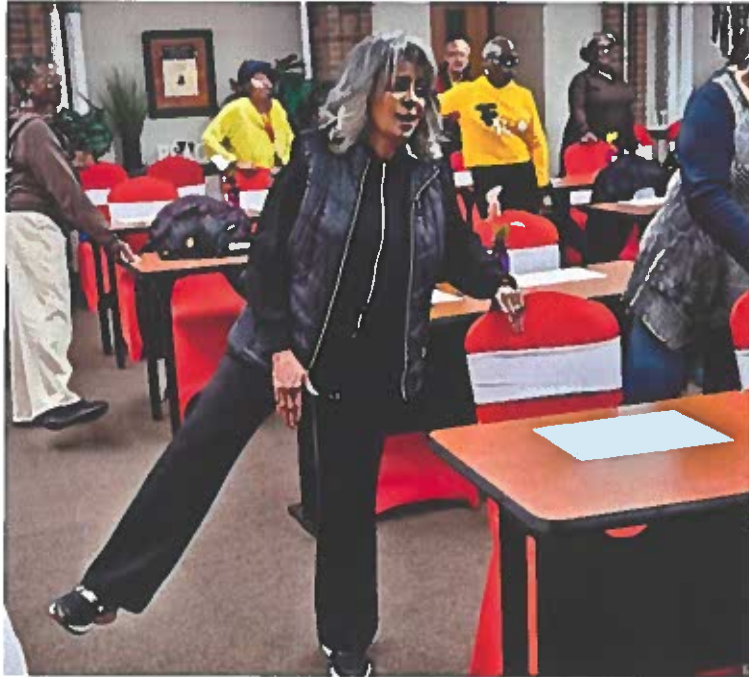
Other events sponsored by the center include: Kids in the Kitchen, a cooking and nutrition class for children and parents that focuses on healthy food choices and how to prepare meals within budget; Parenting Support Group requiring parents whose children are in programs to participate in monthly forums; and Girls Rock Program designed to help girls develop creativity, self-esteem and important life skills.



Additionally, our Silver Cross Healthy Community Commission supports both the Harvey Brooks Foundation and the National Hook-up of Black Women, Joliet Chapter, which actively promote efforts to provide food and nutrition to residents in our total service area through community gardens and grocery

distribution through the Northern Illinois Food Bank.

What's more, Silver Cross provides speakers and clinicians for the National Hook-up's health and wellness screenings and seminars throughout the year. The programs cover a variety of healthy living topics, including physical activity, healthy eating, sleep disorders and treatments, diabetes, preventing falls and more.





3.) Behavioral Health and Substance Use

Mental health continues to be a leading concern nationally and closer to home. Silver Cross has taken tremendous strides to address mental healthcare in our service area through the creation of vital partnerships and programs, described in more detail on the following pages.

In April 2024, Silver Cross had the honor of hosting Illinois Governor JB Pritzker, Lt. Governor Juliana Stratton, several members of the Illinois General Assembly and many local officials during Gov. Pritzker's groundbreaking Healthcare Protection Act (HPA) statewide tour.

Silver Cross was one of 5 hospitals around the state that Gov. Pritzker chose to share his important message about returning the power of healthcare decision-making back to patients and their doctors – where it belongs.

Among other things, Gov. Pritzker's legislation bans step therapy, a strategy by health insurers that requires patients to first try a lower cost prescription drug before stepping up to a similar-acting, more expensive (and often more effective) medication. The legislation also eliminates the need for insurance prior authorization for adults and children in the midst of a mental health crisis, lowering overall healthcare insurance costs for patients – and ultimately saving lives.

As an organization that always puts patients first, Silver Cross fully supported Gov. Pritzker's Healthcare Protection Act, which was signed into law last July.



Accessing Inpatient and Outpatient Behavioral Health through Silver Oaks Behavioral Hospital

Through our joint venture with US HealthVest, Silver Oaks Behavioral Hospital continues to offer critically needed mental health and substance use disorder treatment to our surrounding communities. Opened in 2019, this 110-bed facility is equipped with the latest safety features designed to provide patients with a comfortable environment to receive therapeutic care.

Therapy modalities are evidence-based models proven to decrease symptoms of mental illness and help patients find lasting change. Silver Oaks Behavioral Hospital offers a caring environment with licensed

psychiatrists, nurses, therapists and technicians with programs for children as young as 12 all the way up to geriatric care for seniors.

Through our partnership, we have a shared medical staff and hold weekly huddles with our Silver Oaks partners, which includes the President/CEO of Silver Cross and Silver Oaks and various clinicians. What's more, Silver Oaks social workers are stationed in the Silver Cross Hospital Emergency Department to ensure patients who arrive in our ER are screened by mental health experts on a timely basis.



Thriveworks Program

Anxiety, stress, depression and other mental illnesses continue to be global health concerns, especially among those with limited access to mental healthcare. They're also present right here in the communities we serve. But through our partnership with the City of Joliet and Thriveworks, Silver Cross is helping to make affordable mental healthcare more accessible than ever before. Uninsured residents have access to Thriveworks' mental health services through a voucher dispatched by the City of Joliet Fire Department while residents with insurance will have any out-of-pocket expenses covered.

***In fact, just two years after the program began, Joliet officials reported that suicides had decreased by more than 50% in Joliet, and there were no teen suicides reported.**

Expanding access to affordable mental healthcare services is perfectly aligned with our Silver Cross mission to "improve the health of those we serve and advance wellness in our community." Silver Cross donated office space to Thriveworks so they can treat all who need these vital services.



Thriveworks Joliet also features TherapyLand®, Thriveworks' unique pediatric behavioral health center equipped with the best resources to foster child development, mental health counseling, including designated areas for home/kitchen play, sandbox play, dress up, blocks, puppets, nurturing toys, art supplies, and more.

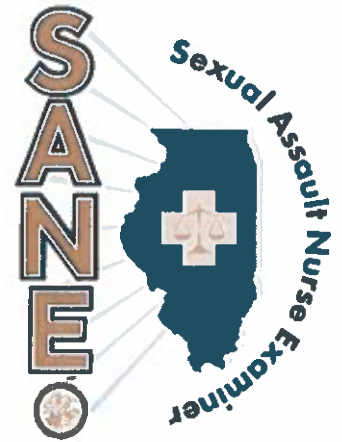
SANE Coordinator Continues to Assist Victims of Sexual Assault

Sexual Assault Nurse Examiners are crucial in ensuring that sexual assault patients receive more compassionate care. In Illinois, specially trained nurses are able to reduce re-traumatization of patients and improve the quality of forensic evidence collection, which in turn increases prosecution rates of offenders.

At Silver Cross, victims of sexual assault are first examined by a physician to make sure there are no immediate physical traumas to be addressed, such as any wounds or head injuries. They are then offered the services of a Sexual Assault Nurse Examiner (SANE), who is available to the victim within 90 minutes of arrival.

This assures quality patient care; full, fair and accurate forensic evaluations; and a multidisciplinary approach that holds offenders accountable for sexual assault crimes.

Patients are counseled about sexually transmitted diseases, human immunodeficiency virus (HIV) and acquired immunodeficiency virus (AIDS), pregnancy concerns and referred to other local agencies for additional assistance, including the Guardian Angel Home and the Will County Children's Advocacy Center.



4.)Stabilizing the Built Environment



Silver Cross Hospital's initiatives to improve the quality of life in our neighborhood focus on awareness of services, economic development, individual development and ensuring quality healthcare for every patient that comes to our hospital.

Fostering neighborhood safety and creating opportunities for people to improve their lives are key components of our community benefit program.

Creating a Healthier Community

In January 2008, the Silver Cross Hospital Board of Trustees and local community leaders launched a not-for-profit organization called the Silver Cross Healthy Community Commission. The Commission is chaired by Derrick Brown with 14 members that represent the interests of constituencies on Joliet's east side. The 501(c)3 Commission is committed to creating a stronger, healthier future for the neighborhood, which has suffered from a lack of economic development over many decades.

Unprecedented in Will County, the Commission was launched in response to the community's concern about the hospital's relocation from Joliet to New Lenox; since that time, the scope has been expanded beyond campus redevelopment to workforce initiatives, job training, scholarships and healthcare access. Additionally, our former Joliet campus is now home to a Veteran's Administration (VA) Clinic, Aunt Martha's Joliet Health Center, and Hope Manor Joliet, a Volunteers of America (VOA) housing complex for veterans with families.

The Healthy Community Commission provides an extraordinary opportunity for the community to provide feedback, advice and direction to Silver Cross Hospital. Realizing that social and economic wellbeing are often factors impacting an individual's health, the Commission seeks to address a multitude of issues to improve the quality of life on the east side of Joliet.

Silver Cross Hospital provided **\$225,000 in FY24** to fund the Commission's work, bringing our total to **\$3.5 million in grants and scholarships since 2008**. These have included educational healthcare-related scholarships, workforce development grants and quality-of-life initiatives to over hundreds of individuals associated with several organizations, including:

- **After the Peanut**
- **Alpha Kappa Alpha Sorority**
- **Coalition of Black Trade Unionists**
- **Community Service Council**
- **Fighting Chance**
- **Girl Scouts of America**
- **Greater YMCA Joliet**
- **Hispanic/Latino Coalition of Will County**
- **NAACP (National Association for the Advancement of Colored People)**
- **National Hook-up of Black Women**
- **Redeemed Connections**
- **Senior Services**
- **Spanish Community Center**
- **United Cerebral Palsy-Center for Disability Services**
- **Warren Sharp Community Center**

These scholarship students attend the following colleges:

Alabama State University	Joliet Junior College	Spelman College
Butler University	Lewis University	Trinity Christian College
Chamberlain College of Nursing	Loyola University	University of Aurora
Columbia University	Maranatha Baptist College	University of Illinois
Eastern University	Northern Illinois University	University of Missouri
Governor's State University	Olivet Nazarene University	University of St. Francis
Howard University	Purdue University	Western Governors University
Illinois State University	Saint Xavier	Western Illinois University
Jackson State University	Southern Illinois University	

In addition, Silver Cross enhanced its faith-driven community outreach program to include more of the network of churches that are in the underserved neighborhoods on Joliet's east side. This was the logical step to reach the underserved population since churches are where residents gather to find resources such as health screenings, education and lectures. In 2024, Silver Cross provided valuable health information to many churches and community organizations to share with their members through educational newsletters and e-blasts, urging them to get regular check-ups and screenings.

Creating a Diverse, Equitable and Inclusive Workforce

At Silver Cross, we're committed to working together to achieve diversity, equity and inclusion (DEI).



And leading the way in this important endeavor is our Diversity, Equity & Inclusion Council, a diverse group of employees and leaders from across our organization, dedicated to ensuring that DEI guides every aspect of our culture, including our leadership, hiring, retention, promotion, training and communication practices.

In addition, we offer DEI educational forums to new and existing employees to shed light on unconscious bias, prejudice and inequity – especially in its most subtle forms.

In Fiscal Year 2024, our DEI Council hosted **21 listening sessions**, which were attended by **157 employees**.

Pathway Program Encourages Healthcare Careers

In 2022, Silver Cross Hospital, Joliet Junior College and Lewis University joined forces to educate our community about careers in the field of healthcare. The Pathway Program featured education about a wide range of healthcare career opportunities, including nursing, phlebotomy, imaging, ancillary and support roles, dietary services and more.

Interested students attended informational sessions and, if interested, applied for healthcare certification or degree programs at Joliet Junior College and Lewis University, with the potential for employment at Silver Cross after completion. Funding also covered tuition, books and fees.

In all, the program awarded a combined **\$80,000+** in scholarships to local students in 2023 and 2024.



Nursing Student Loan Repayment Program

Old National Bank, Silver Cross Hospital and the Lewis University College of Nursing and Health Sciences continue to provide student loan repayment support of up to \$27,000 for Lewis nursing graduates who pursue a nursing career at Silver Cross after graduation.

The program helps alleviate some of the concern over student debt for nursing graduates while promoting Silver Cross Hospital's, Lewis University's and Old National's commitment to the future of the nursing profession. Equal payments are made over a four-year period which they can use to assist in repaying their student loans. In order for Lewis University graduates to qualify, they must

- Complete their BSN degree at Lewis University
- Pass the NCLEX licensure exam
- Commit to a nursing career at Silver Cross for a minimum of four years
- Participate in Silver Cross' Student Nurse Assistant Program, complete a clinical rotation at the hospital, or work in a paid summer employment opportunity at Silver Cross.

New Partnership with Moraine Valley Community College

Last September, we announced our new clinical collaboration with Moraine Valley Community College in Palos Hills – thanks in part to \$1.5 million in state funding secured by State Senators Michael Hastings and Bill Cunningham. The program will help train the next generation of nurses and meet the growing healthcare needs in the southwest suburbs. Students from a variety of healthcare disciplines, including nursing, now perform clinical rotations at Silver Cross. The partnership was announced at a special press conference at Moraine Valley's Tinley Park campus with college officials, Silver Cross leaders and legislators in attendance.



Silver Cross Foundation Awards More than \$90,000 in Employee Scholarships

Just as Silver Cross continues to invest in new facilities, technology and programs, it is equally important that we continue to invest in our staff as they truly are what makes the Silver Cross community special. In 2024, the Silver Cross Foundation distributed **nearly \$90,000** in educational scholarships to **69** deserving

individuals. An additional 7 employees also received scholarships made available by the Silver Cross Healthy Community Commission and the Healthcare Workers Pathways Program for the 2023-24 academic school year.



Since 1895, Silver Cross Hospital has lived our promise to treat all patients The Way They Should Be Treated while continuing to provide added benefits to the communities we serve.

Section XI
Attachment 40
Flood Plain Compliance

1. As set forth in ATTACHMENT 5, the Silver Cross Orland Park Medical Office Building will be located in flood plain Zone X, which is designated as an area of low flood risk not requiring flood insurance.
2. See Flood Insurance Rate Map No. 17031C0586J (revised August 19, 2008), which is attached at ATTACHMENT 5.
3. See attached flood plain determination form (completed) at ATTACHMENT 40.

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

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

1. Applicant: Silver Cross Hospital and Medical Centers, 1900 Silver Cross Boulevard, New Lenox, Illinois, 60451
2. Project Location: 15505 East 127th Street, Lemont, Illinois
3. Project Location: Cook County, Village of Lemont, Illinois 60439, 17031C0586 (eff. 8/19/2008)

4. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go To NFHL Viewer** tab above the

map. You can print a copy of the floodplain map by selecting the  icon in the top corner of the page.

Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

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

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

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN? Yes: X (Zone X) No: ___

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

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

FIRM Panel Number: 17031C0586J

Effective Date: 8/19/2008

Name of Official: _____

Title: _____

Business/Agency: _____

Address: _____

Signature: _____

Date: _____

NOTE: This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

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

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

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	23-25
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3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	29
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	30-31
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6	Historic Preservation Act Requirements	36-38
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17	Assurances for Unfinished/Shell Space	N/A
18	Master Design	N/A
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20	Comprehensive Physical Rehabilitation	N/A
21	Acute Mental Illness	N/A
22	Open Heart Surgery	N/A
23	Cardiac Catheterization	N/A
24	In-Center Hemodialysis	N/A
25	Non-Hospital Based Ambulatory Surgery	N/A
26	Selected Organ Transplantation	N/A
27	Kidney Transplantation	N/A
28	Subacute Care Hospital Model	N/A
29	Community-Based Residential Rehabilitation Center	N/A
30	Long Term Acute Care Hospital	N/A
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33	Birth Center	N/A
	Financial and Economic Feasibility:	
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