ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Advocate Lutheran General Hospital - CCC Project
Street Address: 1650 Luther Lane (new CCC) and 1700 Luther Lane (existing CAC)
City and Zip Code: Park Ridge, IL 60068
County: Cook Health Service Area: 7 Health Planning Area: A-07

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

Exact Legal Name: Advocate Health and Hospitals Corporation d/b/a Advocate Lutheran General Hospital
Street Address: 1775 Dempster Street
City and Zip Code: Park Ridge, IL 60068
Name of Registered Agent: The Corporation Company
Registered Agent Street Address: 600 S. 2nd Street Suite 104
Registered Agent City and Zip Code: Springfield, IL 62704
Name of Chief Executive Officer: Allison Wyler
CEO Street Address: 1775 Dempster Street
CEO City and Zip Code: Park Ridge, IL 60068
CEO Telephone Number: 630-275-1901

Type of Ownership of Applicants

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Allison Wyler
Title: Hospital President - Advocate Lutheran General Hospital
Company Name: Advocate Lutheran General Hospital
Address: 1775 Dempster Street, Park Ridge, IL 60068
Telephone Number: 630-275-1901
E-mail Address: allison.wyler@aah.org
Fax Number:

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

Name: Myndee Gomberg Balkan
Title: Director, Health Facilities Planning
Company Name: Advocate Health
Telephone Number: 847-721-0376
E-mail Address: myndee.balkan@aah.org
Fax Number:

Additional Contact [Person to receive ALL correspondence or inquiries]

Name: Roberto Orozco
Title: Director, Central Chicagoland & North Illinois Regions, Design & Construction
Company Name: Advocate Health
Address:
Telephone Number: 773-308-4474
E-mail Address: roberto.orozco@aah.org
Fax Number:

Additional Contact [Person to receive ALL correspondence or inquiries]

Name: Beth Hickey
Title: Vice President, Finance, Lutheran General Hospital and North Chicago Area
Company Name: Advocate Health
Address: 1775 Dempster Street, Park Ridge, IL 60068
Telephone Number: 847-723-2220
E-mail Address: beth.hickey@aah.org
Fax Number:

Facility/Project Identification

Facility Name: Advocate Lutheran General Hospital - CCC Project
Street Address: 1650 Luther Lane (new CCC) and 1700 Luther Lane (existing CAC)
City and Zip Code: Park Ridge, IL 60068
County: Cook Health Service Area: 7 Health Planning Area: A-07

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

Exact Legal Name: Advocate Aurora Health Inc.
Street Address: 2025 Windsor Drive
City and Zip Code: Oak Brook, IL 60523
Name of Registered Agent: The Corporation Company
Registered Agent Street Address: 600 S. 2nd Street Suite 104
Registered Agent City and Zip Code: Springfield, IL 62704
Name of President: Gabrielle Finley-Hazle
President Street Address: 2025 Windsor Drive
President City and Zip Code: Oak Brook, IL 60523
President Telephone Number:

Type of Ownership of Applicants

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

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
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City and Zip Code: Park Ridge, IL 60068
County: Cook Health Service Area: 7 Health Planning Area: A-07

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

Exact Legal Name: Advocate Health Inc.
Street Address: 1000 Blythe Boulevard
City and Zip Code: Charlotte, NC 28203
Name of Registered Agent: The Corporation Company
Registered Agent Street Address: 600 S. 2nd Street Suite 104
Registered Agent City and Zip Code: Springfield, IL 62704
Name of Chief Executive Officer: Eugene Woods
CEO Street Address: 1000 Blythe Boulevard
CEO City and Zip Code: Charlotte, NC 28203
CEO Telephone Number:

Type of Ownership of Applicants

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

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Telephone Number: 847-723-2220
E-mail Address: beth.hickey@aah.org
Fax Number:

Post Permit Contact

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

Name: James Kokaska
Title: Vice President, Planning, Design & Construction
Company Name: Advocate Health, Inc
Address: 2025 Windsor Drive, Oak Brook, IL 60523
Telephone Number: 708-473-4692
E-mail Address: james.kokaska@aah.org

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Advocate Health and Hospitals Corporation d/b/a/ Advocate Lutheran General Hospital
Address of Site Owner: 2025 Windsor Drive, Oak Brook, IL 60523
Street Address or Legal Description of the Site: Advocate Lutheran General Hospital 1650 Luther Lane (new CCC) and 1700 Luther Lane (existing CAC), Park Ridge, IL 60068 **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: Advocate Health and Hospitals Corporation d/b/a Advocate Lutheran General Hospital
Address: 1775 Dempster Street, Park Ridge, IL 60068
☒ Non-profit Corporation ☐ Partnership ☐ For-profit Corporation ☐ Governmental ☐ Limited Liability Company ☐ Sole Proprietorship ☐ Other o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.
APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification :

☐ Substantive

☒ Non-substantive

2. Narrative Description

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

Advocate Health and Hospitals Corporation d/b/a Advocate Lutheran General Hospital, Advocate Aurora Health, Inc. and Advocate Health, Inc., the applicants, propose a comprehenensive outpatient Oncology project on the Advocate Lutheran General Hospital campus.

This project will include a two floor addition attached to the Center for Advanced Care (CAC) building on the Advocate Lutheran General campus. The existing CAC (modernization) is located at 1700 Luther Lane, Park Ridge, IL 60068. The new site (CCC) will be attached via a walkway, and will have the address of 1650 Luther Lane. The addition to the building will create a Comprehensive Cancer Center (CCC) and will relocate and expand outpatient Oncology services to create a comprehensive location to support patients, providers and expand access for services.

- The Comprehensive Cancer Center (CCC) project will relocate outpatient Hematology/Oncology and Transplant and Cellular Therapy (TCT) clinic and infusion services to create an integrated and expanded TCT Program and Oncology Service Line.
- Services will include Transplant and Cellular Therapy (TCT) clinics, apheresis services, outpatient TCT-related infusions, non-Oncology infusions, Chemotherapy and Immunotherapy Infusions, Blood Transfusions, Multispecialty Surgical Oncology clinics, Hematology Oncology clinics, and a relocated Cancer Survivorship Center. New and expanded laboratory and pharmacy services will be fully dedicated to Oncology patients.

The project will also include modernization of the outpatient lab on the Advocate Lutheran General Hospital campus located on the first floor of the existing CAC located at 1700 Luther Lane.

The project's total square footage will be 77,605 gsf of new construction (52,348 of clinical and 25,257 of non-clinical) and 5,813 gsf (1,350 of clinical and 4,463 of non-clinical) of modernization. The project cost is $99,146,720 with an anticipated completion date of December 31, 2028.

The project is classified as a non-substantive project, as it does not establish a new category of service nor facility as defined in 20 IL CS 3690/3.

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs to Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

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

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

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

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

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

Project Status and Completion Schedules

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

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary

☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): December 31, 2028.

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

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

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

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable?
☒ Cancer Registry
☒ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits

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

Cost Space Requirements

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

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

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

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

Facility Bed Capacity and Utilization

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

FACILITY NAME: Advocate Lutheran General Hospital		**CITY: Park Ridge, Illinois**			
REPORTING PERIOD DATES: From: Jan 1, 2024 to: Dec. 31, 2024					
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical *	370*	17,753	111,353	-	370*
Obstetrics	51	4,020	10,176	-	51
Pediatrics	48	4,180	14,722	-	48
Intensive Care	85	4,962	21,906	-	85
Comprehensive Physical Rehabilitation	45	907	12,632	-	45
Acute/Chronic Mental Illness	55	1,153	8,852	-	55
Neonatal Intensive Care	54	134	15,820	-	54
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:	708	33,109	195,461	-	708

***Includes bed changes (additional 22 M/S beds) approved by the HFSRB/IDPH to be operational 6/2026**

CERTIFICATION

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

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

This Application is filed on the behalf of Advocate Health and Hospitals Corporation d/b/a Advocate Lutheran General Hospital* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE	SIGNATURE
Dia Nichols PRINTED NAME	Jim Slinkman PRINTED NAME
President PRINTED TITLE	Assistant Secretary PRINTED TITLE
Notarization: Subscribed and sworn to before me this 5 day of November	Notarization: Subscribed and sworn to before me this _____ day of _____
Signature of Notary	Signature of Notary
Seal OLGA RAMIREZ OFFICIAL SEAL Notary Public, State of Illinois My Commission Expires March 06, 2027	Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

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Dia Nichols PRINTED NAME	Jim Slinkman PRINTED NAME
President PRINTED TITLE	Assistant Secretary PRINTED TITLE
Notarization: Subscribed and sworn to before me this _____ day of _____	Notarization: Subscribed and sworn to before me this 3RD day of NOV 2025
Signature of Notary	Signature of Notary
Seal	Seal

*Insert the EXACT legal name of the applicant

"OFFICIAL SEAL"
SARAH COSTANZO
Notary Public, State of Illinois
Commission No. 595167
My Commission Expires February 01, 2028

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SIGNATURE

Dia Nichols
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 5 day of November

Signature of Notary

Seal

OLGA RAMIREZ
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
March 06, 2027

SIGNATURE

Brett J. Denton
PRINTED NAME

Secretary
PRINTED TITLE

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

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

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SIGNATURE	SIGNATURE
Dia Nichols PRINTED NAME	Brett J. Denton PRINTED NAME
Vice President PRINTED TITLE	Secretary PRINTED TITLE
Notarization: Subscribed and sworn to before me this _____ day of _____	Notarization: Subscribed and sworn to before me this 4th day of November, 2025
Signature of Notary	Signature of Notary State of North Carolina
Seal	Seal County of Mecklenburg My Commission Expires: 1-28-28

*Insert the EXACT legal name of the applicant

CERTIFICATION

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Brett J. Denton
SIGNATURE

Brett J. Denton
PRINTED NAME

Secretary
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 4th day of November, 2025

Wendy Ruth Paytas
Signature of Notary

State of North Carolina
County of Mecklenburg
My Commission
Expires: 1-28-28

Seal

SIGNATURE

Bradley A. Clark
PRINTED NAME

Treasurer
PRINTED TITLE

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

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

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

This Application is filed on the behalf of Advocate Health, Inc.* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE	SIGNATURE
Brett J. Denton PRINTED NAME	Bradley A. Clark PRINTED NAME
Secretary PRINTED TITLE	Treasurer PRINTED TITLE
Notarization: Subscribed and sworn to before me this _____ day of _____	Notarization: Subscribed and sworn to before me this 6th day of November, 2025
Signature of Notary	Signature of Notary
Seal	Seal

ERIKA KIPFINGER
NOTARY PUBLIC
FORSYTH COUNTY
NORTH CAROLINA

My commission expires 5/19/2030

*Insert the EXACT legal name of the applicant

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

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

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.

3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

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

    b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted, or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction, and submit any police or court records regarding any matters disclosed.

    c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.

    d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.

    e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.

4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**

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

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

Criterion 1110.110(b) & (d)

PURPOSE OF PROJECT

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

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

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

4. Cite the sources of the documentation.

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

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

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

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

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

ALTERNATIVES

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

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost.

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes.

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality, and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

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

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

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:

    a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.

    b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.

    c. The project involves the conversion of existing space that results in excess square footage.

    d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

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

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.

2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area, or function.

3. Evidence that the shell space is being constructed due to:
    a. Requirements of governmental or certification agencies; or
    b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.

4. Provide:
    a. Historical utilization for the area for the latest five-year period for which data is available; and
    b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

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

There is no shell space in the proposed project.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and

3. The anticipated date when the shell space will be completed and placed into operation.

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

Not applicable.

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
☐		
☐		
☐		

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

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

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

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

VII. 1120.120 - AVAILABILITY OF FUNDS

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

_____	a)	Cash and Securities − statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion.
_____	b)	Pledges − for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests − verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts.
_____	d)	Debt − a statement of the estimated terms and conditions (including the debt time, variable or permanent interest rates over the debt time, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated. 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate. 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc. 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment. 5) For any option to lease, a copy of the option, including all terms and conditions.

_____	e) Governmental Appropriations − a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent.
_____	f) Grants − a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt.
_____	g) All Other Funds and Sources − verification of the amount and type of any other funds that will be used for the project.
	TOTAL FUNDS AVAILABLE

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

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

Variance

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

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

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

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

A. Reasonableness of Financing Arrangements

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

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

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

A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available.

2) That the selected form of debt financing will not be at the lowest net cost available but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors.

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (List below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									
* Include the percentage (%) of space for circulation									

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

SECTION X. SAFETY NET IMPACT STATEMENT

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

1. The project's material impact, if any, on essential safety net services in the community, ***including the impact on racial and health care disparities in the community,*** to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in each community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

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

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

	Outpatient			
	Total			

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

SECTION X. CHARITY CARE INFORMATION

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

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

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

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

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

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

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

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

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

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

1. Applicant: _____
(Name) (Address)

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

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

_____
(County) (Township) (Section)

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

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

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

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

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.
If the determination is being made by a local official, please complete the following:

FIRM Panel Number:_____ Effective Date:_____

Name of Official:_____ Title: _____

Business/Agency:_____ Address:_____

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

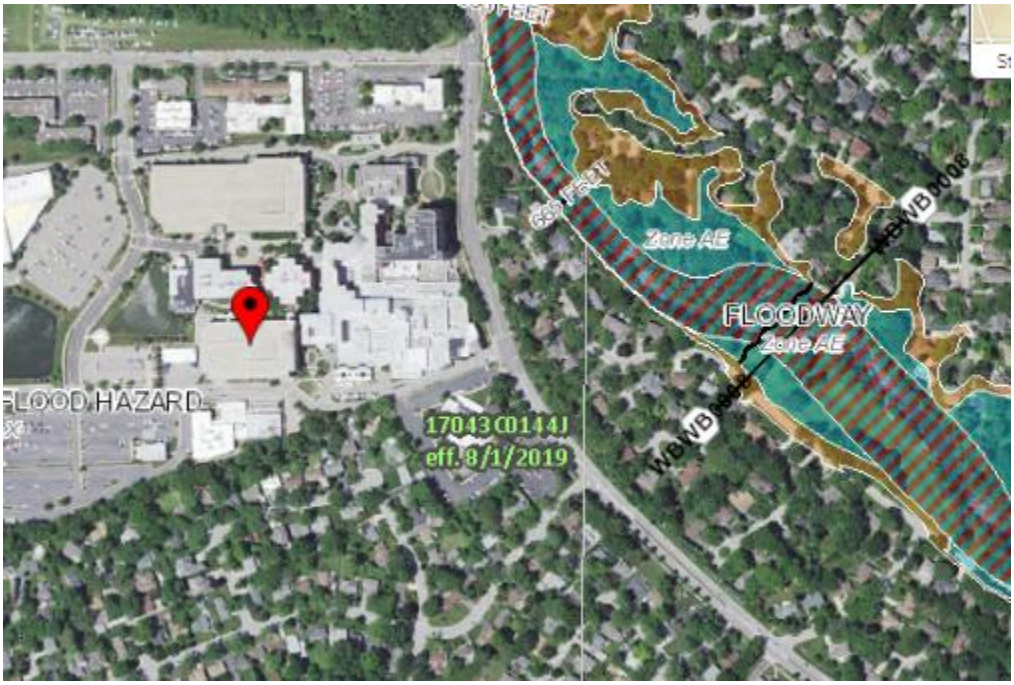
Signature:_____ Date: _____

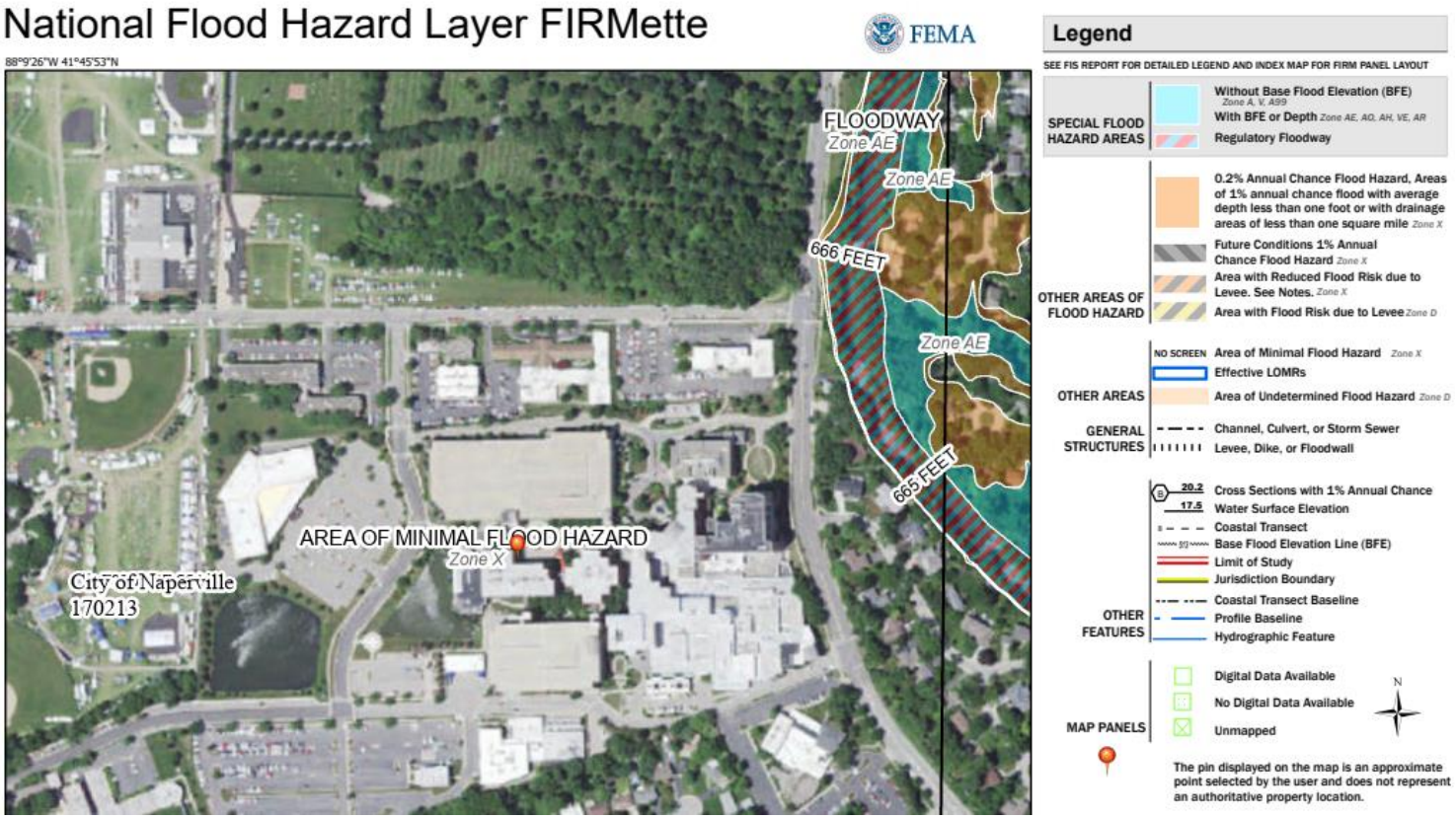
NOTE: This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

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

Floodplain Map Example

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





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

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Type of Ownership of Applicants

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

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

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

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

Provided for Attachment #1:

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

File Number 1004-695-5

To all to whom these Presents Shall Come, Greeting:

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

ADVOCATE HEALTH AND HOSPITALS CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 12, 1906, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 1ST *day of* DECEMBER *A.D.* 2025 .

Authentication #: 2533503650 verifiable until 12/01/2026
Authenticate at: https://www.ilsos.gov

Alexi Giannoulias
SECRETARY OF STATE

File Number 7155-851-7

To all to whom these Presents Shall Come, Greeting:

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

ADVOCATE AURORA HEALTH, INC., INCORPORATED IN DELAWARE AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON APRIL 03, 2018, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 1ST *day of* DECEMBER *A.D.* 2025 .

Authentication #: 2533503702 verifiable until 12/01/2026
Authenticate at: https://www.ilsos.gov

SECRETARY OF STATE

File Number 7376-313-4

To all to whom these Presents Shall Come, Greeting:

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

ADVOCATE HEALTH, INC., INCORPORATED IN DELAWARE AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON JUNE 28, 2022, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 1ST *day of* DECEMBER *A.D.* 2025 .

Authentication #: 2533503720 verifiable until 12/01/2026
Authenticate at: https://www.ilsos.gov

Alexi Giannoulias
SECRETARY OF STATE

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Advocate Health and Hospitals Corporation d/b/a/ Advocate Lutheran General Hospital
Address of Site Owner: 2025 Windsor Drive, Oak Brook, IL 60523
Street Address or Legal Description of the Site: 1650 Luther Lane (new CCC) and 1700 Luther Lane (existing CAC), Park Ridge, IL 60068 **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.

The proposed site is on the campus of Advocate Lutheran General Hospital. Advocate Lutheran General Hospital is located at 1775 Dempster Street, Park Ridge, IL 60068.

The project will include a two floor addition – a new building (CCC) with the address of 1650 Luther Lane and be adjacent and attached to the existing CAC (modernization) located at 1700 Luther Lane, Park Ridge, IL 60068.. Please see Attachment #2 Exhibit 1.

Advocate Health Care
Now part of ADVOCATEHEALTH

Advocate Health Care
2025 Windsor Drive
Oak Brook, IL 60523

T (630) 572-9393
F (630) 990-4752
advocatehealth.com

November 5, 2025

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

Re: Advocate Health and Hospitals Corporation d/b/a Lutheran General Hospital - Comprehensive Cancer Center (CCC) Project

Dear Mr. Kniery:

This attestation letter is submitted to indicate that Advocate Health and Hospitals d/b/a Advocate Lutheran General Hospital owns the site of the hospital located at 1775 Dempster Street, Park Ridge, Illinois 60068.

We trust this attestation complies with the State Agency Proof of ownership requirements indicated in the Permit application – June 2024 edition.

Respectfully,

Dia Nichols, FACHE
President, Advocate Health Care
Advocate Aurora Health, Inc.

Subscribed and sworn to me
This 5 day of November 2025

Notary Public

OLGA RAMIREZ
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
March 06, 2027

Advocate Health Care · AtriumHealth · Aurora Health Care · Wake Forest University School of Medicine

Operating Identity/Licensee

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

Exact Legal Name: Advocate Health and Hospitals Corporation d/b/a Advocate Lutheran General Hospital
Address: 1775 Dempster Street, Park Ridge, IL 60068
☒ Non-profit Corporation ☐ Partnership ☐ For-profit Corporation ☐ Governmental ☐ Limited Liability Company ☐ Sole Proprietorship ☐ Other o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

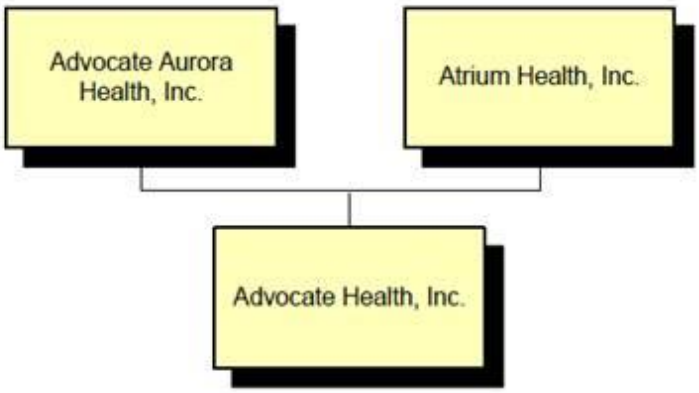
Illinois Certificates of Good Standing for the applicants are provided in Attachment 1 and are incorporated in Attachment 3 by reference.

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.
APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

See Attachment #4, Exhibit 1.

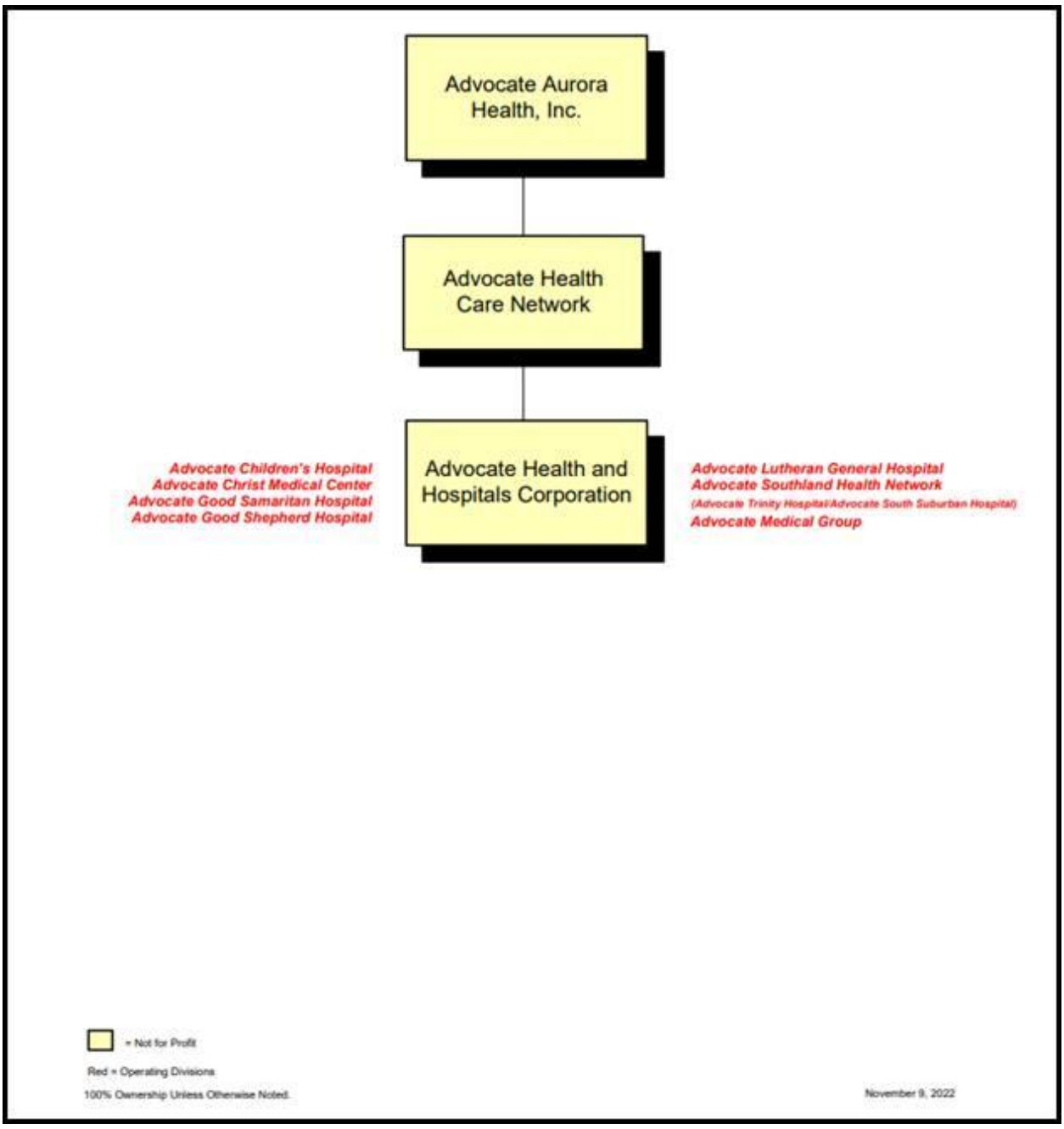
*Note because Advocate Health, Inc. has certain governance, management and operation oversight of Advocate Aurora Health, Inc. through a Joint Operating Agreement structure, it is also included as a co-applicant. Advocate Aurora Health, Inc. and Atrium Health, Inc. are the Corporate Members of Advocate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



= Not for Profit

100% Ownership Unless Otherwise Noted.

January 25, 2023


Advocate Aurora Health, Inc.
Advocate Health Care Network
Advocate Health and Hospitals Corporation
Advocate Children's Hospital
Advocate Christ Medical Center
Advocate Good Samaritan Hospital
Advocate Good Shepherd Hospital
Advocate Lutheran General Hospital
Advocate Southland Health Network
(Advocate Trinity Hospital/Advocate South Suburban Hospital)
Advocate Medical Group
= Not for Profit
Red = Operating Divisions
100% Ownership Unless Otherwise Noted.
November 9, 2022

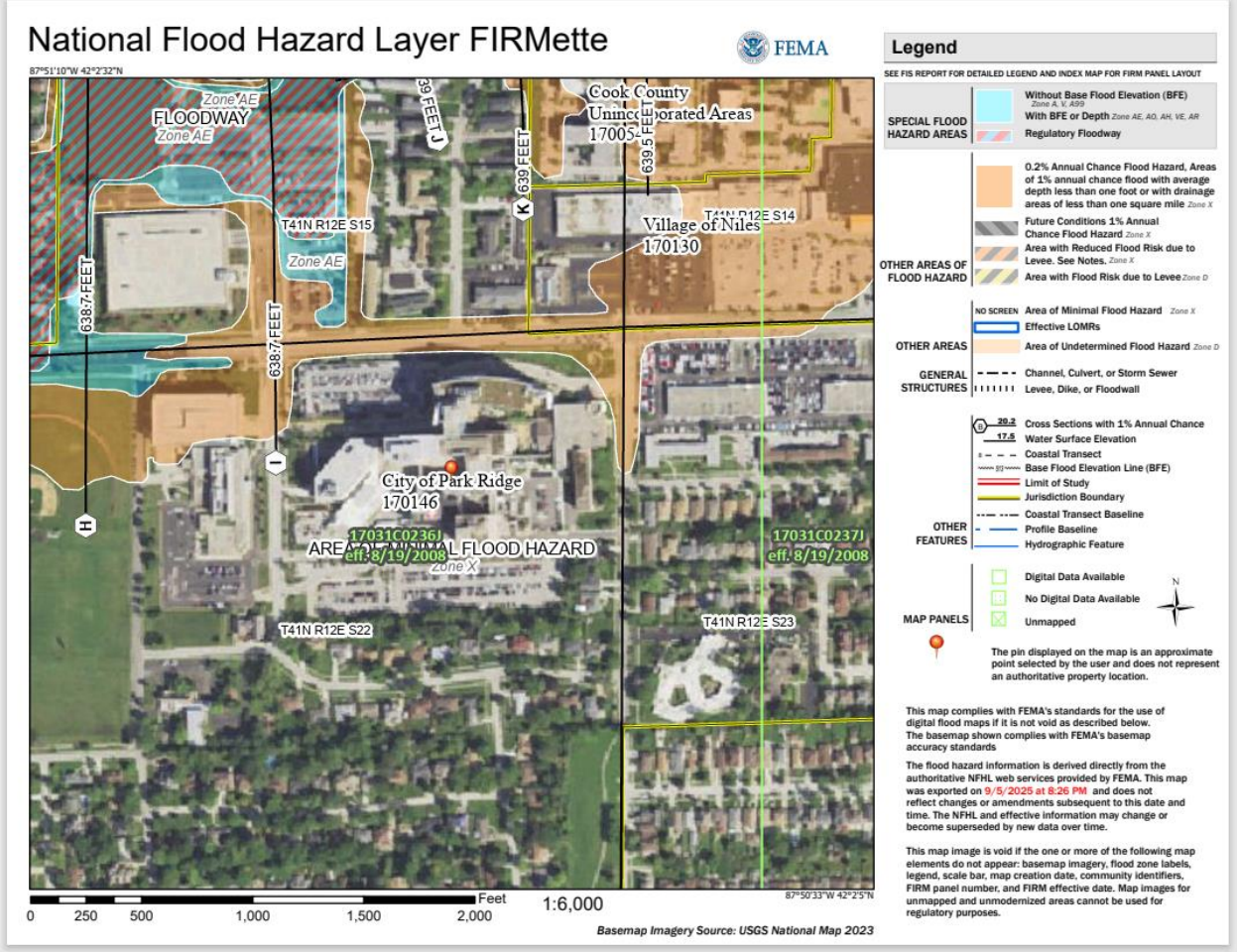
Flood Plain Requirements

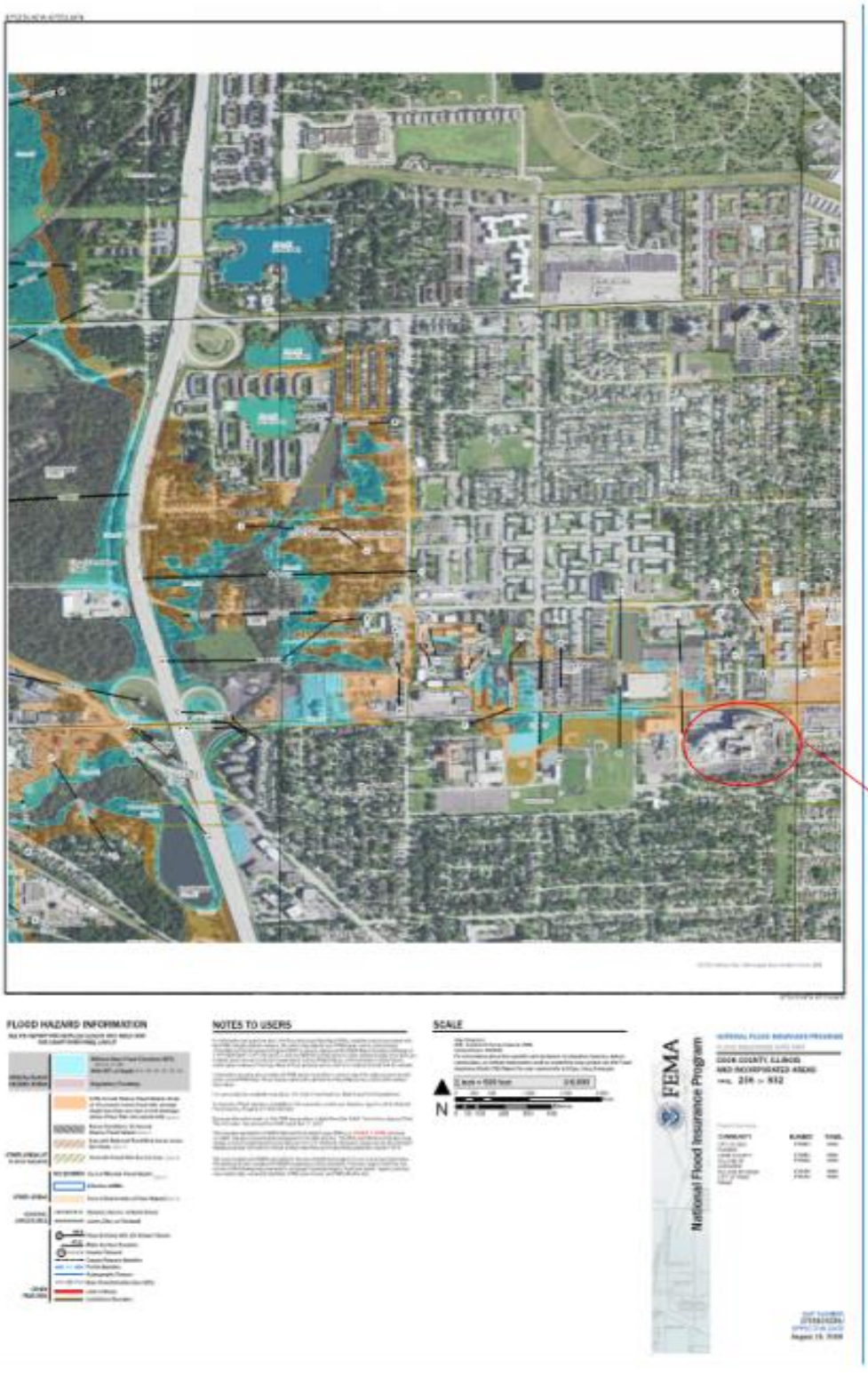
[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 **(http://www.hfsrb.illinois.gov)**.

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

By their signatures on the Certification, the applicants certify that the site for the proposed project is not in a flood plain, as identified by the most recent FEMA flood plain hazard map for this area. This project is not in a special flood hazard area and therefore complies with Illinois Executive Order #2006-5. Please see Attachment 5, Exhibit 1.


National Flood Hazard Layer FIRMette
FEMA
87°51'10"W 42°2'32"N
Zone AE
FLOODWAY
Zone AE
39 FEET J
639 FEET K
639.5 FEET
Cook County
Unincorporated Areas
17005
T41N R12E S15
Zone AE
T41N R12E S14
Village of Niles
170130
638.7 FEET
638.7 FEET
H
City of Park Ridge
170146
17031C0236J
eff. 8/19/2008
17031C0237J
eff. 8/19/2008
Zone X
T41N R12E S22
T41N R12E S23
0
250
500
1,000
1,500
2,000
Feet
1:6,000
87°50'33"W 42°2'5"N
Basemap Imagery Source: USGS National Map 2023
Legend
SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT
SPECIAL FLOOD HAZARD AREAS
Without Base Flood Elevation (BFE) Zone A, V, A99
With BFE or Depth Zone AE, AO, AH, VE, AR
Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD
0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
Future Conditions 1% Annual Chance Flood Hazard Zone X
Area with Reduced Flood Risk due to Levee. See Notes. Zone X
Area with Flood Risk due to Levee Zone D
OTHER AREAS
NO SCREEN Area of Minimal Flood Hazard Zone X
Effective LOMRs
Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES
Channel, Culvert, or Storm Sewer
Levee, Dike, or Floodwall
OTHER FEATURES
20.2
17.5
Cross Sections with 1% Annual Chance
Water Surface Elevation
Coastal Transect
Base Flood Elevation Line (BFE)
Limit of Study
Jurisdiction Boundary
Coastal Transect Baseline
Profile Baseline
Hydrographic Feature
MAP PANELS
Digital Data Available
No Digital Data Available
Unmapped
N
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.
This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards
The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 9/5/2025 at 8:26 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



Advocate Lutheran
General Hospital
1775 Dempster St.
Park Ridge, IL 60068

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.

A letter was sent to the Illinois Department of Natural Resources (IDNR), the Historic Preservation Division on December 8, 2025, requesting a determination letter for this project. The IDNR, the Historic Preservation Division, is in the process of replying to that request. The Historic Preservation Letter request is provided as Attachment 6 Exhibit 1.

Advocate Lutheran General Hospital

1775 Dempster Street || Park Ridge, IL 60068 || T 847.723.2210 || advocatehealth.com

December 8, 2025

Carol Wallace, Deputy State Historic Preservation Officer
Illinois State Historic Preservation Office
Illinois Department of Natural Resources
One Old State Capitol Plaza
Springfield, IL 62701

RE: National Historic Preservation Act

Dear Ms. Wallace,
Per the Certificate of Need, the guidance is to provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act. Identified as Attachment 6 to the CON application form; below is the following information provided with supporting documentation:

1. The project's county, street address, and municipality.

   1700 Luther Lane
   Park Ridge, Illinois 60068, Cook County

2. Complete description of your project, including any proposed ground-disturbing activity.

The project includes an expansion to our Center for Advanced Care with a new facility that will be identified as the Comprehensive Cancer Center, the address of the new facility is 1650 Luther Lane, Park Ridge, Illinois 60068.

- The expansion includes the consolidation of our cancer programs within a new 77,600 sf facility. The expansion includes the Transplant and Cellular Therapy program that supports a comprehensive cancer program.
- The modernization of approximately 5,800 sf for the ambulatory lab services and lobby within the existing Center for Advanced Care.

3. The names of state and/or federal agencies and entities that are providing funding, licenses, permits, or approvals for your project
   a. Illinois Department of Public Health Licensing Code #0004796
   b. Illinois Department of Public Health, Div. of Life Safety of Public Health
   c. City of Park Ridge, Illinois
      Building permit
4. The name, email address, phone, and mailing address of the project contact:

   Roberto Orozco, Director

   roberto.orozco@aah.org

847.723.8520

1775 Dempster Street, Park Ridge Illinois 60068

5. Previously assigned SHPO log numbers associated with your project (if any):

   IHPA Log #009022421 - see Attachment A

6. Total acreage involved in the project?

   The total acreage is 2.2 acres.

7. Year of construction for each structure on the project site

   The Center for Advance Care was renovated/expanded in October of 2006.

8. Description of any prior non-agricultural ground disturbance in the project area

   Not applicable, the area of expansion is a parking lot.

9. Any known historical information, architectural significance, significance to community, or association with a significant individual for any cultural resources within the project area.

   Not applicable, no known historical significance.

Maps & images to include with your submission:

1. A map showing your project's location

   See Attachment B

2. For projects that propose ground disturbance, please provide both a USGS 7.5-minute topographic map and recent aerial imagery with the project limits clearly outlined

   See Attachment C

3. Newly taken, color, digital images of the existing site and of all structures within.

   See Attachment D

4. Representative interior photos of any structures over 40 years of age

   See Attachment E

Advocate Lutheran General Hospital

1775 Dempster Street || Park Ridge, IL 60068 || T 847.723.2210 || advocatehealth.com

5. High-resolution digital scans of relevant historic photographs and previous architectural plans (if applicable/available)

Not available

If you have any questions, please contact me at roberto.orozco@aah.org.

Sincerely,

Roberto Orozco

Roberto Orozco
Advocate Aurora Health, Director, Planning, Design and Construction

Attachment A:

ILLINOIS DEPARTMENT OF NATURAL RESOURCES

Illinois Department of
Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov Mailing Address: 1 Old State Capitol Plaza, Springfield, IL 62701

JB Pritzker, Governor
Colleen Callahan, Director

FAX (217) 524-7525

Cook County
Park Ridge
CON - Modernization of Surgical Department, Advocate Lutheran General Hospital
1775 Dempster St.
SHPO Log #009022421

March 24, 2021

Roberto Orozco
Advocate Aurora Health
1775 Dempster St.
Park Ridge, IL 60068

Dear Mr. Orozco:

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

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

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

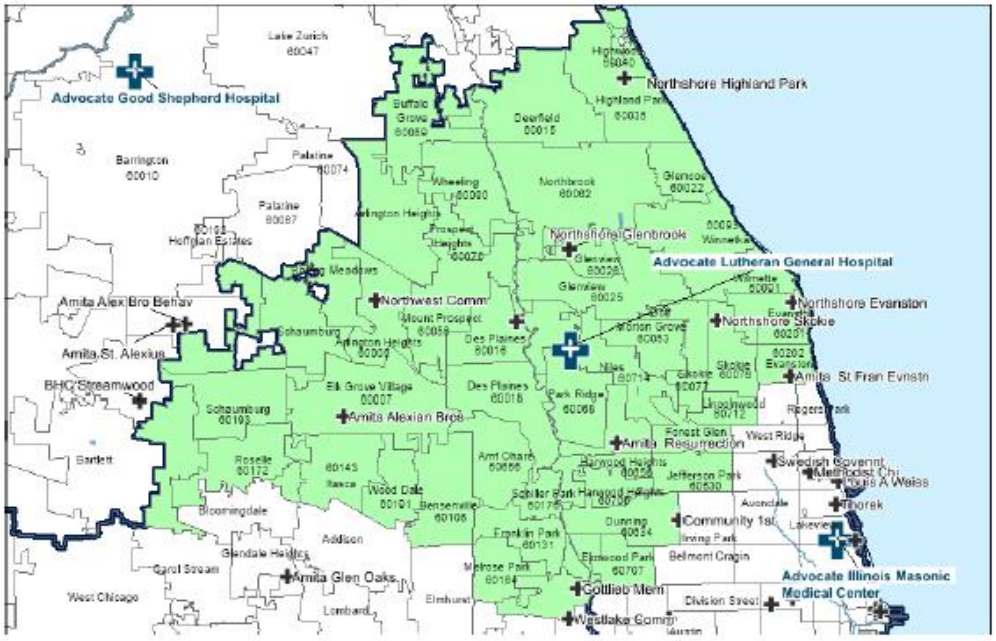
If you have any further questions, please call 217/782-4836.

Sincerely,

Robert F. Appleman
Deputy State Historic
Preservation Officer

Attachment B:

Advocate Lutheran General Hospital



Attachment C:

Attachment D:

Attachment E:

Existing Waiting Room

Existing Exam Area

Existing Infusion Area

Existing Infusion Area

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**
New DGSF	52,348	25,257	77,605
Modernized DGSF	1,350	4,463	5,813
Preplanning Costs	$ 315,000	$ 195,500	$ 510,500
Site Survey and Soil Investigation	$ 12,000	$ 283,400	$ 295,400
Site Preparation	$ 167,500	$ 2,895,930	$ 3,063,430
Off Site Work	$ 414,053	$ 2,506,000	$ 2,920,053
New Construction Contracts (CCC)	$ 27,427,940	$ 30,896,505	$ 58,324,445
Modernization Contracts (CAC)	$ 762,912	$ 2,599,317	$ 3,362,229
Contingencies	$ 2,810,000	$ 3,350,000	$ 6,160,000
Architectural/Engineering Fees	$ 2,575,000	$ 3,050,000	$ 5,625,000
Consulting and Other Fees	$ 2,649,358	$ 329,000	$ 2,978,358
Movable or Other Equipment (not in construction contracts)	$ 3,816,381	$ 165,250	$ 3,981,631
Bond Issuance Expense (project related)	$ 488,344	$ 530,526	$ 1,018,870
Net Interest Expense During Construction (project related)	$ 1,715,880	$ 1,864,090	$ 3,579,970
Fair Market Value, Leased Space, Equipment			$ -
Other Costs To Be Capitalized	$ 4,369,308	$ 2,957,526	$ 7,326,834
Acquisition of Building or Other Property (excluding land)	$ -	$ -	$ -
TOTAL USES OF FUNDS	$ 47,523,676	$ 51,623,044	$ 99,146,720
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$ -	$ -	$ 16,618,226
Pledges	$ -	$ -	$ -
Gifts and Bequests	$ -	$ -	$ -
Bond Issues (project related)	$ -	$ -	$ 82,528,494
Mortgages	$ -	$ -	$ -
Leases (fair market value)	$ -	$ -	$ -
Governmental Appropriations	$ -	$ -	$ -
Grants	$ -	$ -	$ -
Other Funds and Sources	$ -	$ -	$ -
TOTAL SOURCES OF FUNDS			$ 99,146,720

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

Itemization of Costs	
Pre-Planning	**$510,500**
Site and Facility Planning	192,500
Programming thru Conceptual Planning	318,000
Site survey (investigation, titles, traffic)	**$295,400**
Site Preparation	**$3,063,430**
Site - earthwork, stormwater detention, utilities, paving	2,553,430
Earthwork, drainage, stone, foundation prep	510,000
Off-Site Work	**$2,920,053**
Grading & Concrete	990,000
AT&T Line Adjustments	294,500
Water/Drainage Adjustments	740,250
Gas (Metering thru construction)	470,250
Misc. Street Upgrades	425,053
New Construction	**$58,324,445**
Modernization Contracts	**$3,362,229**
Contingencies	**$6,160,000**
Architect/Eng. Fees	**$5,625,000**
Consulting and Other Fees	**$2,978,358**
Reimbursable & Other fees	802,391
Zoning Consultants	75,000
MEP /Envelope, LEED Commissioning	585,000
Sustainability	195,000
Parking/Traffic Studies	350,000
Miscellaneous	970,967
Movable / Equipment	**$3,981,631**
Exam Room Equipment	990,600
Recovery Equipment	850,500
Infusion equipment	900,531
Cancer Examination Equipment	485,000
Misc. Equipment	755,000
Bond Issuance / Finance Expense	**$1,018,870**
Net Interest	**$3,579,970**
Other Costs to be Capitalized	**$7,326,834**
FF&E	2,658,334
Security Systems and Head End Equipment	898,000
Site Signage	960,000
Interior Signage	205,000
Data Infrastructure, wireless, telecom	835,500
Miscellaneous costs	825,000
Costs CON, City of Park Ridge, MWRD	945,000
TOTAL	**$99,146,720**

Attachment 7 – Financial Review Standards Cost Details

Preplanning Costs:	Meets Standard
Site Survey and Soil Investigation:	Not Applicable
Off Site Work:	No Standard
Site Preparation:	Meets Standard
Off Site Work:	No Standard
New Construction Contracts:	Cost Exceeds Standards due to: • Challenging condensed site and logistics • Sustainability goals: LEED Silver to be pursued • Advocate room standards to be implemented based on operational and support best practice committee input • High functioning exterior envelope • Inviting public spaces to accommodate community events • State-of-the-art technologies and future ready infrastructure • Phasing / sequencing of the work increases costs, but allows for continuity of care through construction • Infection prevention provisions - applied to such a small project area, this strongly influences the overall cost per sf. • Renovation includes retrofit of main reception area millwork and feature components, driving a higher to maintain the elevated standard of finish in these welcoming spaces. • Pharmacy work requires extensive support for complex ventilation equipment. • Pharmacy clean room environments carry an associated premium cost to achieve regulatory compliance. • Site location requires a finished appearance on all sides, including the back of the building, which faces the public roadway and adjacent high school, which elevates the project cost. • Stormwater infrastructure requirements establish a significant cost to address best practice requirements on an overall site basis.
Modernization Contracts:	TBD
Contingencies:	Meets Standard
Architectural/Engineering Fees:	Meets Standard
Consulting and Other Fees:	No Standard
Movable and Other Equipment:	No Standard
Bond Issuance Expense (project related):	No Standard
Net Interest Expense During Construction (project related):	No Standard
Other Costs to be Capitalized:	No Standard

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
Indicate the stage of the project's architectural drawings: ☐ None or not applicable ☐ Preliminary ☒ Schematics ☐ Final Working
Anticipated project completion date (refer to Part 1130.140): December 31, 2028
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): ☐ Purchase orders, leases or contracts pertaining to the project have been executed. ☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies ☒ Financial Commitment will occur after permit issuance.
APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

Advocate Illinois Masonic Medical Center	#22-009
Advocate ASTC – Chicago Webster	#23-007
Advocate Outpatient Center Westmont	#24-001
Advocate Naperville ASTC/Cath/Outpatient Center	#24-008
Advocate Lutheran General Hospital	#24-029
Advocate Good Shepherd Hospital	#24-015
Advocate Trinity Hospital	#25-002/25-003

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.**

		Department Gross Square Feet		Amount of Proposed Total Department Gross Square Feet That Is:			
Dept. / Area	Total Costs	Existing	Proposed	CON New Const. (CCC)	Modernized (CAC)	As Is	Vacated Space
CLINICAL							
Hematology Oncology Clinic & Infusion Center	$21,316,864	17,135	26,511	26,511	0	0	17,135
Outpatient TCT Clinic & Apheresis Services	$3,426,568	2,810	4,120	4,120	0	0	2,810
Outpatient Infusion Center	$7,027,507	3,700	7,910	7,910	0	0	3,700
Multispecialty Surgical Oncology Clinic	$6,604,865	3,745	8,065	8,065	0	0	3,745
Dedicated Oncology Lab (CCC)	$2,206,399	0	1,683	1,683	0	0	80
Hospital Outpatient Lab (CAC)	$1,514,386	1,510	2,315	0	1,350	965	80
Dedicated Oncology Pharmacy (Level 2)	$3,156,216	605	2,420	2,420	0	0	605
TCT Non-TCT Pharmacy (Level 1)	$2,270,870	0	1,639	1,639	0	0	0
Total Clinical	$47,523,676	29,505	54,663	52,348	1,350	965	28,155
NON-CLINICAL Non-Reviewable							
Staff Support	$3,912,474	480	1,690	1,210	480	0	0
Conference Room	$605,432	0	622	622	0	0	0
Reception/Waiting/ circulation/building support	$15,566,826	3,587	14,721	9,838	3983	900	547
Mechanical/Electrical, IT	$27,022,641	4,250	14,827	10,577	0	4,250	0
Cancer Survivorship Center	$4,515,671	2,145	3,010	3,010	0	0	2,145
Total Non-Clinical	$51,623,044	10,462	34,870	25,257	4,463	5,150	2,692
Total	$99,146,720	39,967	89,453	77,605	5,813	6,115	30,847

The proposed use of the vacated space is outlined below.

Current Dept. / Area	Uses:	Gross Square Feet
Clinical		
Hematology Oncology Clinic & Infusion Center	CAC- new clinic development	17,135
Outpatient TCT Clinic & Apheresis Services	CAC- new clinic development	2,810
Outpatient Infusion Center	CAC- new clinic development	3,700
Multispecialty Surgical Oncology Clinic	MOB (Parkside) and CAC- new clinic development	3,745
Outpatient Lab	CAC – Redevelopment to public circulation	160
Oncology Pharmacy	CAC – new clinic development	**605**
	TOTAL- Clinical	**28,155**
Non-Clinical		
Cancer Survivorship Center	Building has been/will be demolished	2,145
CAC Lobby	CAC – Redevelopment to public circulation and existing outpatient lab	547
	TOTAL- Non-Clinical	**2,692**
	TOTAL	**30,847**
APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		

The use of the vacated space will be determined based on Master Planning needs of the Hospital and clinicians. No cost to modernize the space was included.
These will be used by hospital-based services or leased to physicians and other clinical providers for their clinic offices.
If vacated spaces are used in the future for clinical services that require a CON permit, a CON application will be submitted to the HFSRB for approval.

The chart below provides only the modernization in the existing CAC.

		Department Gross Square Feet		Amount of Proposed Total Department Gross Square Feet That Is:			
Dept. / Area	Total Costs	Existing	Proposed	CON New Const. (CCC)	Modernized (CAC)	As Is	Vacated Space
CLINICAL							
Hospital Outpatient Lab (CAC)	$1,514,386	1,510	2,315	0	1,350	965	80
Total Clinical	$1,514,386	1,510	2,315	0	1,350	965	80
NON-CLINICAL Non-Reviewable							
Staff Support (CAC)	$913,000	480	480	0	480	0	0
Reception/Waiting/ circulation/building support (CAC)	$4,422,885	3,587	2,883	0	3,983	900	547
Total Non-Clinical	$5,335,884	4,067	3,363	0	4,463	900	547
Total	$6,850,270	5,577	5,678	0	5,813	1,865	627

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

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

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.

3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

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

    b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted, or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction, and submit any police or court records regarding any matters disclosed.

    c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.

    d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.

    e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.

4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**

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

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

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

   Attachment 11, Exhibit 1, is the listing of all Illinois licensed health care facilities owned by the applicants. Exhibit 2 is the current state hospital license for Advocate Lutheran General Hospital. Beyond those listed in Exhibit 1, there are no other Illinois hospitals owned by Advocate Aurora Health, Inc. in Illinois. Illinois Certificates of Good Standing for the applicants are provided in Attachment 1 and are incorporated in Attachment 11 by reference.

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

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

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

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

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

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

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

Illinois Hospitals owned and operated by the applicants.			
Facility	**Location**	**License No.**	**Accreditation No.**
Advocate Christ Medical Center	4440 West 95th St Oak Lawn, IL 60453	315	HCO ID 7397
Advocate Condell Medical Center	801 South Milwaukee Ave Libertyville, IL 60048	5579	HCO ID 7372
Advocate Good Samaritan Hospital	3815 Highland Ave Downers Grove, IL 60515	3384	HCO ID 729672
Advocate Good Shepherd Hospital	450 West Highway 22 Barrington, IL 60010	3475	PRJC-369027-2012-MSL-USA
Advocate Illinois Masonic Medical Center	836 West Wellington Ave Chicago, IL 60657	5165	PRJC-529782-2015-AST-USA
Advocate Lutheran General Hospital	1775 Dempster St Park Ridge, IL 60068	4796	PRJC-369033-2012-MSL-USA
Advocate Sherman Hospital	1425 North Randall Rd Elgin, IL 60123	5884	PRJC-496379-2013-MSL-USA
Advocate South Suburban Hospital	17800 South Kedzie Ave Hazel Crest, IL 60429	4697	HCO ID 7311
Advocate Trinity Hospital	2320 East 93rd Street Chicago, IL 60617	4176	HCO ID 7311
Additionally, AHHC has ownership interest of 50% or more in the following licensed health care facilities			
Facility	**Location**	**License No.**	**Joint Commission Accreditation No/ Accreditation Association for Ambulatory Health Care, Inc.**
Dreyer Ambulatory Surgery Center	1220 N. Highland Ave, Aurora, IL	7001779	AAAHC

HEALTHCARE CERTIFICATE

Certificate no.:
10000478043-MSC-CMS-USA

Initial certification date:
31 May, 2012

Valid:
31 May, 2024 – 31 May, 2027

This is to certify that the management system of

Advocate Lutheran General Hospital

1775 Dempster Street, Park Ridge, IL, 60068, USA

has been found to comply with the requirements of the:

NIAHO® Hospital Accreditation Program

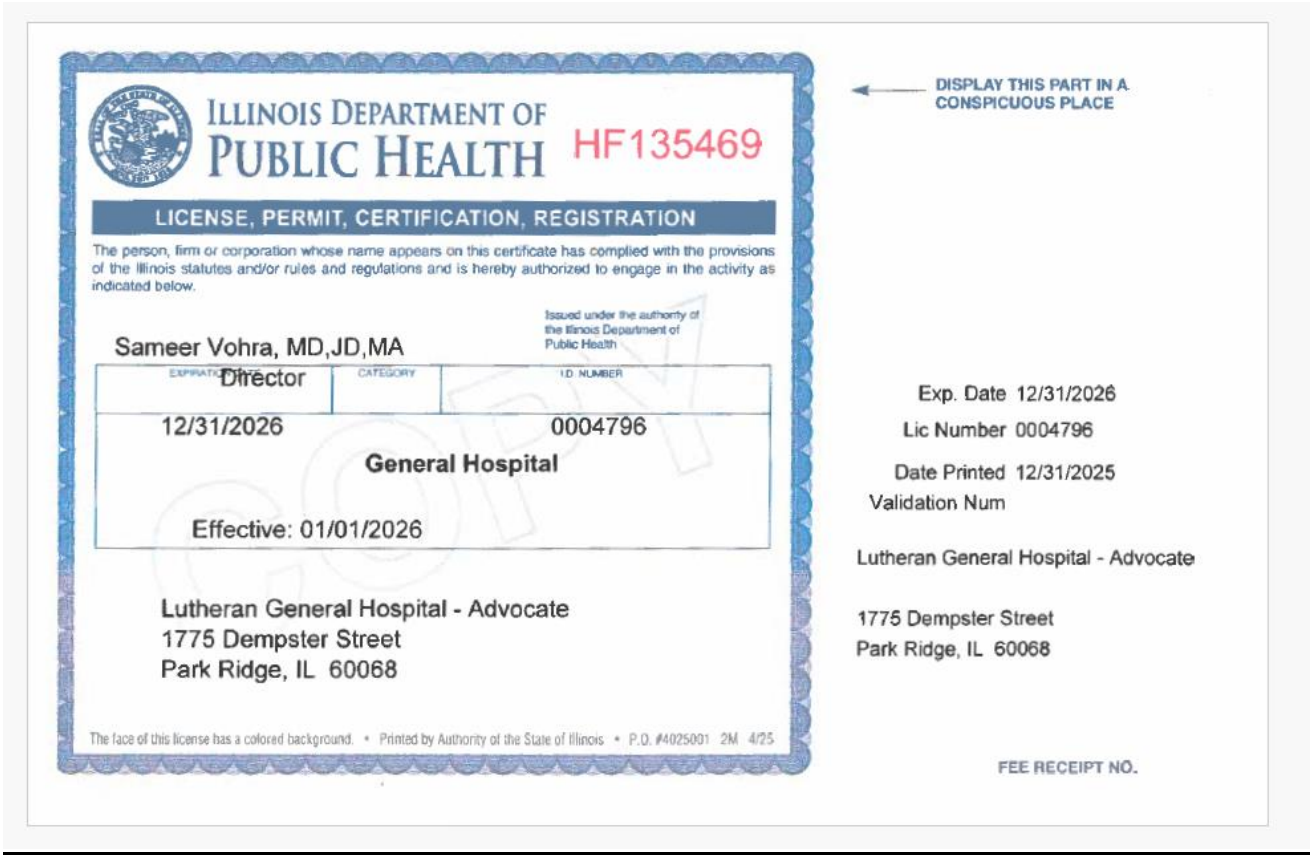
Pursuant to the authority granted to DNV Healthcare USA Inc. by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, this organization is deemed in compliance with the Medicare Conditions of Participation for Hospitals (42 C.F.R. §482).

Place and date:
Cincinnati, OH, 05 June, 2024

For the issuing office:
DNV Healthcare USA Inc.
4435 Aicholtz Road, Suite 900, Cincinnati, OH, 45245, USA

Kelly Proctor
Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.
ACCREDITED UNIT: DNV Healthcare USA Inc., 4435 Aicholtz Road, Suite 900, Cincinnati, OH, 45245, USA - TEL: +1 513-947-8343. www.dnvhealthcare.com



ILLINOIS DEPARTMENT OF PUBLIC HEALTH

HF135469

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.

Issued under the authority of the Illinois Department of Public Health

Sameer Vohra, MD,JD,MA

Director

EXPIRATION DATE	CATEGORY	I.D. NUMBER
12/31/2026		0004796

General Hospital

Effective: 01/01/2026

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

The face of this license has a colored background. • Printed by Authority of the State of Illinois • P.O. #4025001 2M 4/25

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 12/31/2026

Lic Number 0004796

Date Printed 12/31/2025

Validation Num

Lutheran General Hospital - Advocate

1775 Dempster Street
Park Ridge, IL 60068

FEE RECEIPT NO.

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.

Criterion 1110.110 – Background, Purpose of the Project, and Alternatives

1110.110(b) – Purpose of Project

READ THE REVIEW CRITERION and provide the following required information:

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, 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 age and condition and 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 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.

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.

Advocate Lutheran General Hospital is proposing a new construction and modernization project to continue to provide comprehensive Oncology services to the patients in the service area. In 2018, a Master Facility Plan was developed that addressed the future of the ambulatory care services for the key destination services at the hospital and identified space and programming deficiencies.
For the outpatient Oncology services, the plan identified a campus plan for current and long-term facility needs to continue to provide access for the Hematology and Surgical Oncology clinics and infusion services and create a full service TCT (Transplant and Cellular Therapy) focused center in one convenient location at Advocate Lutheran General Hospital.

This project is designed to meet the growing need for innovative cancer care as well as the projected demand for these cutting-edge treatments in a coordinated, fully integrated location with increased space and resources.

The new construction in the project includes a two-floor addition (CCC) to the Center for Advanced Care (CAC) building on the Advocate Lutheran General campus to relocate and expand outpatient Oncology services to create one comprehensive location to support patients and providers and to expand access by consolidating all services within the OP Oncology program.

Level 1 includes the relocation and expansion of:

- TCT clinic and apheresis services
- Outpatient TCT infusion service, Blood transfusions, Oncology and non-Oncology infusions
- Multispecialty surgical oncology clinic
- Dedicated phlebotomy lab for oncology patients
- Dedicated pharmacy to support TCT and Non-TCT infusion centers
- Survivorship program and healing garden

Level 2 includes the relocation and expansion of:

- Hematology Oncology clinic and infusion center
- Dedicated pharmacy to support hematology oncology infusion center
- A conference room for staff and educational programs.

These will be developed providing the appropriately designed space with contemporary standards and functionality for comprehensive outpatient Oncology services focusing on the patient and their families.

The project will also include the modernization and expansion of the Advocate Lutheran General Hospital outpatient lab located on the first floor of the existing CAC located at 1700 Luther Lane.

Outpatient TCT Center and Infusion Service

The Transplant and Cellular Therapy Program (TCT) at Advocate Lutheran General Hospital provides advanced treatment options and access to cutting edge clinical services to serve the needs of transplant and cellular therapy patients.
Advocate Lutheran General Hospital has been performing autologous HSC transplants since 1991. HLA matched-related allogeneic transplants began in 1994 and unrelated stem cell transplants in June of 2015.
The program is recognized as a Transplant and Cellular Therapy Center at the same level as other nationally recognized centers. This includes recognition from the Foundation for the Accreditation of Cellular Therapy (FACT). The LGH TCT program is recognized by the Commission on Cancer in the academic category and is only one of the 10% of TCT programs that are community based; offering a TCT program in the service area to provide access that does not require travel out of the service area.
The program has been accredited with National Marrow Donor Program (NMDP) and has been an approved collection center since 2003. It is an authorized treatment center for CAR-T cellular therapies since 2019 and is the only CAR-T cell program in the Northwest suburbs.
The proposed CCC will provide updated and contemporary space to relocate the current TCT services that are located in three separate areas on the hospital campus. The components will include the TCT clinic, examination and procedure rooms, apheresis rooms, pharmacy, staff space and infusion bays.

The design will provide appropriately sized rooms and configuration to create a comprehensive outpatient care model, expanded clinic rooms, greater staff efficiency and a cohesive patient experience to support the collaborative, integrated program.

Hematology Oncology and Infusion Service

This project includes relocation and expansion of the current Hematology Oncology service located on the second floor of the existing CAC building on the hospital campus. The relocation will accommodate an increased number of exam rooms and infusion bays to improve existing access to Hematology Oncology/Infusion services and to sustain future program growth. An improved design will provide appropriate room sizes and configuration/proximity to nurses' stations to ensure proper line of sight for clinical care. Additionally, the relocation will allow for the significant expansion of a dedicated oncology pharmacy to better accommodate existing volume as well as future program growth.
The expanded space will accommodate the required number of rooms to support current and projected volume and be designed to meet current best practices and Advocate Aurora Health room standards.

Modernization of the Hospital's Outpatient Lab

The project will include the modernization and expansion of the Advocate Lutheran General Hospital outpatient lab. The modernized space will be designed to accommodate the expanded space needed to support the increased volume that these services experienced over the past few years and the additional access to care with state-of-the-art equipment needed to serve the patient population now and in the future. The outpatient lab is integral to Advocate Lutheran General Hospital continuing to provide complex state of the art, high quality, and outpatient laboratory care to the communities in the service area.

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

Advocate Lutheran General Hospital is a major provider of health care to the residents of Suburban Cook County and surrounding areas. The hospital was founded in 1897. It is located in the IHFSRB Planning Area A-07 as shown in Attachment 12, Exhibit 1.

The Hospital's service area includes fifty-five zip codes that comprise 70% of the hospitals' IP and OP surgical cases. The majority of the hospital's inpatient and outpatient oncology patients reside in the service area. Attachment 12 Exhibit 2 provides a map of the hospital's service area.

With a population of 1,371,128, the service area is a diverse community with 21% of its residents of Hispanic ethnicity and a racial distribution of 61% White, 14% Asian, 4% Black and 21% other.

As outlined below, older adults (65 and older) represent 21 percent of the service area population.

The demographic population information for the Lutheran General Hospital is provided in the table below. Although the total population in the service area is expected to be flat, the 65+ population is projected to grow by 8%, expecting an increase of over 21,000 additional older residents.

Advocate Lutheran General Total Service Area Demographics				
Age Group	**2025 Population**	**2030 Population**	**2025 % of Total**	**Population Change**
0-17	280,125	260,923	-6.9%	(19,202)
18-44	444,362	422,965	-4.8%	(21,397)
45-64	359,124	345,223	-3.9%	(13,901)
65+	287,517	309,064	7.5%	21,547
TOTAL	**1,371,128**	**1,338,175**	**-2.4%**	**(32,953)**

Source: Esri 2025

The population for the entire Planning Area A-07, similar to the Advocate Lutheran General Hospital service area, shows that the 65+ population is the age group projected to grow over the next five years.

As the multicultural aspects of the community change, the Hospital is committed to meeting the social and medical needs of the population. The hospital has continued to adapt to the changing health care needs and provide the continuum of health care services to families that live in the hospital's defined service area.

2. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.] add deficiencies of the existing unit

The project addresses the need to create contemporary space to accommodate all components of the Hematology Oncology infusion service and TCT programs. The components of the Lutheran General Hospital Service Line are provided in Attachment 12, Exhibit 3.

The proposed plan will create a Hematology Oncology infusion space to provide updated room sizes, corridor width, and staff space in an appropriate configuration to support the current Hematology Oncology services.

The expansion and reconfiguration for the Outpatient Hematology Oncology infusion program is needed due to clinical advancements and to accommodate modern clinical equipment and resources. The existing room sizes and configuration limits the throughput and access for the infusion services. The room sizes are often too small to accommodate the patient treatment, and the corridors are often too narrow for patients in wheelchairs or with others providing assistance.
The newly designed space will address the room size and corridor deficiencies and provide the adjacencies needed for provider collaboration. There will be increased clinical visibility for infusion patients and increased privacy for patients.

The TCT program will relocate all services to a contemporary integrative space that will be designed with the number of rooms needed for each component in a configuration designed based on the needs of the patient. The room sizes will be brought up to current standards, and the number of rooms will increase based on current and projected volume. The first-floor infusion space will offer private infusion rooms for the privacy and infection control required for TCT patients with compromised immunity. The design will provide increased visibility of patients and increased support space. The co-location of all services will support the coordination of patient care and

improve critical collaboration between their team of providers. Current TCT services are located in three areas on the hospital campus and are a distance from the parking areas and from each other, as shown in the campus map provided as Attachment 12, Exhibit 4. Patients need to be transported from building to building and this is often a hardship for patients that are undergoing this treatment.

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

- Clinical, administrative, and financial data from Advocate Health and Hospitals Corporation and Advocate Lutheran General Hospital
- Advocate Lutheran General Hospital Strategic Master Facility Plan
- Illinois Department of Public Health Hospital Licensing Code
- Illinois Health Facilities and Services Review Board (HFSRB) Administrative Rules
- IHA COMPdata
- AIA/FGI Guidelines for Design and Construction of Health Care Facilities
- Illinois Administrative Code, Title 77, Chapter I, Subchapter b, Part 250, Section 250.2440 General Hospital Standards
- Esri and the US Census Bureau demographic reports
- HFSRB Hospital Profiles
- HFSRB Inventories and Data
- Health care literature regarding current Oncology trends
- City of Park Ridge Building Code, International Building Codes, National Electrical Code, State of Illinois Plumbing Code, Accessibility Code and State Hospital Licensing Standards
- Sg2 Inpatient Surgical Forecast; Sg2 Impact of Change Inpatient Procedure Expert Analysis

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

The primary purpose of the Project is to continue to provide the highest level of Oncology services to the patients in the Lutheran General Hospital service area.

The Oncology Destination Program at LGH includes a comprehensive service ranging from Inpatient Hematology and Surgical Oncology to Outpatient clinical services and support.

<u>Hematology Oncology Infusion Services include:</u>

- Chemotherapy
- Immunotherapy and other infusion services
- Clinical Research Trials

<u>TCT Procedures include:</u>

- Autologous procedures - chemotherapy, immunotherapy and other infusion services and clinical research trials
- Allogeneic procedures – matched related, haploidentical, matched unrelated, umbilical cord
- Cell Therapy – donor lymphocyte infusion
- CAR-T Cell Therapy

The proposed CCC will be designed for flexibility to support the growth of Oncology and infusion services in the future. This space will be able to support future clinics such as lipid and iron clinics and procedural services such as vascular access services.

Sg2, a national Consulting Firm, forecasts that Transplant and Cellular Therapy (TCT) services will continue to increase over the next ten years. This is in part due to the increasing incidence in the older population and these patients may not be good candidates for other interventions. Additionally, TCT is being used for a wider variety of diseases to include autoimmune and genetic disorders beyond just blood-based cancers. These services include Stem Cell Transplant, and Immune Effector Cell Therapy (CAR-T).

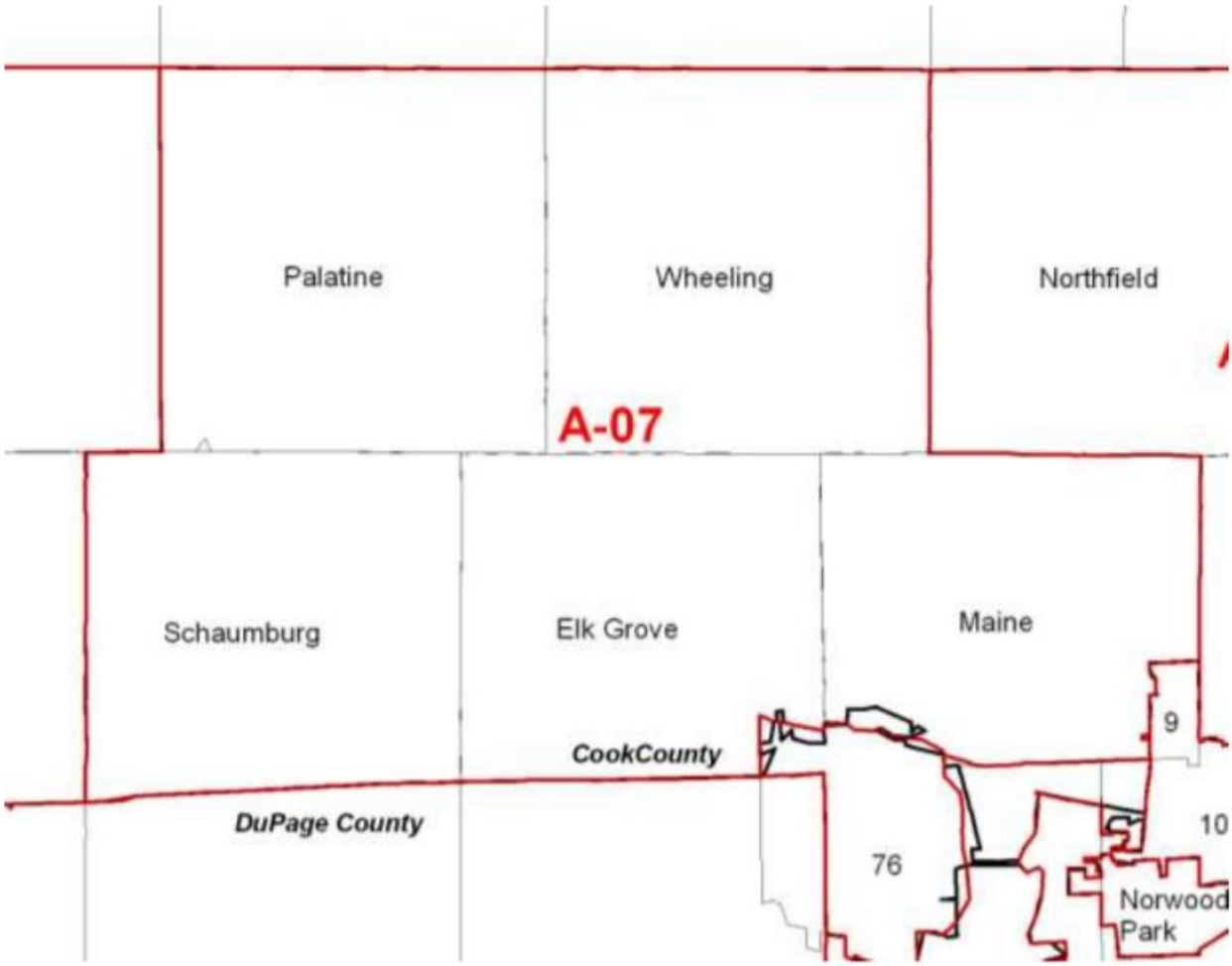
- Sg2 is forecasting Stem Cell Transplant procedures to see a 38% projected growth in the outpatient setting driven by improved care coordination and the use of more effective drugs for managing complications over the next 10 years.
- Outpatient Immune Effector Cell Therapy procedures are forecasted by Sg2 to increase by 19% in the next 5 years and 41% in the next 10 years. Growth for immune effector cell therapy will accelerate as new drugs for blood and solid tumors are introduced and expanded into earlier lines of therapy.

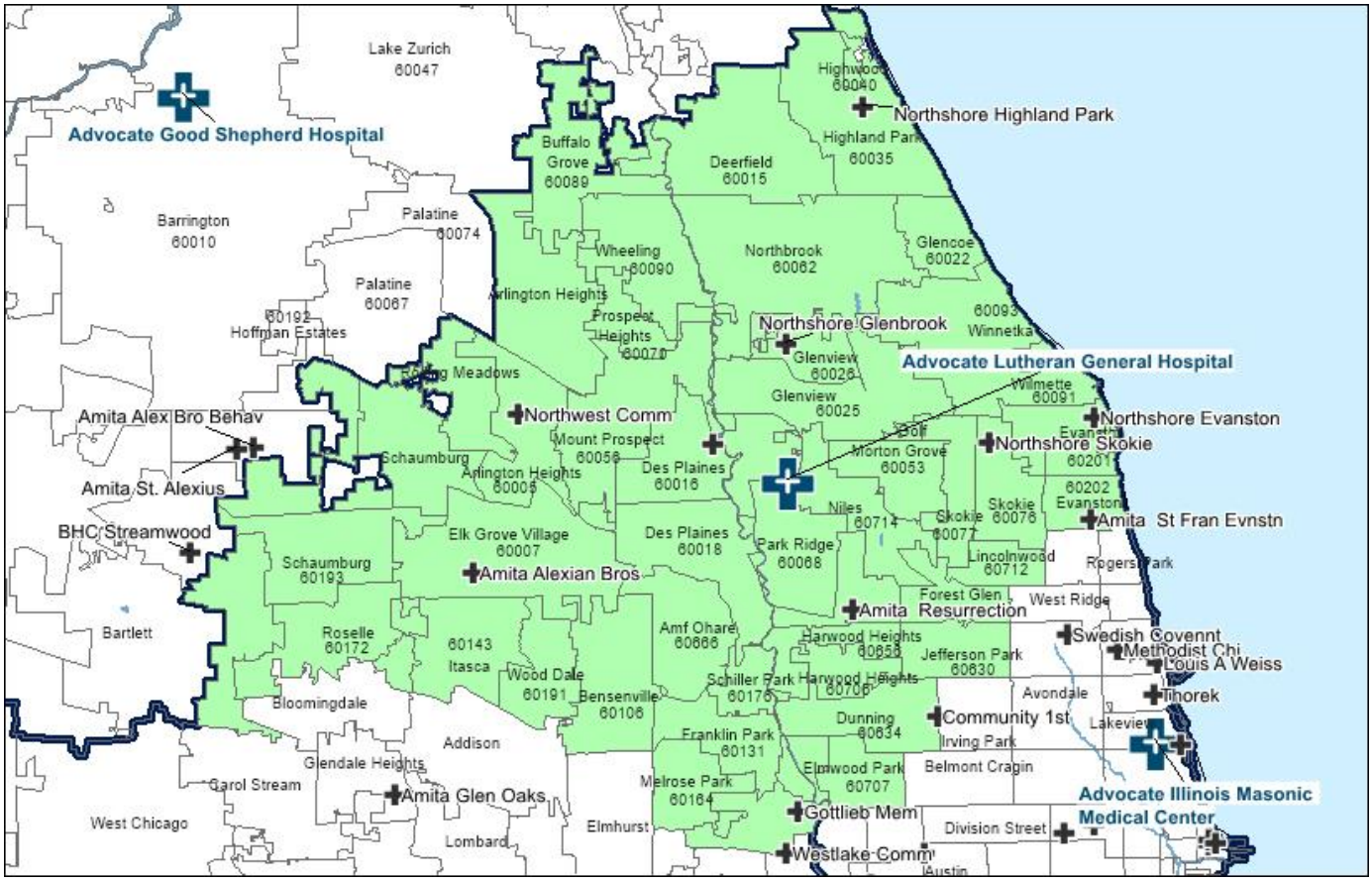
As provided in Attachment 12, Exhibit 5, Sg2 forecasts an increase in outpatient oncology of 10% over the next five years and 18% over the next ten years. Outpatient chemotherapy is forecasted to increase by 12% over the next five years with immune effector cell therapy to increase by 19%. Strong growth in outpatient volumes will be driven by minimally invasive diagnostic and surgical procedures; clinically guided infusions incorporating neoadjuvant, perioperative and combination regimens; radiation therapy; increased access to screening; and continued reliance on imaging for diagnosis, staging, and treatment monitoring. Updated screening guidelines will expand eligible populations, supporting volume growth over the next three to five years.
The improvements in the physical facility will create a comprehensive, coordinated space to accommodate all of the services that are part of the Hematology Oncology and TCT programs. The rooms will be right-sized and configured to meet the Advocate and current industry standards.

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

The principal goal for this project is to invest in and develop a modern and updated infrastructure, to allow Advocate Lutheran General to continue to provide the highest level of Oncology care to residents in the community. The construction phasing plan was developed to keep the services operational within each phase of the modernization process. This project will be LEED certified and carbon neutral, a leader in environmental sustainability.
The entire project is expected to be completed and operational by December 31, 2028.

G) **Planning Area A-7**: Cook County Townships of Maine, Elk Grove, Schaumburg, Palatine and Wheeling.




Lake Zurich
60047
Advocate Good Shepherd Hospital
Barrington
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Palatine
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Palatine
60067
Hoffman Estates
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Buffalo
Grove
60089
Deerfield
60015
Highwood
60040
Northshore Highland Park
Highland Park
60035
Wheeling
60090
Northbrook
60062
Glencoe
60022
Arlington Heights
Prospect
Heights
60070
Northshore Glenbrook
60093
Winnetka
Glenview
60026
Advocate Lutheran General Hospital
Glenview
60025
Wilmette
60091
Northshore Evanston
Northshore Skokie
60201
Amita Alex Bro Behav
Northwest Comm
Mount Prospect
60056
Schaumburg
Arlington Heights
60005
Des Plaines
60016
Morton Grove
60053
Amita St. Alexius
Niles
60714
Skokie
60077
Skokie
60076
60202
Evanston
Amita St Fran Evnstn
BHC Streamwood
Elk Grove Village
60007
Des Plaines
60018
Park Ridge
60068
Lincolnwood
60712
Rogers Park
Schaumburg
60193
Amita Alexian Bros
Forest Glen
West Ridge
Amita Resurrection
Bartlett
Roselle
60172
60143
Itasca
Amf Ohare
60666
Harwood Heights
60656
Swedish Covennt
Methodist Chi
Louis A Weiss
Jefferson Park
60630
Wood Dale
60191
Bensenville
60106
Schiller Park
60176
Harwood Heights
60706
Avondale
Thorek
Bloomingdale
Dunning
60634
Community 1st
Lakeview
Irving Park
Addison
Franklin Park
60131
Glendale Heights
Elmwood Park
60707
Belmont Cragin
Carol Stream
Amita Glen Oaks
Melrose Park
60164
Advocate Illinois Masonic
Medical Center
West Chicago
Elmhurst
Gottlieb Mem
Division Street
Lombard
Westlake Comm
Austin

Advocate Lutheran General Hospital – Oncology Service Line

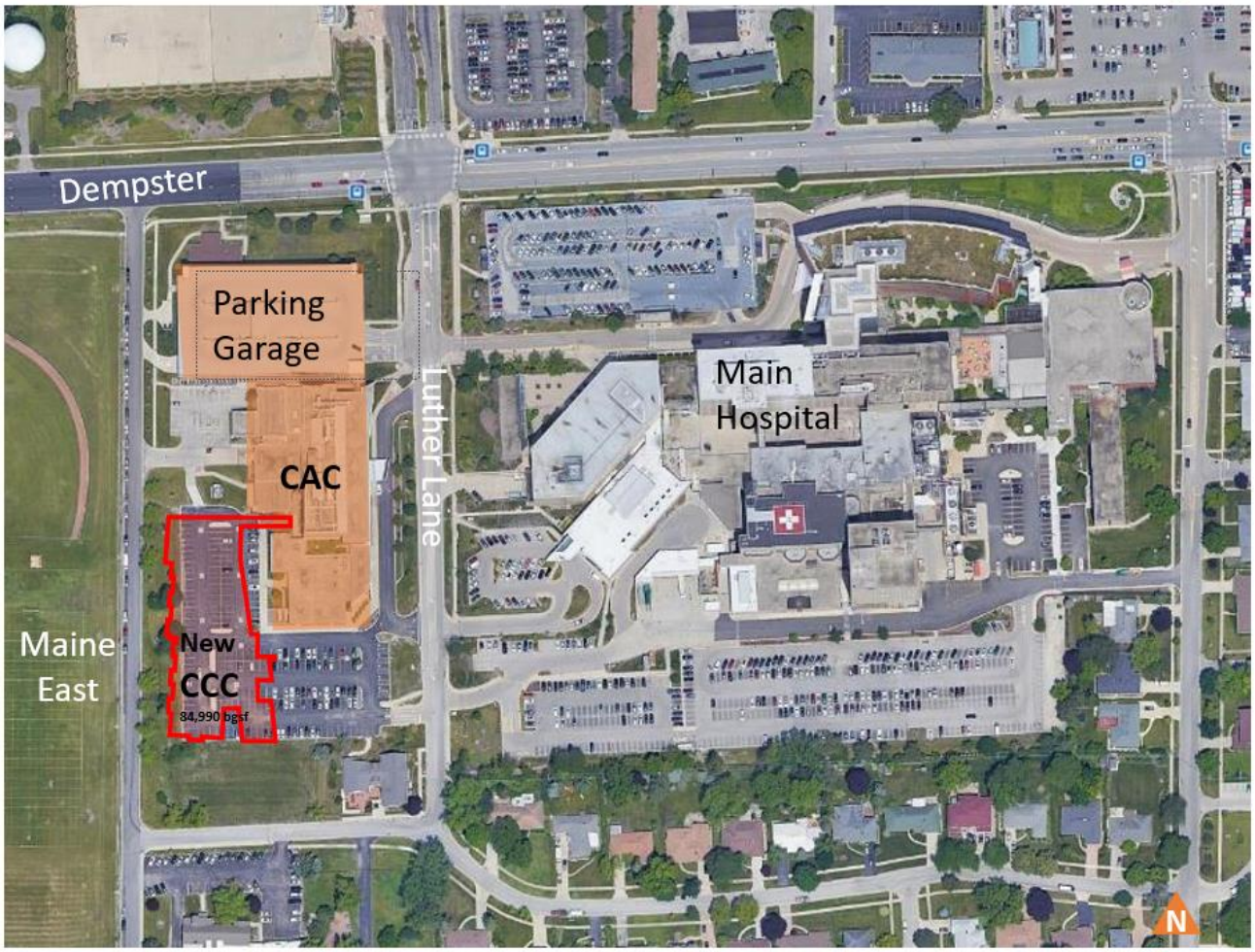
At Lutheran General, we are committed to bringing academic level care to our patients and families in a personalized, community setting. We offer a myriad of comprehensive cancer services from diagnosis through treatment through survivorship.

The following services are offered on our campus:

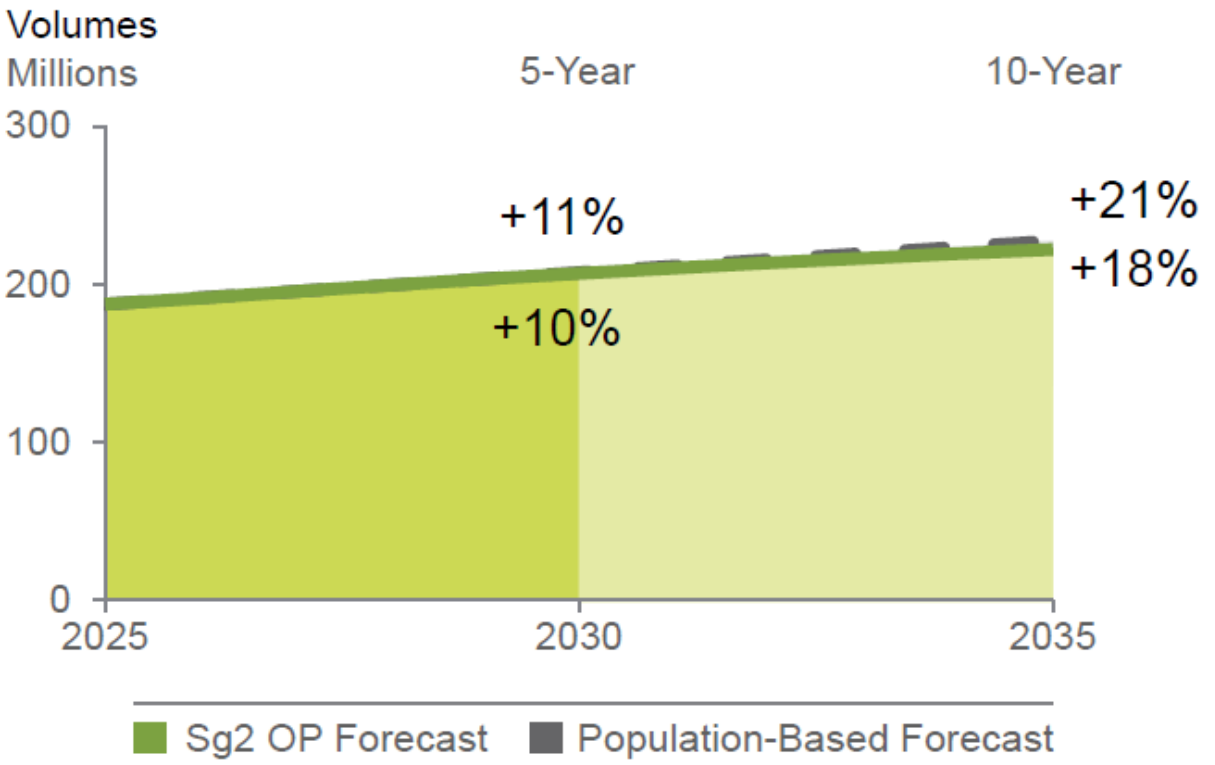
- Dedicated TCT Program
  - Inpatient Oncology and TCT Unit
  - Apheresis Center
  - Cell Processing Lab
  - TCT Program Coordination office
  - Outpatient Infusion Center
  - Advocate Research Institute
  - Carol St. Apartments/Lodging
- Interventional Pulmonology
- Advanced surgical services, including robotics; our lung cancer surgery program, which was ranked #40 by U.S. News and World Report
- US News and World Report rated as High performing in the following areas for Advocate Lutheran General Hospital in Park Ridge, IL - Rankings & Ratings:
  - Leukemia, Lymphoma and Myeloma
  - Colon Cancer Surgery
  - Gynecologic Cancers
  - Lung Cancer Surgery
- Cardio-Oncology
- Gynecologic Oncology
- Survivorship Center: It includes social work, nutrition services and other support programming to promote health and wellness for cancer survivor patients and their families
- Rehabilitation services
- Palliative Care

The following services are offered in the Center for Advanced care dedicated to bringing specialty services to our community in one convenient location on our campus:

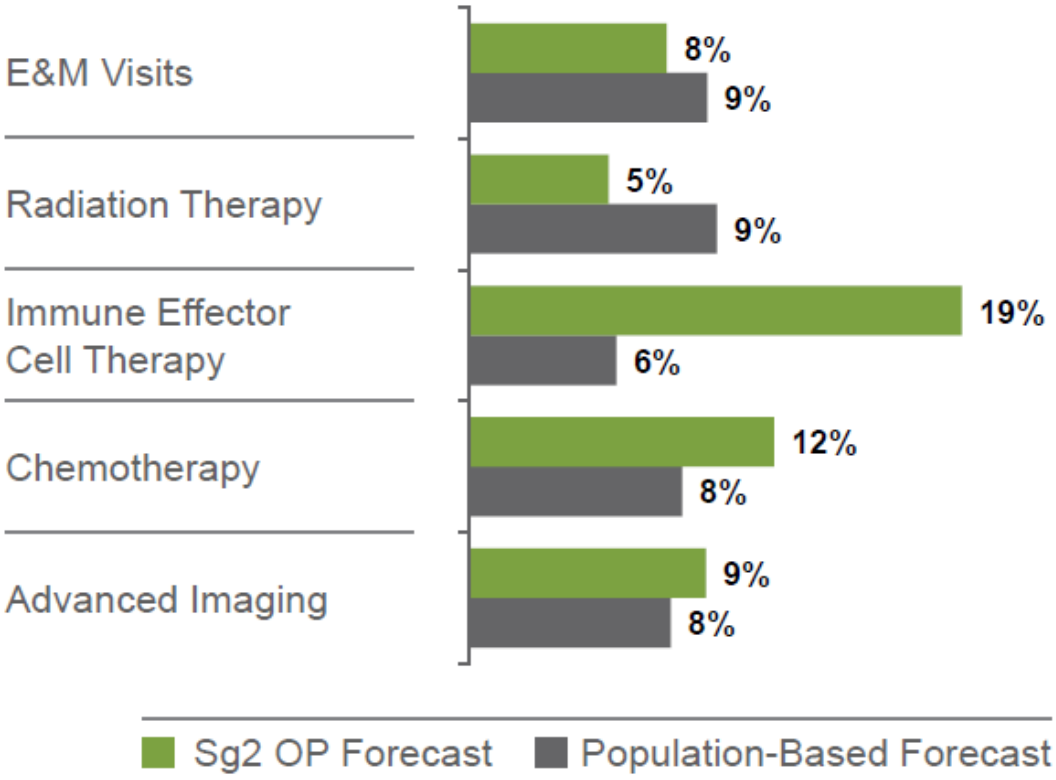
- Caldwell Breast Center: includes advanced breast imaging, breast surgery clinic and multidisciplinary breast clinic
- Advanced diagnostic imaging
- Outpatient laboratory services
- Fertility Services
- Genetic Counseling
- Hematology Oncology: includes chemotherapy, targeted therapy infusions
- TCT Clinic
- Radiation Oncology: includes SRS/SBRT, brachytherapy
- Neuro-Oncology
- Nurse Navigators


Dempster
Parking Garage
Luther Lane
Main Hospital
CAC
Maine East
New CCC
84,990 bgsf
N

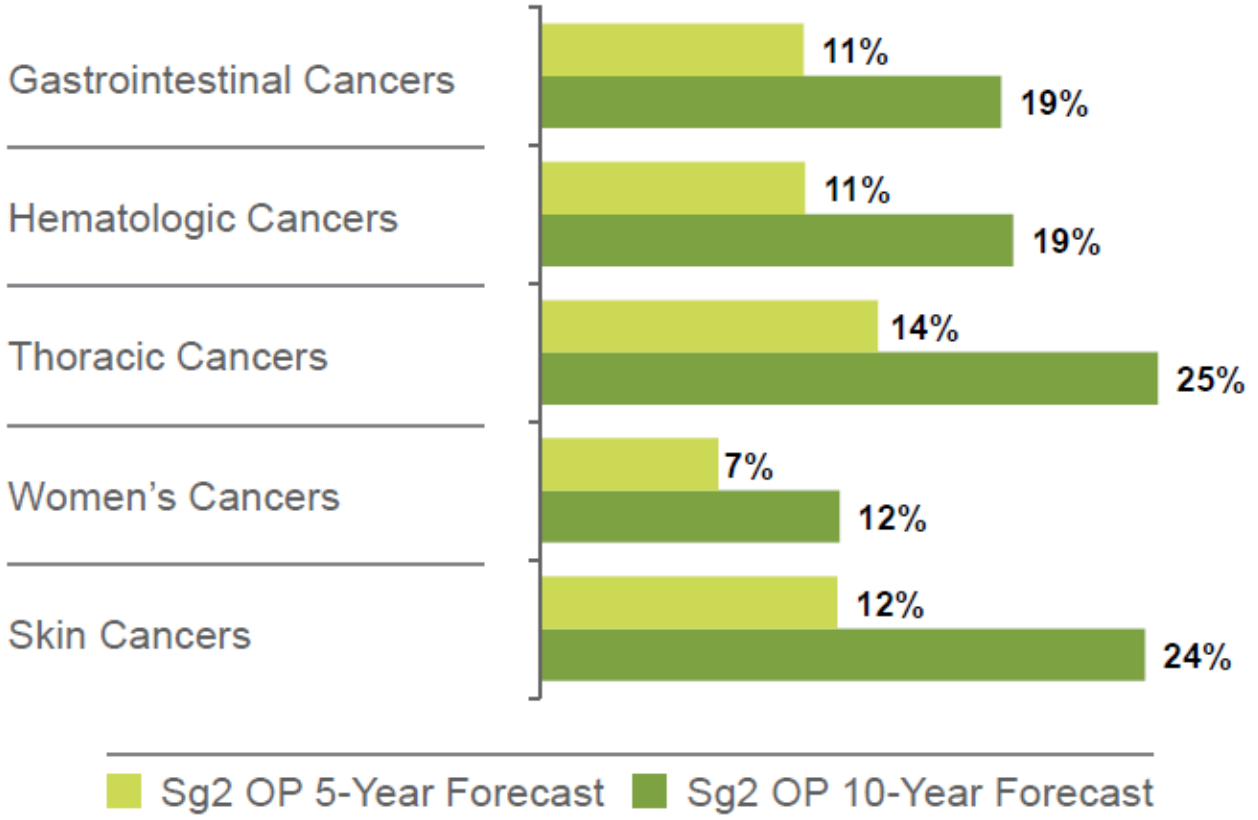
Outpatient Cancer Forecast
US Market, 2025–2035



Outpatient Cancer Procedures Forecast
US Market, 2025–2030



Outpatient Cancer Forecast by Service Line Subspecialty, US Market, 2025–2035



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.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

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.

As part of the overall Advocate Lutheran General Hospital Master Planning process, it was determined that there was a critical need for expansion and modernization to address space programming for the Hematology Oncology and TCT services on the hospital's campus.
Several alternatives as outlined below were evaluated based on the recommendations of the Architects and the Hospital's administration.

The project includes the expansion of the Center for Advanced Care (CAC) to relocate and expand all outpatient TCT services creating an integrated TCT program; co-located with the relocation and expansion of the outpatient Hematology Oncology service providing one coordinated location with appropriately designed space and contemporary standards for patients receiving Oncology care.

Alternative One – Maintain services in current locations

The option to continue to offer the outpatient Hematology Oncology and TCT services in their existing locations was not a reasonable option. This would not address the infrastructure or space deficiencies of the current units. This option was rejected as it would not provide for the TCT services to be in one location that would allow for clinical collaboration, patient safety as they traverse between treatment areas, and the needed co-location of services for patient care. Additional spaces on the hospital campus would need to be located, at the expense of other Clinical programs.

Cost: No construction cost

Alternative Two - Propose a Project of lesser scope and cost

This option would involve choosing either to relocate and expand only the outpatient Hematology Oncology infusion service or to relocate and expand the TCT program. This would not address the imperative needs identified to modernize and expand both. The project would either improve the room sizes and configuration of the outpatient Hematology Oncology infusion service or provide coordination, increased capacity and access for the TCT services. It would be a challenge to prioritize one over the other and would be significantly costlier to complete these projects separately and extend the timeframe for completion. It would be more disruptive for the patients and staff to complete these as two separate projects.

Cost: $71,600,000 Medical Oncology only
$70,700,000 OP TCT only

Alternative Three - Propose a Project of greater scope and cost.

The option to build a free-standing larger addition to accommodate all inpatient and outpatient Oncology services was considered. The current hospital building does not have the space within the hospital to accommodate all outpatient services adjacent to the inpatient services.

The hospital campus does not have the space needed to build an appropriately sized building for all inpatient and outpatient services and doing so would relocate key clinical services needed on the campus. Building a multi-use facility instead of ambulatory only building would require compliance and regulatory requirements adding to the cost. The cost to build this type of building would be significantly higher than this project cost. Although this would address the clinical program and space facility infrastructure issues, as good financial stewards, it was determined that the CAC could be expanded to support these services and would provide the appropriate space needed for these clinical services.

Cost: $350-450M

Alternative Four - Develop alternative settings to meet all or a portion of the project's intended purposes.

Unlike other Outpatient services, these Oncology services are outpatient hospital services that need to be located on the campus for patients during their treatment. Patients are often scheduled for multiple oncology-related visits, i.e., lab, provider visit(s), treatment(s), in a single day; therefore, alternative settings off-campus would not be conducive to offering a convenient, patient-centered experience and would ultimately be burdensome for the oncology patient and their family/caregiver. Allogeneic patients are very tired and immuno-compromised, and it is not ideal to have them travel to and exposed to multiple environments.

The expansion of these services on-campus increases access to outpatient cancer services, and the coordination of these services allows patients to receive clinic appointments and treatments in a coordinated fashion. There are some services utilized by both IPs and OPs that are only offered on campus (i.e. surgical services) that cannot move offsite. Other services such as radiation oncology and surgical services are located on campus as well, which offers patients access to the major specialties involved in cancer care.

Cost: $ 150M

Alternative Five - Utilize other health care resources to serve the population proposed to be served by the Project.

The option of referring Oncology patients to another hospital in the service area was not feasible. The physicians seeing these patients are principally located near and on staff at Advocate Lutheran General Hospital. They are providing tertiary level Oncology services for patients that live in this community and have a long-established pattern of coming to this hospital for their comprehensive care. Patients will benefit from all of their services staying in one health system to optimize continuity of care and care coordination.

Lutheran General is the only hospital in the northwest suburbs offering TCT, CAR-T Cell and apheresis services, therefore patients would otherwise need to travel out of the area for these specialized services. The other hospitals in the area do not have the capabilities to provide TCT services at their location.

Cost: No construction cost but would experience significant loss of patients and lack of continuity of care.

Alternative Six – Creating a new two-floor addition (CCC) to the CAC to create a comprehensive Outpatient Cancer Center on the Advocate Lutheran General Hospital campus.

This option was selected as it will allow the hospital to create a comprehensive outpatient cancer center on the hospital campus providing the appropriately designed space with contemporary standards and functionality to include all OP Medical Oncology and TCT services.

The project will expand the Center for Advanced Care (CAC) to relocate and expand all outpatient TCT services, including clinic visits, apheresis services, infusion, a compounding pharmacy and transfusion services to create a fully integrated TCT program. This building will co-locate with the critical Hematology Oncology services including clinics, infusion, pharmacy and lab for patients undergoing OP cancer care.

The project will continue the investment in the Oncology Institute to provide the critical services and access for Advocate Lutheran General Hospital's patients and the community into the future.

Project Cost: $99,146,720

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:

3. 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.**

4. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:

    a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.

    b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.

    c. The project involves the conversion of existing space that results in excess square footage.

    d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

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

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

The gross square footage identified in this application for the proposed project's new construction is 77,605 gsf, that includes 52,348gsf of clinical and 25,257 gsf of non-clinical space. The gross square footage was developed based on AAH guidelines for oncology clinics and provider offices and is appropriated sized and consistent with the standards identified in Appendix B of 77 Illinois Admin. Code Section 1110.

Clinical Components

The proposed project includes the new CCC for relocation and expansion of the following Outpatient Cancer Services at Advocate Lutheran General Hospital. The clinical components include the following services:

- Hematology Oncology Clinic & Infusion Center
- Outpatient Transplant & Cellular Therapy (TCT) Clinic & Apheresis Services
- Outpatient Infusion Center providing:
    - TCT Infusions
    - Oncology Infusions
    - Non-Oncology Infusions & Injections
    - Blood Transfusions
- Multispecialty Surgical Oncology Clinic
- Dedicated Oncology Phlebotomy Lab

Hematology Oncology Clinic & Infusion Center

Hematology Oncology Clinic

The clinic space for Hematology Oncology patients will include 26 exam rooms (an increase from 19 rooms). These rooms will support all provider visits, including new patient consultations and follow-up visits. The additional rooms will increase patient access and sustain future program growth. These services are currently housed in the CAC, now combined with infusion in one location.

Hematology Oncology Infusion

The infusion service for Hematology Oncology patients is co-located with the clinic and will provide 49 bays for Hematology Oncology patients. (an increase from 36 current bays). Infusion services include chemotherapy, immunotherapy, targeted therapies, injections, and other infusions. This space will be designed for privacy, increased clinical visibility and for infection control. These rooms will be designed with the Advocate Aurora standard infusion room to include appropriately designed patient zone, provider zone and family zone.

Outpatient TCT Clinic and Apheresis Services

TCT Clinic

The proposed project includes a total of 6 exam rooms (an increase from 5 rooms) to be used for provider visits, including new patient consultations and follow-up visits. Exam rooms will be designed for flexibility and to provide ample space for accompanying visitors and/or caregivers. Additional rooms will be utilized for TCT procedures, including bone marrow biopsies and for patient education visits. The additional room will increase patient access and sustain future program growth.

Apheresis Services

This procedure is for healthy donors for patients who receive allogeneic transplants. Apheresis services are also utilized for patients undergoing autologous transplants or CAR-T cell therapy. The rooms are designed for this special type of procedure where blood is collected, part of the blood such as platelets or white blood cells is removed, and the rest of the blood is returned to the donor or patient.

There are 3 apheresis rooms in the proposed project are designed to support the current and proposed patients requiring this service.

Outpatient Infusion Center

The Outpatient Infusion Center in this comprehensive space within the CAC location will include 24 bays (an increase from 13 bays) to support TCT Infusions, Oncology Infusions, Non-Oncology Infusions & Injections, and Blood Transfusions. The Outpatient Infusion Center will provide services to TCT patients, non-AMG oncology patients, and non-oncology patients, such as patients being referred by Rheumatology, Gastroenterology, or Infectious Disease.

Infusion services include intravenous and catheter-based infusion for chemotherapy, targeted therapies, immunotherapy, fluids, blood transfusions and antibiotics.

The infusion space will expand the number of bays to support the current and projected patients and is designed for privacy, increased clinical visibility and for infection control. These rooms will be designed with the Advocate Aurora infusion room standards and will include appropriately designed areas for patients, providers and families.

The co-location of infusion to be directly adjacent to the clinic space allows TCT patients to receive all care without having to travel throughout the hospital campus or return on a separate day.

This newly constructed expansion is being developed to include the required number of spaces and appropriately sized rooms to accommodate patients and providers. The number of clinic and infusion rooms was based on Industry standards used by the Design and Construction and architect team. The guidelines used are determined based on the time patients are in the rooms for each type of service and scheduling efficiencies. Current and projected volume was modeled to provide the appropriate number of rooms to continue to provide access to these services.

The proposed square footage for the clinical spaces is outlined in the chart below.

There are no State Guidelines for square footage for these types of clinic rooms or infusion bays.

Other Clinical Services

The expanded space will support a 12-exam room, multispecialty clinic space dedicated to Surgical Oncology practices, including fellowship-trained surgical oncologists, gynecologic oncologists, and neuro-oncologists. In the current state, these practices hold clinics in various locations across the LGH campus. This requires patients and their caregivers to visit multiple locations on campus, often in a single day. Consolidating these practices into a single location will bring a more patient-centered approach to cancer care at LGH.

Dedicated Oncology Lab

The lab dedicated to Oncology patients provides improved lab services, increasing access to stat orders to allow the lab visit to be part of their clinic visit to receive care on the same day.
Stat orders will also decrease time to infusion as the infusion medications require lab testing immediately prior to the infusion.

A dedicated lab will help to protect the immuno-compromised oncology patient population by separating them from general outpatient lab patients.

Dedicated Oncology Pharmacy

The CCC expansion will include an outpatient pharmacy dedicated to supporting hematology oncology services and patients receiving care. The dedicated Compounding pharmacy will serve patients and provide timely and on-site specialty medications to be developed for the infusions in the hematology oncology department. The pharmacy will include storage and staff preparation space for the preparation of specialty medication for TCT and non-TCT infusions. The pharmacy will be constructed to follow USP/ISO 797/800 rules of pharmaceuticals which require enhanced mechanical and electrical services rules (including emergency power). The environment will require the clean room rules related to donning and doffing with airlock technology. This pharmacy will be

clinical facing only and will not include an outpatient pharmacy for medications that patients fill for at home use.

TCT and Non-TCT Pharmacy

The CCC expansion will also include an outpatient pharmacy dedicated to supporting these infusion services and the patients receiving care in this hospital-based program. The dedicated Compounding pharmacy will serve the patients to provide timely and on-site specialty medications to be developed for the infusions on the first floor. The pharmacy will include storage and staff preparation space for the preparation of specialty medication for TCT and non-TCT infusions. The pharmacy will be constructed to follow USP/ISO 797/800 rules of pharmaceuticals which require enhanced mechanical and electrical services rules (including emergency power). The environment will require the clean room rules related to donning and doffing with airlock technology. This pharmacy will be clinical facing only and will not include an outpatient pharmacy for medications that patients fill for at home use.

Hospital Outpatient Lab – Modernization

The hospital's existing Outpatient Lab located on the first floor of the current CAC will be modernized and expanded to continue to provide outpatient lab services to other patients that require services as part of their clinical care.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
Hematology Oncology Clinic & Infusion Center	25,511	NA		Yes
Outpatient TCT Clinic & Apheresis Services	4,120	NA		Yes
Outpatient Infusion Center providing: • TCT Infusions • Oncology Infusions • Non-Oncology Infusions & Injections • Blood Transfusions	7,910	NA		Yes
Multispecialty Surgical Oncology Clinic	8,065	NA		Yes
Dedicated Oncology Lab	1,683	NA		Yes
Hospital Outpatient Lab – CAC modernization	2,315	NA		Yes
Dedicated Oncology Pharmacy (Level 2)	2,420	NA		Yes
TCT Non-TCT Pharmacy (Level 1)	1,639	NA		Yes
TOTAL	54,663	NA		Yes

Non-Clinical Components

The non-clinical components of the proposed project's new construction total 25,257 DGSF of space. This includes physician offices, research team offices, patient education rooms, staff support space, storage, public waiting, registration, circulation, building support, and the lobby.

The staff and support space will provide additional space needed to support these clinics. The adjacency to the clinic and infusion space will allow providers to be available for patients and remain in this location. The registration area will be designed for privacy to schedule appointments and discuss insurance information for preauthorization, scheduling appointments and pharmacy.

Space is included for patient education and additional programming to establish a TCT survivorship clinic in the program for patients past 100 days post-transplant. This will be a monthly clinic led by an APC and continue at regular intervals for long-term follow-up care.

Cancer Survivorship Center

The relocation of the LGH Cancer Survivorship center will improve patient convenience and access to services. This space will support the expansion of all existing Cancer Survivorship programs, such as multispecialty room holding 70+ monthly activities, a quiet space for massage therapy, consult rooms for social work and nutrition visits, and a wig boutique. All of the above activities are free of charge and participation is open to any and all active cancer patients and survivors in the community.

The expanded space will also include room to allow for future program growth and expansion, such as the introduction of an Integrative Medicine program and other services that the existing space cannot accommodate. Finally, the new space will allow for further growth of the Adolescent and Young Adult (AYA) cancer navigation program by providing a space for the AYA Navigator to hold both virtual and in-person visits.

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

Non-Clinical Department/Areas	**PROPOSED DGSF (in project)**
Connecting Circulation	871
Entry Vestibule Main	489
Public Circulation	8,478
Survivorship	3,010
Staff Support	1,210
Building Support (Mech/Elec/IT)	10,577
Conference	622
CAC Lobby & PSR	0
TOTAL	**25,257**

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

The proposed Project includes relocation and consolidation of all outpatient Oncology services within this new CCC building Project.

The utilization for each clinical service has been projected to 2029, the first year the project is scheduled to be completed.

The proposed project includes relocation and expansion for the following Outpatient Cancer Services at Advocate Lutheran General Hospital. The clinical components include the following services for the Outpatient Hematology Oncology Services, TCT and Infusion Services:

- Hematology Oncology Clinic & Infusion Center
- Transplant & Cellular Therapy (TCT) Clinic & Apheresis Services
- Outpatient Infusion Center providing:
    - TCT Infusions
    - Oncology Infusions
    - Non-Oncology Infusions & Injections
    - Blood Transfusions
- Multispecialty Surgical Oncology Clinic
- Dedicated Oncology Phlebotomy Lab
- Dedicated Oncology Pharmacy
- TCT Non-TCT Pharmacy

Hematology Oncology Clinic & Infusion Center

Over the last 5 years, the Outpatient Hematology Oncology clinic and infusion volumes have increased year over year. Based on the projected growth in the service area, and the continued growth of these hospital services, the utilization Is projected to increase by 5% due to continued increase in survival with palliative immunotherapy treatments and continuing rise in cancer

incidence overall. The modernization of this area will be designed to increase the number of rooms in this service to increase access for the Hematology Oncology patients.

Outpatient TCT Clinic and Apheresis Services

Based on the increasing need for the TCT services and these infusions, utilization is projected to increase by 60% over the next five years. The TCT program at LGH has grown from one to three practicing physicians to accommodate the increasing need for TCT services. The development of this expanded area will include an increased number of clinic and procedural rooms to accommodate the growing number of provider clinics.

The historical and projected utilization for the outpatient TCT Clinic exam rooms, Apheresis and infusion services and multispecialty surgical oncology clinic are outlined in Attachment 31.

Outpatient Infusion Center

The Outpatient Infusion Center provides a variety of services, including TCT-related infusions and other oncology-related infusions. As mentioned above, oncology infusions are projected to increase due to increase in survival with palliative immunotherapy treatments and continuing rise in cancer incidence overall. Additionally, outpatient TCT procedures are expected to increase significantly over the next 10 years as certain therapies, such as CAR-T therapy, will become more common in the outpatient setting. The expansion of the Outpatient Infusion Center is designed to provide an increase in the number of infusion bays to accommodate such growth.

Other Clinical Services

The consolidated multispecialty surgical oncology clinic, and new outpatient oncology lab will contribute to improved patient access in a new, expanded environment that offers closer proximity to all other cancer services.

Modernization and expansion of the existing hospital outpatient lab (CAC) will provide continued and expanded access to all other outpatients requiring lab services.

The historical and projected utilization for these clinical services is outlined in Attachment 31.

DEPARTMENT/SERVICE	HISTORICAL UTILIZATION (PATIENT VISITS)	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
	2025AY	**Year 1- 2029**		
Hematology Oncology Clinic Visits	39,946	40,726	NA	Yes
Hematology Oncology Infusions	32,399	33,179	NA	Yes
TCT clinic visits/treatments	3,752	6,044	NA	Yes
Apheresis visits	729	740	NA	Yes
Oncology Infusions	7,357	7,555	NA	Yes
Thoracic surgical oncology clinic visits	5,058	5,188	NA	Yes
OP Lab visits	65,434	71,977	NA	Yes

Although there are no industry standards for utilization of outpatient Oncology hospital clinics or infusion, the architect facility planning team with hospital leaders developed room ratios based on current patient volume, the time for each procedure or service and the number of days that the rooms would be utilized. The clinical services will be designed to be co-located with the other required services that are part of the care of these patients.

There are no state standards for utilization for the clinical services in the project.

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 <u>ATTACHMENT 16,</u> IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Not Applicable – no shell space.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and

3. The anticipated date when the shell space will be completed and placed into operation.

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

Not Applicable – no shell space.

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
☐ Hematology Oncology Clinic & Infusion Center	19 clinic rooms and 36 infusion bays	26 clinic rooms and 49 infusion bays
☐ Outpatient TCT Clinic & Apheresis Services	5 clinic rooms and 2 apheresis bays	6 clinic rooms and 3 apheresis bays
☐ Outpatient Infusion Center	13 infusion bays	24 infusion bays
☐ Multispecialty Surgical Oncology Clinic	4	12
☐ Dedicated Oncology Lab	0	1 lab (6 stations)
☐ Hospital Outpatient Lab – Modernization (CAC)	1 lab (5 stations)	1 lab (6 stations)
☐ Dedicated Oncology Pharmacy	1	1
☐ TCT and Non-TCT Pharmacy	0	1

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

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

Hematology Oncology Clinic & Infusion Center

c) Service Modernization

The applicant shall document that the proposed Project meets the following:

2) - Necessary Expansion

The Cancer Center at Advocate Lutheran General Hospital, established in 1990, currently provides Outpatient Hematology Oncology services in the Center for Advanced Care (CAC) on the hospital campus. The Outpatient Hematology Oncology Program provides an integrative care model that includes hematology oncology clinics and infusion space for these patients. This model provides a multidisciplinary team to deliver integrated care to patients.

The proposed project (the new CCC) will address the Hematology Oncology Clinic and Infusion capacity issues in the current location. The Outpatient Hematology Oncology service was developed in an existing space designed for another clinical service and does not provide adequate room sizes and number of rooms. This project will include the infusion space within this footprint to be designed to meet the needs of current and future Hematology Oncology infusion services.

The infusion bays will be designed to improve patients' privacy and satisfaction. The design of this area will right-size the rooms to current standards and improve the layout of the rooms for the increasing number of Hematology Oncology patients and services in the Lutheran General community. This will include:

- Increasing the number of chemotherapy bays
- Increasing the room sizes to accommodate disabled patients
- Improving patient viability
- Improving and separating patient and staff flows
- Improving and increasing nursing work areas
- Redesign for supply drop off and clean supply storage

Significant growth in the Hematology Oncology outpatient clinic and infusion visits at Advocate Lutheran General Hospital has occurred over the last 5 years.

The current number of 19 clinic rooms will increase to 26 clinic rooms to increase the number of patients that can be seen each day.

There are currently 36 infusion bays for the Hematology Oncology Center. This project will provide the number of infusion bays needed, increasing to 49. On average, there are 55-60 patients each day receiving infusion services. In addition to Chemotherapy, the number of patients receiving immunotherapies as part of their ongoing treatment has grown as the number of immunotherapies has increased and expanded uses of these therapies to improve quality of life.

Infusions take on average 5 ½ hours and each chair can accommodate 1-2 patients per day. The additional 13 infusion bays will improve access for the current and future patients.

Efficient care coordination between our clinic and infusion services is vital to the efficient delivery of care. Patients often see their provider in clinic and then receive treatment in our infusion center, which is in an adjacent space.

Sg2 forecasts an increase in outpatient oncology of 10% over the next five years and 18% over the next ten years. Outpatient chemotherapy is forecasted to increase by 12% over the next five years. With cancer cases expected to continue to rise, an expansion of the cancer center is necessary to continue to serve patients with outstanding clinical care in a contemporary setting.

3)(B) -Utilization – Service or Facility

The Outpatient Hematology Oncology Infusion volume is provided below. Over the last three years, clinic and infusion visits have increased by 16% and 23%. Additional space is needed to support projected increase utilization.

Based on projections outlined, utilization is estimated to continue to increase over the next five years. The projected year-over-year growth outlined is due to continued increase in survival with palliative immunotherapy treatments and the continuing rise in cancer incidence overall.

	2022	2023	2024	2025AY	% Change 2022-2025AY
Hematology Oncology Clinic Visits	32,422	35,862	39,808	39,946	23.2%
Hematology Oncology Infusions	27,805	30,009	30,454	32,399	16.5%

	2026	2027	2028	2029	% Change 2026-2029
Hematology Oncology Clinic Visits	39,946	39,946	39,946	40,726	2.0%
Hematology Oncology Infusions	32,399	32,399	32,399	33,179	2.4%

In order to accommodate the increasing demand for infusion services in the Hematology Oncology Service, it was determined that an additional 13 infusion stations will be needed, increasing the number to 49 total stations. The number of clinic rooms will increase from 19 to 26 to increase the number of patients that will be seen each day.

There are no utilization standards for Outpatient Hematology Oncology clinics or Infusion.

Outpatient TCT Clinic and Apheresis Services

c) Service Modernization

The applicant shall document that the proposed Project meets the following:

2) - Necessary Expansion

The Outpatient TCT Cancer Services at Advocate Lutheran General Hospital, established in 1991, are currently provided in several locations on the hospital campus. This patient care is fragmented requiring patients to transport themselves (or be transported) between buildings for clinic and infusion services.

The Bone Marrow Transplant and Cellular Therapy Program (TCT) at Advocate Lutheran General Hospital provides advanced treatment options and access to cutting edge clinical services and research trials to serve the needs of transplant and cellular therapy patients.

The Outpatient TCT Program is an integrative care model that includes clinics, apheresis, and infusion services for these patients. This model is designed to include a multidisciplinary team to deliver integrated care to patients and provide patients with all services at one location without having to travel through multiple buildings and floors at the hospital. Support services of financial navigation, social work, and nurse navigation will be included. All of these services are vital to contributing to positive clinical outcomes for our patients.

The newly constructed space (CCC) will be designed with appropriately sized rooms and the configuration to allow for efficient or collaborative care. The project will right-size the rooms to current standards and improve the layout of clinical rooms to be designed to better align with the needs of transplant and cellular therapy patients. The patient rooms will be private rooms with adjacent bathrooms to support the privacy and infection control required for this patient population.

The TCT program will include the clinical staff space needed to support patient care and be designed to enhance collaborative care. The providers often need to see patients prior to treatment and staff need to travel between two buildings on the hospital campus. This causes delays for patients and added time on campus creating increased anxiety and fatigue for patients. To allow patients to have all services at one location without having to travel through multiple buildings and floors at the hospital will increase patient satisfaction and safety.

There will be a dedicated compounding pharmacy on site for the infusion patients. This will ensure that the medication is available without delay and no longer requires clinicians to travel to the hospital Pharmacy and lab to obtain medications and deliver labs. Patients will have access to a TCT pharmacy expert who can supplement the education that they receive from providers and nurses regarding their treatment regimen.

Private registration and consultation space will be part of the design, as sensitive information is shared during the registration and discharge process. The design will promote privacy for our patients during those interactions.

The outpatient TCT clinic visits and the outpatient infusions at Advocate Lutheran General Hospital have grown over the last 5 years due to the increased need for services in Advocate's network and in the northwest suburbs. This program has been able to provide services closer to home for patients who do not live close to Chicago. This is especially important for some transplant patients, who need to stay close to the medical center for 100 days after their transplant to ensure care is proximal should they experience complications within that critical period.

Sg2 forecasts an increase of 38% in outpatient Stem Cell Transplant procedures, and outpatient Immune Effector Cell Therapy procedures to increase by 19% over the next five years and 41% in the next 10 years.

With cancer cases expected to continue to rise, TCT services are an essential component of the cancer care services.

3)(B) -Utilization – Service or Facility

The Outpatient TCT clinic and Infusion volume is provided below. Based on the forecasted projections outlined, utilization is estimated to increase in the service area. The number of patients in the TCT clinic is projected to increase as the number of transplant patients at Advocate Lutheran General Hospital will increase over the next five years.

The historic declines from 2022 and 2023 were due to physician changes and program changes. As outlined, the new space and the additional providers will increase the number of patients that will be able to receive care.

The TCT program has recently grown to a provider panel of 3 Physicians and 4 Advanced Practice Providers. The projected utilization is based on the historic volume and projected growth for these services over the next five years.

Patients that have completed their TCT treatment will transition to their primary Oncology physicians for follow up care. Additional programming will be developed in this space to establish a TCT survivorship clinic in the program for patients past 100 days post-transplant.

	2022	2023	2024	2025AY	% Change 2022-2025AY
TCT clinic visits/treatments	6,056	3,447	1,703	3,752	-38.0%
Apheresis visits	267	158	137	729	172.9%

	2026	2027	2028	2029	% Change 2026-2029
TCT clinic visits/treatments	3,752	3,752	3,752	6,044	61.1%
Apheresis visits	729	729	729	740	1.5%

As the volume of infusion services and TCT clinics increases, the projected utilization outlines the need to have 6 exam rooms to continue to support patients in the service area. In order to accommodate the increasing demand for infusion services at the TCT Service, it was determined that 24 infusion stations will be needed: increasing the number from 13 stations.

Industry standards were used by the Design and Construction and architect team to develop the appropriate number of rooms. The guidelines used are related to available time in the chair and scheduling efficiencies.

The TCT clinic was based on operating 8 hours per day; 5 days a week. With the average exam time at 90 minutes, the rooms can provide 5 exams per day per room at the highest level of efficiency. Based on current volume, applying a 55-65% utilization rate used by Cancer centers with these types of services, it was determined that 6 exam rooms, 2 education/consult and 2 procedure rooms would be needed for the TCT clinic services to support current and projected patients.

The apheresis service is designed to have separate rooms to provide infection control and privacy for these patients. This service will also operate 8 hours per day; 5 days per week with patient visits lasting 4- 8 hours per treatment. Based on the current and projected patient volume 3 bays was determined to be needed to provide timely access for patients needing this service.

There are no utilization standards for Outpatient TCT and apheresis Clinics.

Outpatient Infusion Center

c) Service Modernization

The applicant shall document that the proposed Project meets the following:

2) - Necessary Expansion

The Outpatient Infusion Center in the project will relocate and expand the number of bays to support the current and projected patients and designed for privacy, increased clinical visibility and for infection control.

The current TCT and apheresis clinic is located in a separate building from the infusion center. This fragmented physical footprint is challenging for our patients and clinical care teams to navigate for their infusions. For our patients who may be physically challenged due to their disease, this presents another barrier for them to overcome.

Additionally, the current infusion center has a challenging physical layout. The rooms do not meet current Advocate standards, making it difficult to navigate mobility devices such as walkers for patients, and again presenting another barrier for our patients to overcome. Furthermore, the infusion center also accommodates non-TCT patients, and is at capacity, which causes additional waiting time.

The co-location of infusion, adjacent to the clinic space allows TCT patients to receive all care without having to travel throughout the hospital campus or return on a separate day.

This newly constructed expansion is being developed to include the required number of infusion bays and appropriately sized rooms to accommodate patients and providers.

3)(B) -Utilization – Service or Facility

The Outpatient Infusion Center volume is provided below. Based on the forecasted projections outlined, the number of infusion visits is projected to increase as the number of transplant patients at Advocate Lutheran General Hospital increases over the next five years.

The Infusion services will operate 5 days per week for 9.5 hours each day and 2 days each weekend for 4 hours to accommodate the patient volume. The average TCT infusion is 4.5+ hours and non-TCT patients are longer with 5.5+ hour infusion time. Based on the infusion time and the current and projected volume, it was determined that 12 private infusion bays for TCT infusion and 12 open bay spaces for non-TCT infusion patients would be needed.

	2022	2023	2024	2025AY	% Change 2022-2025AY
Oncology infusions	5,926	5,780	6,707	7,357	24.1%

	2026	2027	2028	2029	% Change 2026-2029
Oncology infusions	7,357	7,357	7,357	7,555	2.7%

There are no utilization standards for Outpatient Infusion Centers.

Other Oncology Clinical Services

c) Service Modernization

The applicant shall document that the proposed Project meets the following:

2) - Necessary Expansion

The consolidated multispecialty surgical oncology clinic, and new outpatient oncology lab will contribute to improved patient access in a new, expanded environment that offers closer proximity to all other cancer services.

3)(B) -Utilization – Service or Facility

The multispecialty surgical oncology clinic visits, and lab volume is provided below. Based on the forecasted projections for Outpatient Oncology patients, the number of visits for these services is projected to increase over the next five years.

	2022	2023	2024	2025AY	% Change 2022-2025AY
Thoracic surgical oncology clinic visits	4,538	4,956	4,538	5,058	11.5%

	2026	2027	2028	2029	% Change 2026-2029
Thoracic surgical oncology clinic visits	5,058	5,058	5,058	5,188	2.6%

There are no utilization standards for these clinical services.

Modernization of Hospital Outpatient Lab (existing CAC)

c) Service Modernization

The applicant shall document that the proposed Project meets the following:

2) - Necessary Expansion

The proposed project will address the space needed for outpatient laboratory services. This modernization and expansion are essential to strengthening patient access to timely outpatient laboratory services and ensuring the continued delivery of the hospital's high-quality, safety-focused diagnostic care. The enhanced capacity and updated infrastructure will support growing demand within the Lutheran General Hospital service area and maintain the reliability and excellence patients expect. The significant growth in outpatient laboratory collection volumes has exceeded the capacity of the current space, creating bottlenecks that impede accessibility and timely service for patients. Modernization and expansion are essential to improve workflow efficiency, reduce wait times, and ensure patients receive faster, high-quality diagnostic care.

3)(B) -Utilization – Service or Facility

The hospital OP lab volume is provided below. Based on the forecasted projections for hospital OP lab patients, the number of lab visits is projected to increase over the next five years.

	2022	2023	2024	2025AY	% Change 2023-2025AY
Lab visits (encounters)	75,107	59,175	63,117	65,434	+10.6%

	2026	2027	2028	2029	% Change 2026-2029
Lab visits (encounters)	67,070	68,705	70,342	71,977	10%

There are no utilization standards for this clinical service.

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

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

VII. 1120.120 - AVAILABILITY OF FUNDS

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

$16,618,226	a) Cash and Securities − statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion.
_____	b) Pledges − for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c) Gifts and Bequests − verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts.
$ 82,528,494	d) Debt − a statement of the estimated terms and conditions (including the debt time, variable or permanent interest rates over the debt time, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated. 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate. 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc. 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment. 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e) Governmental Appropriations − a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent.
_____	f) Grants − a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt.
_____	g) All Other Funds and Sources − verification of the amount and type of any other funds that will be used for the project.
$ 99,146,720	**TOTAL FUNDS AVAILABLE**

FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms Advocate Aurora Health (IL) at 'AA'; Outlook Stable

Wed 22 Oct, 2025 - 1:11 PM ET

Fitch Ratings - Chicago - 22 Oct 2025: Fitch Ratings has affirmed Advocate Aurora Health's (AAH) Issuer Default Rating (IDR) at 'AA'. Fitch has also affirmed the outstanding revenue bonds issued directly by AAH or by the Wisconsin Health and Educational Facilities Authority and Illinois Finance Authority on behalf of AAH/Advocate Health Care Network at 'AA'.

The Rating Outlook is Stable.

Fitch has also affirmed the Short-Term 'F1+' rating on AAH's variable rate debt and CP debt supported by AAH's self-liquidity.

RATING ACTIONS

ENTITY / DEBT	RATING	PRIOR
Advocate Aurora Health, Inc. (WI)	LT IDR AA Rating Outlook Stable Affirmed	AA Rating Outlook Stable
Advocate Aurora Health, Inc. (WI) /General Revenues/1 LT	LT AA Rating Outlook Stable Affirmed	AA Rating Outlook Stable

Advocate Health Care Network (IL) /General Revenues/1 LT	LT	AA Rating Outlook Stable	Affirmed	AA Rating Outlook Stable
Advocate Aurora Health, Inc. (WI) /Self-Liquidity/1 ST	ST	F1+	Affirmed	F1+
Advocate Health Care Network (IL) /Self-Liquidity/1 ST	ST	F1+	Affirmed	F1+

VIEW ADDITIONAL RATING DETAILS

AAH and Atrium Health combined in December 2022 to form Advocate Health. The 'AA' long-term ratings for both AAH and Atrium reflect Advocate Health's very strong financial profile in the context of a sound operating profile, leading positions in markets across multiple states, and strong balance sheet metrics. Although AAH and Atrium remain separate obligated groups, most metrics and the financial profile reflect the full Advocate system.

Combined, Advocate treats approximately six million unique patients in more than 1,000 sites of care (including 69 hospitals) across six states in the Southeast (North Carolina, South Carolina, Georgia, and Alabama) and Midwest (Illinois and Wisconsin). The system also benefits from being the primary teaching affiliate of the Wake Forest University (WFU) School of Medicine.

Like most U.S. acute care providers, Advocate's operating metrics were compressed in fiscal 2022 amid macro labor and inflationary pressures, but margins have since rebounded. Fitch believes Advocate has the foundation to continue delivering good long-term operating results despite ongoing macro pressures, including HR 1. Advocate's combined capital-related metrics should remain strong in Fitch's forward-looking scenario analysis, including in a stress case.

SECURITY

Bonds are unsecured joint and several obligations of the obligated group, which consists of the vast majority of AAH hospitals, the AAH parent, and the Advocate Health Care

Network and AAH physician practices.

KEY RATING DRIVERS

Revenue Defensibility - bbb

Broad Reach Across Multiple Regions; Competition Present in Key Markets

Advocate operates across multiple markets in six states in distinct regions of the U.S. (the Southeast and Midwest). Key hospital markets include Charlotte and Winston-Salem in North Carolina; Macon, Georgia area; the Chicago area in Illinois; and Milwaukee and Green Bay in Wisconsin. Advocate maintains the market lead in most core service areas, though competition remains in many markets.

As a large, geographically diverse health system, Advocate operates in markets with varied demographic profiles. The Charlotte and Winston-Salem metro areas are growing faster than the national average, while Bibb County (Rome) and Floyd County (Macon) are in line with the national average. Population trends in the Chicago, Milwaukee, and Green Bay markets are more stagnant, though Advocate's Chicago assets are concentrated in more affluent suburban locations.

Advocate's combined Medicaid and self-pay share was 22% of gross revenue in fiscal 2025, below Fitch's 25% threshold for a midrange assessment. North Carolina recently expanded Medicaid under the ACA; Illinois expanded earlier. Wisconsin and Georgia did not expand. Given Advocate's payer mix, the system is somewhat less exposed to expected Medicaid cuts under HR 1, though longer-term provider tax and Medicaid directed payment program cuts will pressure top-line revenue. Even so, Fitch expects Advocate's revenue defensibility to remain reasonably resilient to federal healthcare policy changes.

Operating Risk - a

Track-Record Sound Operating Results; Margins Continue to Rebound

AAH and Atrium have a record of sound operating performance, and Advocate's margins continue to rebound from fiscal 2022 compression. In audited fiscal 2024, Advocate reported a 3.2% operating margin and a 7.4% operating EBITDA margin, adjusted to reclassify the portion of investment income included in operating revenue to non-operating. In fiscal 2023—the first full year post-merger—margins were 1.6% and 6.4%, respectively. On a combined basis per management's aggregation of audited results, fiscal

2022 showed a negative 0.8% operating margin and a 4.3% operating EBITDA margin, reflecting labor and inflationary pressures.

Factors driving improvement in fiscal 2024 include generally favorable volume trends—inpatient admissions up 7.1% in fiscal 2024 over fiscal 2023, or 3.1% including observation stays—and total surgeries up 2.6%; further integration synergies across supply chain, pharmacy optimization, revenue cycle, and IT, with management estimating $1 billion in synergies over the 30 months post-merger; deployment of AI and other technologies to mitigate nurse and physician shortages; and the implementation of a Medicaid directed payment program in North Carolina to complement Medicaid expansion.

Interim fiscal 2025 results remain favorable. Through the unaudited fiscal 2025 six months ended June 30, Advocate posted a 4.4% operating margin and an 8.3% operating EBITDA margin, as the system has benefited from continued integration efficiencies and volume gains. Management reports that when excluding non-recurring revenue items—such as FEMA funding and employee retention tax credits—the operating margin was 3.4%. Management targets a sustainable margin over the long term despite HR 1, tariffs, and other headwinds.

Capital Spending

Advocate has maintained a steady capital spending pace. From fiscal 2021 to 2024, average capex was just over 130% of depreciation expense. The average age of plant was a sound 11.4 years at FYE 2024. Management plans to sustain capex in coming years but notes that capital spending is contingent on meeting EBITDA targets, and will flex capex accordingly.

In June 2025, Advocate opened the Pearl, a mixed-use project in Charlotte designed to accelerate biomedical research, innovation, and clinical care, which also houses the Wake Forest University School of Medicine-Charlotte. In 2025, Advocate also opened a new patient tower at Illinois Masonic Medical Center in Chicago and the Julie Ann Freischlag patient tower in Winston-Salem. Ongoing and planned projects include the new Carolina's Medical Center bed tower in Charlotte, slated to open in third-quarter 2027, and additional ambulatory access points. Given Advocate's scope and reach, Fitch expects regular market access, and management is considering about $300 million of net new debt over the next year or so.

Financial Profile - aa

Very Strong Capital-Related Ratios

Advocate's financial profile is very strong. Capital-related metrics should remain robust in a forward-looking scenario analysis, including in a stress case.

At FYE 2024, Advocate had nearly $24 billion of unrestricted cash and investments and $8.7 billion of debt (including operating leases). Advocate sponsors six private defined benefit (DB) pension plans, each more than 85% funded. Fitch includes as a debt equivalent the portion of a FASB DB pension plan below 80% funded. Atrium also has the CMHA government DB pension, which was approximately 66% funded as of FYE 2024. Advocate's net adjusted debt (adjusted debt minus unrestricted cash and investments) is favorably negative and cash-to-adjusted debt exceeded 270% at FYE 2024.

Advocate's capital-related ratios should remain strong, even in a forward-looking stress scenario. In the stress case, Advocate's net adjusted debt-to-adjusted EBITDA remains favorably negative in every year and cash-to-adjusted debt never falls below 225% (and exceeds 280% by year four).

Short-Term Rating

The 'F1+' short-term rating is based on AAH maintaining a long-term rating of at least 'AA-'. AAH (and Advocate) maintains sufficient discounted internal liquid resources and has implemented written procedures to fund any un-remarketed put on the approximately $1.1 billion of theoretical maximum potential AAH debt supported by self-liquidity. AAH's self-liquidity supported demand debt includes CP and puttable variable rate demand bonds (VRDB) not supported by standby bond purchase agreements (SBPAs) or letters of credit (LOC), which are adequately covered by internal liquidity (per Fitch's standard discounting of assets).

Asymmetric Additional Risk Considerations

There are no asymmetric risks affecting the rating.

Advocate's liquidity is robust and debt service coverage is strong, neither of which is an asymmetric risk. Cash on hand measured more than 265 days at FYE 2024. Maximum annual debt service (MADS) is $458 million and MADS coverage in fiscal 2024 was strong at 9.6x.

RATING SENSITIVITIES

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

–Sustained compression in operating metrics, such that the operating EBITDA margin is expected to remain closer to 6%;

–Materially Weaker balance sheet and thinner capital-related ratios, leading to expectation that cash-to-adjusted debt were expected to remain below 200% in a forward-looking stress case, particularly if compounded with a weaker operating risk assessment.

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

–Combined Advocate Health operating EBITDA margin consistently at least in the 9% - 10% range;

–Considerable growth in unrestricted liquidity leading to superlative cash-to-adjusted debt expected to remain above 300% even throughout a forward-looking stress case.

PROFILE

Advocate Health is the result of the December 2022 combination of Atrium and AAH. The combined system operates 69 hospitals and more than 1,000 sites of care. The system maintains an academic affiliation with Wake Forest University and engages in considerable research efforts and has more than 250 GME programs.

Advocate is headquartered in Charlotte, NC and has acute care operations in six states: North Carolina, South Carolina, Georgia, Illinois, and Wisconsin. Core hospital operations are diversified, with particular penetration around Charlotte and Winston-Salem in North Carolina, Macon and Rome in Georgia, Milwaukee and Green Bay in Wisconsin, and the Chicago area in Illinois. Advocate Health treats approximately six million unique patients.

Advocate's total operating revenue measured nearly $35 billion in FY 2024, making Advocate one of the five largest not-for-profit health systems in the U.S., and is the largest health system in North Carolina, Illinois, and Wisconsin. The system is structured as a Joint Operating Agreement (JOA). Advocate Health has a common board with 14 members (seven each from Atrium and AAH). While the AAH and Atrium have not yet combined debt obligations,, Advocate Health operates with a common management team and one board and the system is deeply integrated including with strategic development.

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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PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

U.S. Not-For-Profit Hospitals and Health Systems Rating Criteria (pub. 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

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Advocate Health and Hospitals Corporation	EU Endorsed, UK Endorsed

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch's website.

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S&P Global
Ratings

RatingsDirect®

Advocate Health, North Carolina

September 16, 2025

This report does not constitute a rating action.

Credit Highlights

- S&P Global Ratings' long-term rating on various series of debt issued by Atrium Health (Charlotte-Mecklenburg Hospital Authority; CMHA), N.C., as well as various series of taxable debt issued by Advocate Aurora Health, Inc. (AAH), Ill. and various series of tax-exempt debt issued by the Illinois Finance Authority (IFA) and the Wisconsin Health & Education Facilities Authority for AAH is 'AA'.
- In addition, our long-term rating on various series of debt issued by the North Carolina Medical Care Commission for Wake Forest Baptist Obligated Group (WFB) is 'AA', and our long-term rating on WFB's series 2016 taxable bonds is 'AA'.
- Our dual rating on CMHA's series 2018F variable-rate demand bonds (VRDBs), supported by its self-liquidity, is 'AA/A-1+' and our short-term rating on its commercial paper (CP) program, also supported by self-liquidity, is 'A-1+'.
- Our dual rating on CMHA's series 2007B, 2007C, 2018G, and 2018H VRDBs is 'AA/A-1+'; all of these are supported by standby bond purchase agreements (SBPAs) from JPMorgan Chase Bank. In addition, our dual rating on its series 2007E VRDBs is 'AA+/A-1' and our underlying rating (SPUR) is 'AA'.
- Our dual rating on the IFA's series 2011B VRDBs issued for AAH and supported by AAH's self-liquidity is 'AA/A-1+' and our short-term rating on AAH's CP program, also supported by self-liquidity, is 'A-1+'.
- Our dual rating on IFA's series 2008C-1 and 2008C-2B VRDBs, which are supported by SBPAs from JPMorgan Chase Bank, is 'AA/A-1+'. In addition, our dual rating on IFA's series 2008C-3A VRDBs, which are supported by an SBPA from Northern Trust, is 'AA/A-1+'. These bonds were all issued for AAH.
- The outlook on all ratings, where applicable, is stable.

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Rationale

Security

CMHA bonds are secured by a revenue pledge of CMHA and the Atrium Health Foundation, and guarantees of the other members of the CMHA obligated group. Wake Forest Baptist Obligated Group bonds are general, unsecured obligations of its obligated group, which includes North Carolina Baptist Hospital, Wake Forest University Health Sciences, and Wake Forest University Baptist Medical Center; Wake Forest University is not a member of the obligated group; CMHA and WFB are part of the Atrium Health enterprise (Atrium Health). Lastly, Advocate Aurora Health bonds are general, unsecured obligations of its obligated group.

Although CMHA, Wake Forest Baptist, and Advocate Aurora Health currently maintain rated debt across separate obligated groups, all are part of the consolidated Advocate Health following the execution of a joint operating agreement in December 2022 between Atrium Health and Advocate Aurora Health. We rate the systems based on the group credit profile of Advocate Health per our group rating methodology criteria, with each affiliate considered core. As such, this analysis focuses on the enterprise and financial profile characteristics of Advocate Health as a whole, and all metrics cited are for the entire system unless stated otherwise. We understand management intends to consolidate its obligated group structure over the outlook period, which we would not expect to have an effect on the existing ratings, all else unchanged.

For VRDBs supported by SBPAs, the long-term rating reflects the 'AA' long-term rating on the health care obligor, and the short-term rating reflects the short-term rating on the respective bank. For CMHA's series 2007E VRDBs supported by a letter of credit (LOC) from TD Bank, we base the long-term rating on the application of low correlation joint criteria between TD Bank and the 'AA' SPUR on CMHA. The short-term rating reflects the 'A-1' short-term rating on TD Bank.

Credit overview

The rating reflects our view of the credit strength of the consolidated Advocate Health, namely an extremely broad and diverse service area spanning several noncontiguous states across the Midwest and Southeast and a robust and diverse medical staff with numerous academic relationships anchored by the full integration with Winston-Salem-based Wake Forest Baptist. In addition to its large and geographically diverse revenue base, Advocate Health maintains solid balance sheet metrics characterized by sound days' cash on hand and only moderate debt levels, which have improved further in recent years given a lack of new money borrowing activity. We understand management is contemplating some debt activity over the coming quarters and we believe this could be absorbed at the current rating given preliminary expectations from management.

System operating performance improved soundly in fiscal 2024 (ended Dec. 31), further recovering from a loss in fiscal 2022, aided by strong demand, above-budget integration synergies and cost savings, added revenue from North Carolina's Healthcare Access Stabilization Program (HASP), and $200 million of FEMA funds. Within the consolidated Advocate Health, all three rated legacy entities produced positive operating results for the year, with the most pronounced improvement observed at Atrium Health. This progress has been enabled by successful integration efforts across the system, with management citing nearly $1.1 billion in annual synergies already achieved, ahead of its initial three-year target. Performance metrics have improved further midway through fiscal 2025 due in part to rising supplemental funding and

additional one-time items recognized, and we expect year-end results comparable to current levels.

We view the unified management team's integration efforts favorably, with further progress made since our last review. Key milestones include the consolidation of all vendor contracts and the system's investment platform, standardizing quality scorecards and charity care policies, and harmonizing IT systems, including a new holistic enterprise resource planning (ERP) system launched earlier in 2025. In addition, Advocate Health operates with a single CEO structure under Gene Woods (formerly of Atrium Health) and the remainder of the leadership team remains stable. The system is embarking on its next five-year strategic roadmap, called Rewire 2030, which aims to position Advocate Health as an integrated national health learning platform and leverage the inherent strengths of its size, scale, and clinical competencies. We anticipate strategic focus will shift from integration efforts to implementation of Rewire 2030 and management's new operating model. Advocate Health, like peers in the sector, retains exposure to the recently passed U.S. tax and spending bill partly due to its operations in Medicaid expansion states and participation in directed payment programs such as HASP. In subsequent reviews, we will monitor the system's response to these reforms, which most materially begin in fiscal 2028. Management believes its goals under Rewire 2030 align well with positioning Advocate Health to adapt to the expected reimbursement pressures.

The long-term rating is based on our view of the following Advocate Health credit strengths:

- Substantial geographic and revenue diversity, anchored around acute-care operations in Illinois, Wisconsin, North Carolina, and Georgia, generating operating revenue in excess of $34 billion in its fiscal 2024;
- Healthy unrestricted reserves, with days' cash on hand above 250 and lighter debt load relative to net assets and revenue;
- Healthy operating performance in fiscal 2024 and interim 2025, aided in part by strong synergy realization and added HASP funds in North Carolina;
- Expansive and diverse clinical staff of about 18,000 active physicians, including faculty, employed and independent physicians, residents, and fellows; and
- Compelling and ambitious Rewire 2030 strategy to enhance Advocate Health's position in the sector, supported by a solidified leadership team that we view as well-qualified.

The strengths are partly offset, in our view, by the following credit weaknesses:

- Growing exposure to supplemental funding programs to support operating earnings, with HASP being especially meaningful; and
- Competitive markets and heightened expected capital spending, which we believe could pressure reserve growth, particularly if operating cash flow is not sustained or if investment market volatility occurs.

Environmental, social, and governance

We view favorably Advocate Health's social capital factors given the size and diversification of its multistate service area, including several markets with healthy demographic trends such as population and employment growth, though this is partially offset by markets with weaker growth prospects. In addition, the system, like its peers, remains subject to higher human capital risks tied to clinical labor supply, though workforce measures such as contract labor exposure have trended favorably in fiscal 2024 and interim 2025.

We view Advocate Health's environmental and governance factors as neutral in our credit rating analysis. We believe the system's geographic diversity provides some hedge against the physical risks faced in each service area. In addition, the Advocate Health board is transitioning to a self-perpetuating structure following inaugural appointments. Atrium Health includes multiple governing boards with various levels of local authority and specific legacy appointment structures, but key reserve powers rest with the Advocate Health board. The Advocate Health board currently includes 14 members, reduced from the initial 20; Wake Forest Baptist controls two of the board seats by way of the same appointments at the Atrium Health level. Management believes the smaller size is more effective for the system, in addition to creating some capacity for new seats to be added over time via system growth. Per management, no material merger and acquisition plans are imminent at this time, following the integration of Elkin, N.C.-based Hugh Chatham Health into WFB in July 2025.

Outlook

The stable outlook reflects our view that Advocate Health's geographic diversity and scale, coupled with healthy balance sheet measures, lend stability to the rating amid general sector earnings pressure and uncertainty that will likely become more pronounced beyond the outlook period. The outlook is further supported by the system's strengthening performance in fiscal year 2024 and interim 2025, with management's integration execution positioning it well to sustain such progress, in our view.

Downside scenario

We consider there to be some cushion at the current rating, but believe below-expectation operating performance would be the most likely contributor to rating pressure over time. While we believe Advocate Health possesses numerous credit strengths, failure to sustain healthy earnings could eventually weaken the credit profile. Erosion of balance sheet measures, whether due to lighter earnings, continued system growth, or higher capital spending, could also pressure the rating.

Upside scenario

We do not expect to raise the rating over the outlook period. Over the longer-term, a higher rating would be predicated on sustained robust profitability with less exposure to supplemental funding, with continued accumulation of balance sheet cushion and successful realization of key components of its Rewire 2030 strategic vision.

Credit Opinion

Enterprise Profile--Very Strong

Broad, diverse, noncontiguous service area

As a whole, we view the system's footprint, among the largest nationally, favorably as we believe it lends considerable geographic diversity to Advocate Health. The system serves a large population of over 17 million based on the combined service areas of AAH (12.1 million) and Atrium Health (5.8 million). Demographics and growth projections contrast significantly across and within regions, with slight population decline projected in the large Illinois and Wisconsin markets

(AAH) and smaller Georgia service area (Atrium Health Navicent and Atrium Health Floyd), rapid expansion in the Charlotte, N.C. metropolitan statistical area (Atrium Health), and growth in line with national averages in Winston-Salem, N.C. (WFB). Though the system is investing capital across all markets, spending is proportionally higher in North Carolina markets given the region's population growth and ongoing master facility plan at Carolinas Medical Center, the system's largest hospital.

Each system has maintained a sound payor mix, with a healthy 49% of 2024 net patient revenue coming from commercial insurers. AAH yields a slightly higher commercial mix despite the softer demographics, and we consider this a testament of its strong market position and clinical offerings, as well as Atrium Health's role as the major safety net provider in Charlotte. The system reports healthy conversations with national and regional payors, with an increased openness to partnership and shared-value arrangements enabled by Advocate Health's market reach.

Diverse portfolio of access points and robust medical staff support national market position

We view Advocate Health as having a relevant, though not always leading, market share across all its discrete service areas. The system competes directly with several strong regional systems and academic medical centers including NorthShore University Health System, Northwestern Memorial HealthCare, Novant Health, among many other well-regarded providers. In addition, many Advocate Health hospitals are in rural markets, which generally face lighter competitive dynamics but different demographics; addressing health disparities across rural and urban markets is a key goal of Rewire 2030.

In addition to robust coverage of the care continuum through both inpatient, outpatient, patient home, and digital access points, this view is further supported by the system's medical staff of nearly 18,000 active physicians, further supported by 45,000 nurses. Employed physician groups across the Midwest and Southeast regions report to a common leader with consistent compensation structures, and management reports strong clinical collaboration across legacy systems.

Clinical offerings are also enhanced by academic affiliations including several long-term teaching affiliations at AAH, as well as Wake Forest Baptist at Atrium Health. We expect the system will continue to integrate and leverage translational research and educational activities across its footprint as a means of market differentiation and innovation. Most notably, a new Wake Forest School of Medicine campus in Charlotte welcomed its first class in fall 2025, anchoring a new health care and innovation district called The Pearl, a multi-year development that is already home to several international healthcare corporations.

Advocate Health, North Carolina--Enterprise statistics

	--Six months ended June 30--	--Fiscal year ended Dec. 31--		
	2025	2024	2023	2022*
Inpatient admissions	287,323	538,779	494,640	447,734
Equivalent inpatient admissions	668,099	1,231,784	1,254,940	1,155,387
Emergency visits	1,180,131	2,276,741	2,184,381	2,048,726
Inpatient surgeries	63,793	127,853	124,544	117,263
Outpatient surgeries	161,694	324,814	316,577	298,967
Medicare case mix index	1.7700	1.7900	1.8100	N.A.
FTE employees	145,714	140,860	133,966	127,851
Active physicians	N.A.	17,592	15,800	15,400

Advocate Health, North Carolina--Enterprise statistics

	--Six months ended June 30--	--Fiscal year ended Dec. 31--		
	2025	2024	2023	2022*
Based on net/gross revenues	Net	Net	Net	N.A.
Medicare (%)	31.2	31.0	32.4	N.A.
Medicaid (%)	16.2	16.0	15.7	N.A.
Commercial/Blues (%)	48.4	49.0	48.0	N.A.

*Based on S&P Global Ratings internal consolidation. Inpatient admissions exclude normal newborn, psychiatric, rehabilitation, and long-term care facility admissions. N.A.--Not available.

Financial Profile--Very Strong

Performance aided by operating synergies, supplemental funding, and one-time items; positive results expected to continue

Following a moderate loss in 2022 (calculated on a pro forma basis by S&P Global Ratings) driven by sector-wide labor challenges as well as broader inflationary expense pressures, earnings in fiscal 2023 (the system's first full year of operations following the joint operating agreement) recovered with a 1.8% operating margin. The 2023 budget targeted breakeven operations, but excluded the system's $546 million net HASP gain as well as its $238 million one-time 340B payment. Momentum continued in 2024 with results aided by synergy tailwinds, reduced corporate overhead, and improving workforce and productivity measures. Notably, 2024 results would be largely on-budget if excluding Atrium Health's FEMA funds recognized, as well as HASP revenue received related to the prior year, both items unbudgeted.

Fiscal 2025 operating results remain healthy midway through the year, ahead of management's operating target, supported by strong HASP funding and the receipt of about $140 million one-time items, including FEMA funds and employee retention tax credits related to the pandemic. Other factors positively affecting performance include sustained patient demand and strong growth in retail and specialty pharmacy operations. We expect operating performance to remain consistent through year-end and into 2026.

Prior to 2023, both systems maintained solid operating results though Atrium Health's performance had trailed that of Advocate Aurora Health. This reversed in 2023 as added HASP funds accelerated earnings growth in North Carolina. The HASP program has been a material driver of system earnings in recent years, which we view as a risk over the medium term as new federal policies relating to directed payment programs are implemented. Both North Carolina and Illinois expanded Medicaid coverage under the Affordable Care Act, requiring a taper down of directed payment programs to 100% of Medicare beginning in 2028, with a similar phased implementation of a 3.5% provider tax cap. Management is quantifying the expected financial effect and views Advocate Health as having a sound foundation to address these concerns given the integration and operating efficiencies already achieved, as well as the further progress expected under Rewire 2030.

Our performance figures remove unrestricted contributions and investment activity from operating revenue and add non-controlling interest to operating expenses. In addition, fiscal 2023 results exclude a $150 million impairment related to the system's divestment of Advocate Health Enterprises, namely its Senior Helpers and MobileHelp holdings, as well as an associated gain on sale of $88 million in fiscal 2024. These entities were deemed non-core to the system

strategy and carried an operating loss of around $50 million in recent years. We consider this one example of management's approach of making critical decisions early in the integration process.

Healthy unrestricted reserve cushion should remain sound amid progress on major capital projects

The system's unrestricted reserve position has remained very sound and is supportive of the rating. The system expended a combined $2.1 billion on capital items in 2024, near 170% of depreciation expense. We anticipate healthy capital spending over the outlook period given ongoing and contemplated growth projects, with management indicating an annual capital spending baseline near $2.0 billion, with actual spending based on achieved operating cash flow. Meaningful ongoing projects include master campus plans and discrete growth projects across regions. Following the completion of the Julie Ann Freischlag Tower in Winston-Salem in mid-2025, the largest ongoing project is the expansion and renovation of its Charlotte flagship campus, Carolinas Medical Center, to be completed in late 2027. Despite its capital plans, which also include outpatient access points such as ambulatory surgical centers, we anticipate sustaining strong operating liquidity will remain a key pillar of management's plan, and expect strong cash flow will sufficiently support these plans over the outlook period. In addition, we understand forecasted capital capacity grows over the coming years, providing the system with added flexibility as Medicaid reforms come online.

We view the consolidated investment portfolio as appropriate for the system, and note the vast majority of unrestricted reserves are now under a unified investment management platform; this transition drove high realized investment earnings in 2024. The system has $2.8 billion of alternative investment commitments over the coming nine years.

Ample liquidity support supplements balance sheet

The system retains ample liquidity within its unrestricted reserves, further supplemented by AAH's $1.0 billion authorized CP program ($270 million outstanding as of June 30, 2025) and $950 million line-of-credit capacity, CMHA's $800 million authorized CP program (upsized from $400 million in May 2025; $400 million outstanding), and $300 million line of credit via WFB ($200 million outstanding). CP balances and line of credit draws are deducted from unrestricted reserves and excluded from debt measures; Advocate Health's combined CP balance declined to $470 million as of July 31, 2025.

Advocate Health has identified approximately $2.6 billion in combined assets (market value discounted by S&P Global Ratings) as of July 31, 2025, to cover authorized CP programs and self-liquidity VRDBs including AAH's series 2011B VRDBs ($70 million) and CMHA's series 2018F VRDBs ($100 million). The identified assets are a subset of Advocate Health's unrestricted reserves and include cash and equivalents, money market funds, and U.S. government fixed-income securities. In the event of a failed remarketing, it is our opinion that the assets identified in the portfolio would provide sufficient liquidity. The system has also provided us with the operational procedures that will be followed to provide for timely payment in the event of a failed CP rollover or remarketing of the VRDBs. We monitor the credit quality, liquidity, and sufficiency of the assets identified by management on a monthly basis.

Lighter debt load and benefit exposure ahead of potential new borrowings

We view the system's leverage as sound for the rating, falling below 20% in 2024 with a low debt burden near 1.3x aided by the large total revenue base. Management is currently contemplating debt activity in early 2026, possibly inclusive of $300 million in new money reimbursement debt

and repayment of WFB's $200 million line-of-credit draw with long-term debt. Given we exclude line of credit draws from unrestricted reserves and long-term debt, we would estimate a $500 million increase in long-term debt concurrent with a $500 million increase in reserves. We will fully evaluate Advocate Health's plan of finance once it is finalized, but believe the system has ample capacity for the preliminary transaction at the current rating. Borrowings presented in current liabilities given put, tender, or bank expiration dates within one year are moved into our long-term debt figures.

Just over 40% of long-term debt is considered contingent per S&P Global Ratings, inclusive of VRDBs, direct placement debt, and put bonds. All obligated groups and entities were compliant with financial covenants in fiscal 2024.

The system's interest rate swap portfolio includes five swaps from AAH ($348 million notional value as of Dec. 31, 2024) and 10 swaps from Atrium Health ($787 million notional value). Just $750,000 in combined collateral was posted at year-end, related to WFB's lone swap. The swaps support a debt structure that is 65% fixed rate or synthetically fixed.

Advocate Health includes seven distinct defined-benefit pension plans of various legal classifications, with all closed to new participants with benefit accruals frozen. The combined net shortfall across all plans was about $790 million as of Dec. 31, 2024, assuming an average discount rate of 5.7% (up from 5.1% in 2023), equating to moderate funded status of 81%. The most material pension exposure stems from the Atrium Health Charlotte Defined-Benefit Pension Plan, which carries a $528 million shortfall. When viewed in the context of the system's consolidated financial profile, we anticipate pension exposure will remain manageable, with combined contributions of $66 million in 2024.

Long-term operating lease liabilities were $1.1 billion as of June 30, 2025, an amount we view as consistent with the system's overall debt load.

Advocate Health, North Carolina--Financial statistics

	--Six months ended June 30--	--Fiscal year ended Dec. 31--			Medians for 'AA' rated health care systems
	2025	2024	2023	2022*	2024
Financial performance					
Net patient revenue ($000s)	16,203,193	30,405,450	27,998,077	25,046,827	8,033,218
Total operating revenue ($000s)	18,795,915	34,675,160	31,631,306	28,081,028	8,370,980
Total operating expenses ($000s)	18,042,901	33,734,480	31,050,923	28,452,749	7,733,900
Operating income ($000s)	753,014	940,680	580,383	(371,723)	204,345
Operating margin (%)	4.01	2.71	1.83	(1.32)	3.50
Net nonoperating income ($000s)	978,353	1,645,394	389,982	813,386	418,034
Excess income ($000s)	1,731,367	2,586,074	970,365	241,663	463,002
Excess margin (%)	8.76	7.12	3.03	0.84	7.80
Operating EBIDA margin (%)	7.96	8.94	8.61	3.76	8.10
EBIDA margin (%)	12.51	11.15	7.75	5.82	12.00
Net available for debt service ($000s)	2,473,620	4,050,209	2,481,288	1,670,124	834,286
Maximum annual debt service ($000s)	460,040	460,040	460,040	460,040	147,371
Maximum annual debt service coverage (x)	10.75	8.80	5.39	3.63	7.20
Operating lease-adjusted coverage (x)	7.01	5.80	3.88	2.82	5.70

Advocate Health, North Carolina--Financial statistics

	--Six months ended June 30--	--Fiscal year ended Dec, 31--			Medians for 'AA' rated health care systems
	2025	2024	2023	2022*	2024
Liquidity and financial flexibility					
Unrestricted reserves ($000s)	24,254,027	23,988,702	21,542,090	19,440,700	7,354,302
Unrestricted days' cash on hand	254.0	269.1	263.5	260.1	314.9
Unrestricted reserves/total long-term debt (%)	352.0	342.3	297.6	259.3	351.1
Unrestricted reserves/contingent liabilities (%)	826.1	813.8	705.9	614.2	1,178.3
Average age of plant (years)	11.6	11.4	11.4	11.4	10.5
Capital expenditures/depreciation and amortization (%)	189.1	171.9	122.3	105.9	146.8
Debt and liabilities					
Total long-term debt ($000s)	6,891,253	7,007,883	7,238,031	7,498,272	2,096,105
Long-term debt/capitalization (%)	18.5	19.8	22.3	24.4	18.3
Contingent liabilities ($000s)	2,935,820	2,947,565	3,051,615	3,165,423	684,404
Contingent liabilities/total long-term debt (%)	42.6	42.1	42.2	42.2	29.1
Debt burden (%)	1.16	1.27	1.44	1.60	1.60
Defined benefit plan funded status (%)	N.A.	81.08	77.28	78.16	97.80
Miscellaneous					
Medicare advance payments ($000s)¶	0	0	0	11,000	MNR
Short-term borrowings ($000s)¶	870,000	470,000	369,199	400,000	MNR
COVID-19 stimulus recognized ($000s)	140,000	200,000	39,700	181,113	MNR
Total net special funding ($000s)	814,787	991,815	908,507	333,790	MNR

*Based on S&P Global Ratings internal consolidation, ¶Excluded from unrestricted reserves, long-term debt, and contingent liabilities. N.A.--Not available. N/A--Not applicable. MNR--Median not reported.

Credit Snapshot

- Group rating methodology: We consider the obligated groups of Advocate Aurora Health, CMHA, and Wake Forest Baptist to all be core to the group credit profile of Advocate Health. The obligated groups remain separate and do not secure or guarantee any debt of each other. Atrium Health Navicent and Atrium Health Floyd are not members of the CMHA obligated group.
- Financial presentation: Our analysis utilizes the system's 2024 audit, which includes all legacy affiliates, combining FASB entities (AAH and WFB) with GASB entities (CMHA) under FASB standards. We consider this to be the most accurate approach for assessing the system's creditworthiness.
- Organization description: Advocate Health is the governing entity of the combined system that includes Advocate Aurora Health and Atrium Health. The latter also includes Wake Forest Baptist, Atrium Health Navicent, and Atrium Health Floyd. The system has 69 inpatients facilities across Illinois, Wisconsin, North Carolina, and Georgia, supplemented by hundreds of various outpatient access points. The system is headquartered in Charlotte, N.C.

Ratings List
Current Ratings
Healthcare

Advocate Health, North Carolina

Ratings List	
Advocate Hlth Care, IL Health Care System General Obligation	AA/Stable
Advocate Hlth Care, IL Health Care System General Obligation	A-1+
Atrium Hlth, NC Health Care System Revenues	AA/Stable
Atrium Hlth, NC Health Care System Revenues	A-1+
Wake Forest Baptist Oblig Grp, NC Health Care System Revenues	AA/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

MOODY'S
RATINGS

Rating Action: Moody's Ratings upgrades ratings of Advocate Aurora Health and Atrium Health (legally known as Charlotte Mecklenburg Hospital Authority) to Aa2 and Wake Forest Baptist's to Aa3; outlooks stable

01 Oct 2025

New York, October 01, 2025 -- Moody's Ratings (Moody's) has upgraded the revenue bond ratings of Advocate Aurora Health and Atrium Health (legally known as Charlotte Mecklenburg Hospital Authority) to Aa2 from Aa3 and simultaneously upgraded the revenue bond rating of Wake Forest Baptist to Aa3 from A1. The outlooks have been revised to stable from positive at the higher rating levels. We have also affirmed the VMIG 1 and P-1 short term ratings assigned to various series of debt at Advocate Aurora Health and Atrium Health.

Advocate Health, Inc. was created as the governing entity of Advocate Aurora Health and Atrium Health, Inc. as member organizations, The debt of the various member organizations remains separately secured, however, we consider the linkages between them and the credit quality of the entire Advocate Health system in our analysis.

The upgrades reflect the strengthened financial profile of the Advocate Health system and its successful strategic expansion strategies which have augmented Advocate Aurora Health, Atrium Health, and Wake Forest Baptist, Governance is a key driver for the upgrades reflecting the view that management's execution of growth and integration strategies have undergirded Advocate Health's financial and operational success.

RATINGS RATIONALE

The Aa2 rating for Advocate Aurora Health and Atrium Health is supported by several key credit factors, including significant scale, strong market share in major metropolitan areas, and solid financial performance and liquidity. The system operates in demographically favorable markets, leveraging a strong position built on numerous convenient outpatient care access points, physician clinics, and high-acuity inpatient care at several academic hospitals. The second branch of Wake Forest University School of Medicine, in Charlotte, increases Advocate Health's prominence in that market and establishes a pipeline for physicians and medical staff over time, Disciplined financial and capital planning allows both organizations to fund capital spending and pursue growth opportunities while sustaining solid operating margins and favorable leverage and liquidity metrics. Though competition is high, population growth and a strong reputation are expected to help maintain or expand market share. The most significant challenges are the potential cuts in federal and state funding, although the legacy entities have a long history of effectively responding to operating pressures,

The Aa3 rating for Wake Forest Baptist is based on its solid market position in Winston-Salem, its status as an academic medical center, and its membership in the Advocate Health system. Membership in the Advocate Health system provides strategic and financial advantages, including access to capital and the resources of a larger system.

Affirmation of Atrium Health's P-1 and VMIG 1 ratings reflects the organization's strong treasury management and daily liquid assets that provide for adequate coverage of debt backed by Atrium Health's internal liquidity.

Affirmation of Advocate Aurora's P-1 reflects its long term rating and our approach to market access instruments,

Affirmation of Advocate Aurora's and Atrium Health's VMIG 1 reflects standby bond purchase agreements provided by the respective banks to support the tender features of the affected debt.

RATING OUTLOOK

The stable outlook reflects solid operating cash flow (OCF) margins above 7% and maintenance of very favorable cash and debt metrics

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Further geographic diversification of cash flow

- Material and sustained improvement in operating margins that support exemplary leverage measures

- Significant increase in market share

- For short-term ratings: not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Sustained decline in OCF margin below 6%

- Additional debt that materially dilutes leverage metrics

- Short term ratings: material reduction in coverage level of assets backing the commercial paper program or downgrade of Advocate Aurora or Atrium's long term rating to A2 or lower; for bank enhanced ratings: downgrade of the short-term CR Assessment of the Bank

PROFILE

The Advocate Health system has significant patient care operations in four states spanning multiple major metro areas. It provides services across the care continuum with nearly 70 hospitals, numerous ambulatory and clinic locations, and 8,000 employed physicians. It is headquartered in Charlotte, NC,

METHODOLOGY

The principal methodology used in the long-term ratings was Not-for-profit Healthcare published in October 2024 and available at https://ratings.moodys.com/rmc-documents/430698. The principal methodology used in the short-term ratings was US Municipal Short-term Debt published in October 2024 and available at https://ratings.moodys.com/rmc-documents/430699. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form, Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process,

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/rmc-documents/435880.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

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between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc, and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at ir.moodys.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

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SECTION VIII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

Variance

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

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

The criterion is not applicable. Advocate Aurora Health, Inc has a AA long-term bond rating from Fitch and Standard & Poors. Advocate Aurora Health, Inc has an Aa2 long-term bond rating from Moody's.

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

A. Reasonableness of Financing Arrangements

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

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

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

   A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

   B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available.

2) That the selected form of debt financing will not be at the lowest net cost available but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors.

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1) Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (List below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									
* Include the percentage (%) of space for circulation									

D. Projected Operating Costs

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

F. Total Effect of the Project on Capital Costs

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

See Attachment #37, Exhibit 1, 2 and 3.

The Chicago Index for Chicago Q3 2025 and the 2025 Third Quarter Construction Cost Report is provided in the Appendix.

Advocate Health Care
Now part of ADVOCATEHEALTH

Advocate Health Care
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Oak Brook, IL 60523

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November 6, 2025

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

Re: Advocate Health and Hospitals Corporation d/b/a Lutheran General Hospital - Comprehensive Cancer Center (CCC) Project

Dear Mr. Kniery:

This letter is to attest to the fact that the selected form of debt financing for the purpose of the Advocate Lutheran General Hospital project will be the lowest net cost available, or if a more costly form of financing is selected, that form is more advantageous due to such terms as prepayment privileges, no required mortgages, access to additional debt, term financing costs and other factors.

Respectfully,

Kevin Fitch
Group Vice President Finance
Advocate Health and Hospitals Corporation

Subscribed and sworn to me
This 5 day of November, 2025

Notary Public

OLGA RAMIREZ
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
March 06, 2027

Reasonableness of Project and Related Costs

Cost & Gross Square Feet by Department									
Dept. / Area	A	B	C	D	E	F	G	H	
	Cost / Sq. Ft.		Gross Sq. Ft.		Gross Sq. Ft.		Const. $	Mod. $	Total Cost (G+H)
	New (CCC)	Mod. (CAC)	New (CCC)	Circ.*	Mod. (CAC)	Circ.*	A x C	B x E	(G+H)
REVIEWABLE									
Hematology Oncology Infusion	$499	$0	14,946	15%	0	15%	$7,458,054	$0	$7,458,054
Hematology Oncology Clinic	$441	$0	11,565	15%	1	15%	$5,100,165	$0	$5,100,165
TCT Clinic (includes Apheresis)	$446	$0	4,120	15%	0	15%	$1,837,520	$0	$1,837,520
Outpatient Infusion	$498	$0	7,910	15%	0	15%	$3,939,180	$0	$3,939,180
Multispecialty Clinic	$493	$0	8,065	15%	0	15%	$3,976,045	$0	$3,976,045
Dedicated Oncology Lab	$807	$0	1,683	15%	0	15%	$1,358,181	$0	$1,358,181
Hospital OP Lab	$0	$565	0	15%	1,350	15%	$0	$762,750	$762,750
Dedicated Oncology Pharmacy (Level 2)	$905	$0	2,420	15%	0	15%	$2,190,100	$0	$2,190,100
TCT Non-TCT Pharmacy (Level 1)	$934	$0	1,639	15%	0	15%	$1,530,826	$0	$1,530,826
Total Clinical			52,348		1,350		$27,427,940	$762,912	$28,190,852
Clinical Contingency									$2,810,000
Total Clinical Reviewable + Contingency									$31,000,852
NON-REVIEWABLE									
Staff Support	$1,854	$1,298	1,210	15%	480	15%	$2,243,183	$622,901	$2,866,084
Conference Room	$369	0	622	15%	0	15%	$229,512	$0	$229,512
Survivorship	$870	$0	3,010	15%	0	15%	$2,618,008	$0	$2,618,008
Reception / Circulation:									
Connecting Circulation Link	$879	$616	871	15%	1,543	15%	$765,992	$949,886	$1,715,878
Entry Vestibule	$685	$0	489	15%	0	15%	$334,853	$0	$334,853
Public Circulation Lobby Level 1	$687	$481	5,327	15%	940	15%	$3,661,673	$452,300	$4,113,973
Public Circulation Level 2	$135	$0	3,151	15%	0	15%	$425,600	$0	$425,600
CAC Lobby and PSR	$0	$383	0	15%	1,500	15%	$0	$574,230	$574,230
Building Support:									
Mech/Elec/Stair/Elev/Shaft	$1,219	$0	4,347	15%	0	15%	$5,298,863	$0	$5,298,863
Mech/Elec/Generator/Pumps/AHU	$2,459	$0	6,230	15%	0	15%	$15,318,822	$0	$15,318,822
Total Non-Clinical			25,257		4,463		$30,896,505	$2,599,317	$33,495,822
Total Clinical and Non-Clinical			77,605		5,813				
Non-Reviewable Contingency									$3,350,000
Total Clinical Non-Reviewable + Contingency									$36,845,822
TOTAL									$67,846,674

* Include the percentage (%) of space for circulation

Description of Premiums

Two Production Pharmacies for TCT and Oncology Infusion Pharmaceutical Prep & compounding. a. Must follow USP/ISO 797/800 rules of pharmaceuticals. b. Higher hospital grade square feet rules, higher mechanical & electrical rules. c. Requires emergency power. d. Clean room requirements related to donning and doffing and airlock type compounding of hazardous pharmaceuticals and flows. e. Healthcare grade systems and construction types.	$2,106,915
The new building is required to tie into the existing building. This will maintain usage of any administrative functions withing the existing building as well as patient pass through from existing garage entry.	$1,043,250
TCT and Hematology Oncology infusion area has higher mechanical /exhaust needs due to sensitive nature and compromised immune systems of the patients who will be utilizing the facility. Due to these requirements the MEP systems needed to accommodate this space is Approximately 45% higher cost per square foot due to a ducted supply and return system not typical in a standard medical office building.	$1,345,534
The new building requires upgrades to life safety and electrical systems within the existing building	$180,000
Rework and upgrade of existing mechanical and electrical systems to code required levels	$265,000
Two new emergency generators will be added to support new building, and existing building. The existing generator is old and beyond life for continued support.	$2,675,000
Existing sanitary sewer pipes need to be extended and re-routed around the new building	$8,108
The project requires stormwater detention volume exceeding the requirements of the MWRDGC. The City of Park Ridge requirements exceed those of the MWRDGC by 50%.	$1,451,695
The project is located over an existing paved parking lot with existing site lighting, utilities, and curbs that need to be demolished and removed from the site.	$82,045
Renovation costs are higher than anticipated in means cost due to infection prevention and other construction control costs to maintain patient environmental safety	$284,850

D. Projected Operating Cost per Equivalent Pt Day in Year 1
E. Impact of Project on Capital Costs in Year of Completion (Year 1)

Projected Operating Costs	
	Cost Per EPD Year 1
Operating Costs	**$3,331.85**

Impact of Project on Capital Costs	
	Cost Per EPD Year 1
Capital Costs	**$111.70**

SECTION X. SAFETY NET IMPACT STATEMENT

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

1. The project's material impact, if any, on essential safety net services in the community, ***including the impact on racial and health care disparities in the community,*** to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in each community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all the following:
1.For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

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

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

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

ADVOCATE LUTHERAN GENERAL HOSPITAL Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**2022**	**2023**	**2024**
Inpatient	512	1,064	657
Outpatient	1,005	4,730	3,742
Total	1,517	5,794	4,399
Charity (cost in dollars)			
Inpatient	$6,962,000	$4,074,996	$5,797,703
Outpatient	$4,286,000	$4,372,762	$3,800,708
Total	**$11,248,000**	**$8,447,758**	**$9,598,411**
MEDICAID			
Medicaid (# of patients)	**2022**	**2023**	**2024**
Inpatient	5,888	7,254	7,479
Outpatient	65,930	60,756	61,499
Total	71,818	68,010	68,978
Medicaid (revenue)			
Inpatient	$135,277,833	$141,354,996	$143,324,413
Outpatient	$32,224,428	$60,104,530	$59,754,670
Total	**$167,502,261**	**$201,459,526**	**$203,079,083**

Advocate Lutheran General Hospital has a long history of serving the Northwest suburbs of Chicago and has continued to provide high quality acute care to residents. The hospital is part of Advocate Health, a Top 10 not-for-profit health system. The hospital was founded in 1897 with just twenty-five beds and was originally known as Norwegian Lutheran Deaconess Home and Hospital. Lutheran General Hospital opened in its current location in Park Ridge in 1959. The hospital takes pride in its relationships with the neighborhood, communities, organizations, and the agencies it serves. The following illustrates ways that Lutheran General addresses the needs of the residents in their service area.

Advocate Lutheran General Hospital is a teaching, research and tertiary care hospital that offers the most advanced care as a Level I Trauma Center and through Clinical Institutes in Oncology, Cardiovascular, Orthopedics, Advanced Surgery, and Neurosciences. The hospital is a Comprehensive Stroke Center, reflecting the highest level of competence for the treatment of serious stroke events. Advocate Lutheran General's campus is also home to Advocate Children's Hospital, one of the largest network providers of pediatric services in Illinois and the nation.

Newsweek's World's Best Hospitals 2025- Americas Best Maternity Hospitals, Best in State Hospitals 2025. America's 50 Best Hospitals Healthgrades 2025 Specialty Excellence Awards: Coronary Intervention, Cardiac Surgery, Cardiac Care, GI Care, GI Surgery, Stroke Care and Neurosciences. Lung Cancer Surgery by Castle Connolly 2025 Top 3 in Illinois, Top 3 in Chicago Metro Area and Top 85 Nationwide.

The hospital has been a Magnet designated hospital for nursing excellence every year since 2005. The American College of Surgeons National Surgical Quality Improvement Program has recognized Advocate Lutheran General Hospital as one of 52 of the over 600 ACS NSQIP participating hospitals that achieved meritorious outcomes for surgical patient care. The hospital has received recognition from ACS each year for the past six years.

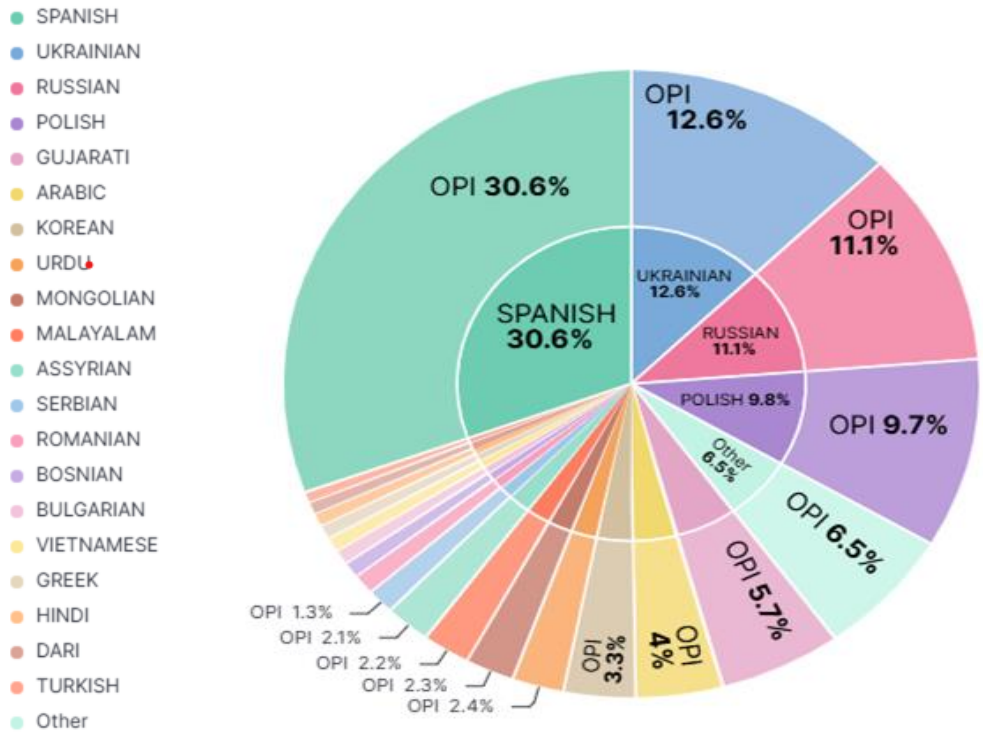
<u>Diverse and Culturally Competent Care</u>

Advocate Lutheran General Hospital has been on a journey to identify the unique needs of the diverse populations in the hospital's service area and to provide culturally competent care and programs to support these communities. Programs include the South Asian Cardiovascular Center (SACC) to raise awareness, provide prevention education, appropriately screen, and provide treatment to all community members including this unique population. This population was identified to have higher prevalence rates for cardiovascular disease and has a significant presence in the Chicago metropolitan communities surrounding the hospital. The SACC provides a unique combination of community outreach, culturally sensitive advanced clinical services, and research while ensuring appropriate care for all.

Advocate Health's Faith leadership partnered with Mental Health Program Specialists to coordinate the following trainings: Bridges of Hope and Mental Health First Aid training; virtual training for faith leaders on Mental Health Awareness**.**

Advocate Lutheran General Hospital's Older Adult Services is a distinctive program offering a safe, secure, and stimulating environment for older adults with physical or cognitive concerns assistance throughout the day including activities, therapies, support services, and meals.

Advocate Lutheran General Hospital offers interpretation services and translation services in almost every language through one of several methods including in person for Spanish, Polish, Vietnamese, Cantonese, and Mandarin: translation service through registry agencies and video teleconferencing and dedicated lines. The chart below outlines the top languages of Advocate Lutheran General patients in 2025.



Advocate Lutheran General's multi-disciplinary experts have served the health and psychosocial needs of thousands of teens and adults with Down syndrome since our nationally recognized Lutheran General Adult Down Syndrome Center opened in 1992. The mission is to enhance their lives by providing comprehensive, holistic, community-based care and services using a team approach. As a comprehensive medical resource for teens and adults with Down syndrome, the team provides patients everything from holistic care and support to education and resources in a compassionate, welcoming environment. The center holds events, participates in community outreach, and conducts research.

<u>Community Needs Assessment</u>

Advocate Lutheran General conducts a Community Health Needs Assessment (CHNA) every three years to identify health needs for the hospital's primary service area (PSA) including low income, and underserved communities. The CHNA also supports the creation of effective community programming that meets the needs of the community with measurable impact. The 2022 CHNA Report identified behavioral health, health and nutrition, mental health, access to care, substance

and alcohol use, cancer, respiratory health, diabetes, cardiovascular disease, and COVID-19 as the top health needs for the hospital's service area.

In 2019, Advocate Lutheran General selected key zip codes in the hospital's high-risk communities to implement the Empowered to Serve program, partnering with the American Heart Association (AHA) and other health care organizations. The six-week series included free screenings and free heart-healthy produce boxes provided at various organizations in community, including schools, health centers, and food pantries. Other partnerships in 2020 included working with the Irving Park Food Pantry to create non-perishable food bags for patients in need and donated boxed lunches for families in need to the NWSHC. The Community Health Department also implemented mobile COVID testing and distributed thousands of masks in communities that have the highest rates of COVID and experience significant health disparities.

Advocate Children's Hospital, located on the Advocate Lutheran General Hospital campus, provided access to care for underserved communities through the hospital's Ronald McDonald Care Mobile®, a mobile clinic that provides free physicals and immunizations to low income, uninsured and underinsured children. In 2018, 2,398 children received over 2,000 physicals and over 4,300 vaccines. During year three of the previous CHNA cycle, the team began screening patients for food insecurity. Approximately 30% of patients received assistance.

In 2021, due to the ongoing concerns of COVID-19, the Community Health Department across Advocate Health shifted its strategies to meet the immediate needs of the community. Advocate Lutheran General Hospital enhanced preventive services to combat the COVID-19 pandemic by increasing access to free vaccinations, health education, Personal Protective Equipment (PPE), COVID-19 testing, and other immediate services. At Advocate Lutheran General, community programs continued to thrive through the pandemic, bringing resources to communities identified in the 2017-2019 CHNA report.

Education, Training and Research

Advocate Lutheran General Hospital and Advocate Children's Hospital-Park Ridge offer a well-structured, comprehensive selection of postgraduate training programs. This institution is a teaching, research and tertiary care hospital that is recognized as being one of the top teaching hospitals in the country. Advocate Lutheran General Hospital is designated as a Resource Hospital within its Emergency Medical Services regional area in the state, providing education and training to emergency medical providers.

Advocate Lutheran General Hospital also has a robust medical residency program that spans specialties, including emergency medicine, family medicine, internal medicine, obstetrics/gynecology, and sports medicine. The various programs are some of the oldest and most highly regarded residencies in the Chicago area and aim to educate medical students on providing safe, high-quality specialized care to help patients live well while achieving their career goals.

In 2012, the James R. and Helen D. Russell Center for Research and Innovation was established at the hospital thanks to an endowment to support research. The purpose of the Advocate Research Institute is to enhance the quality of care and improve health outcomes for individuals and the community. The Center provides coordination and regulatory support for clinical trials and

comprehensive resources for investigator-initiated, patient-centered outcomes research that ranges from study design and statistical support through medical writing.

Advocate Health Care partners with education institutions to provide a high-quality clinical learning experience for our next generation of nurses. In this shared learning environment, nursing students and their preceptors participate in a dynamic collaboration which fosters the professional growth of each student. Nursing students have the opportunity to work side by side with expert clinicians who share their time, expertise, and knowledge. This relationship fosters both the growth of the student as a nurse, as well as the clinician as a teacher.

Advocate Lutheran General hosted students from eleven nursing schools in 2020 including Loyola University, Marquette University, North Park University, Northern Illinois University, Purdue University Global, Rush University, and University of Illinois.

The physicians and staff of Advocate Lutheran General offer many free educational events throughout the year to educate the community and corporate partners. Programs are developed to include the surrounding Villages and businesses in the service area.

Oncology Designation Program

The LGH Oncology program offers comprehensive cancer care through bone marrow transplant program, surgical oncology, dedicated Cancer Survivorship Program, outpatient infusion center, and ancillary services offered in the Center for Advanced Care.

- The TCT (Bone Marrow Transplant) Service - Achieved an Institute of Excellence status with Aetna**.** Advocate Bone Marrow Transplant and Cellular Therapy Program at Advocate Lutheran General Hospital received Fact Accreditation.
- Advocate Cancer Institute at Advocate Lutheran General Hospital offers emerging therapies and the most advanced options for the diagnosis and treatment of even the rarest forms of cancer.

Patients have access to a team of cancer specialists working together on their behalf, including a broad range of imaging and treatment services provided in a single program. The focus is on the patient's total health and wellness journey, combining leading-edge medical treatments with personalized education. Patients are connected with the team of cancer service navigators to guide and support them throughout diagnosis, treatment and beyond.

The team of experts uses the latest detection technology to diagnose cancer and monitor the effectiveness of your treatment. More precise information leads to a more targeted treatment plan and better outcomes.

The Lung Cancer Screening Program at Advocate Lutheran General offers eligible patients the screening expertise and technology necessary to detect lung cancer at its earliest stages when it is most treatable. The ground-breaking low-dose CT scan available at Advocate Lutheran General can detect lung cancer early enough to allow for more treatment options, improve survival rates and has been proven to reduce the risk of death by up to 20%.

The Caldwell Breast Center pairs expert surgeons and clinicians with the latest technologies and techniques to provide the most complete breast cancer care available.

Awards & Recognition – Oncology Services

- Consistently ranked as one of America's Best Breast Centers: Women Certified Inc., the voice of female patients
- National Accreditation Program of Breast Centers (NAPBC), recognized since 2010
- Breast Imaging Center of Excellence (BICOE), recognized since 2007
- Patient satisfaction scores in the top decile for more than a decade
- Accredited by the Commission on Cancer, which measures our quality of care against national standards
- First in the Midwest to offer 3D mammography
- First in the Illinois to offer contrast-enhanced mammography

The struggle to overcome a cancer diagnosis doesn't stop at the end of a hospital stay. The Cancer Survivorship Center is the first stand-alone, hospital-affiliated survivorship center in Illinois. It provides free, comprehensive, holistic support for patients, family members, and caregivers throughout their care.

- Providing assistance to achieve a healthier lifestyle
- Empowering and helping to navigate the healthcare system
- Supporting the relationship between the patient and the healthcare provider
- Offering care for long-term recovery of physical and mental well-being
- Giving tools needed to live life beyond cancer

The Survivorship Center offers virtual classes and programs designed to focus on the physical, social, psychological, and spiritual needs of patients, family members, and caregivers. These programs are for adults in or out of cancer treatment, and their caregivers ages eighteen and older.

The impact of the Advocate Lutheran General Hospital services is far reaching, and the hospital is a critical organization supporting the communities within Northern Illinois. The residents have come to rely on many of these programs designed to focus on improving access to care, addressing special needs, and improving overall community health in the service area. Advocate Lutheran General Hospital's team members are aware of changes in health care and in the community and have been developing new partnerships and services to support the health and wellbeing of all that they serve.

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.

ADVOCATE LUTHERAN GENERAL HOSPITAL CHARITY CARE			
	2022	**2023**	**2024**
Net Patient Revenue	$1,083,009,823	$1,203,340,285	$1,229,287,809
Amount of Charity Care (charges)	$47,206,335	$35,079,965	$43,253,380
Cost of Charity Care	$11,248,098	$8,447,759	$9,598,411

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

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

Applicant: Advocate Lutheran General Hospital (Name) 1775 Dempster Street (Address)

(City) Park Ridge (State) IL (ZIP Code) 60068 (Telephone Number) 847-723-2210

4. Project Location CAC address - 1700 Luther Lane (Address) Park Ridge (City) IL (State)

Cook (County) Maine (Township) (Section)

5. 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___ No _X__?

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.
If the determination is being made by a local official, please complete the following:

FIRM Panel Number:_____ Effective Date:_____

Name of Official:_____ Title: _____

Business/Agency:_____ Address:_____

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

Signature:_____ Date: _____

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

APPENDIX

Advocate Aurora Health, Inc.

Consolidated Financial Statements and Supplementary Information
As of and for the Years Ended December 31, 2024 and 2023

Document Dated as of April 9, 2025

ADVOCATE AURORA HEALTH, INC.
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Report of Independent Auditors

The Board of Directors
Advocate Health, Inc.

Opinion

We have audited the consolidated financial statements of Advocate Aurora Health, Inc. (the Organization), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization at December 31, 2024 and 2023, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Other information

Management is responsible for the other information. The other information comprises the Annual Disclosure Statements but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Ernst & Young LLP

April 9, 2025

ADVOCATE AURORA HEALTH, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 716,506	$ 857,599
Assets limited as to use	179,057	179,288
Patient accounts receivable	2,009,794	1,906,747
Other current assets	1,085,336	1,093,683
Total current assets	3,990,693	4,037,317
Noncurrent assets		
Assets limited as to use	21,553,860	11,863,519
Property and equipment, net	6,079,747	5,919,233
Operating lease right-of-use assets	280,150	305,114
Other noncurrent assets	562,080	872,637
Total other assets	28,475,837	18,960,503
Total assets	**$ 32,466,530**	**$ 22,997,820**
Liabilities		
Current liabilities		
Long-term debt, current portion	$ 343,589	$ 527,479
Operating lease liabilities, current portion	67,961	69,062
Accrued salaries and employee benefits	1,400,664	1,245,445
Accounts payable and other accrued liabilities	1,536,611	1,401,812
Third-party payors payables	423,230	404,496
Total current liabilities	3,772,055	3,648,294
Noncurrent liabilities		
Long-term debt, less current portion	3,061,905	2,939,221
Operating lease liabilities, less current portion	249,594	273,134
Obligations under swap agreements	19,566	31,681
Due to related party - investment pool	7,945,909	—
Other noncurrent liabilities	1,869,124	1,846,436
Total noncurrent liabilities	13,146,098	5,090,472
Total liabilities	**16,918,153**	**8,738,766**
Net assets		
Without donor restrictions		
Controlling interest	15,088,922	13,823,021
Noncontrolling interests in subsidiaries	203,353	191,582
Total net assets without donor restrictions	15,292,275	14,014,603
With donor restrictions	256,102	244,451
Total net assets	**15,548,377**	**14,259,054**
Total liabilities and net assets	**$ 32,466,530**	**$ 22,997,820**

See accompanying notes to consolidated financial statements.

ADVOCATE AURORA HEALTH, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

(in thousands)

	Year Ended December 31, 2024	Year Ended December 31, 2023
Revenue		
Patient service revenue	$ 14,127,471	$ 12,987,089
Capitation revenue	1,185,242	1,206,918
Other revenue	1,530,804	1,559,047
Total revenue	16,843,517	15,753,054
Expenses		
Salaries, wages and benefits	9,538,896	8,975,567
Supplies and drugs	3,419,075	3,063,799
Purchased services and other	2,316,500	2,359,535
Contracted medical services	502,220	542,880
Depreciation and amortization	558,606	614,084
Interest	121,293	125,568
Total expenses	16,456,590	15,681,433
Operating income	**386,927**	**71,621**
Nonoperating income		
Investment income, net	1,322,601	819,180
Other nonoperating loss, net	(432,807)	(57,951)
Total nonoperating income, net	889,794	761,229
Revenue in excess of expenses	**1,276,721**	**832,850**
Less income attributable to noncontrolling interests	(68,801)	(58,518)
Revenue in excess of expenses - attributable to controlling interest	**$ 1,207,920**	**$ 774,332**

(Continued)

ADVOCATE AURORA HEALTH, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

(in thousands)

	Year Ended December 31, 2024	Year Ended December 31, 2023
Net assets without donor restrictions, controlling interest		
Revenue in excess of expenses - attributable to controlling interest	$ 1,207,920	$ 774,332
Pension-related changes other than net periodic pension costs	56,068	9,311
Net assets released from restrictions for purchase of property and equipment	4,830	7,319
Other, net	(2,917)	(5,521)
Increase in net assets without donor restrictions, controlling interest	1,265,901	785,441
Net assets without donor restrictions, noncontrolling interests		
Revenues in excess of expenses	68,801	58,518
Distributions to noncontrolling interests	(57,030)	(38,727)
Increase in net assets without donor restrictions, noncontrolling interests	11,771	19,791
Net assets with donor restrictions		
Contributions	22,962	17,861
Investment income, net	8,032	8,737
Net assets released from restrictions for operations	(13,183)	(13,060)
Net assets released from restrictions for purchase of property and equipment	(4,830)	(7,319)
Other, net	(1,330)	56
Increase in net assets with donor restrictions	11,651	6,275
Increase in net assets	**1,289,323**	**811,507**
Net assets at beginning of period	14,259,054	13,447,547
Net assets at end of period	**$ 15,548,377**	**$ 14,259,054**

See accompanying notes to consolidated financial statements.

ADVOCATE AURORA HEALTH, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31, 2024	Year Ended December 31, 2023
Cash flows from operating activities		
Increase in net assets	$ 1,289,323	$ 811,507
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation, amortization and accretion	547,503	603,847
Noncash lease expense	65,417	59,697
Gain on sale of disposal group	(88,163)	—
Pension-related changes other than net periodic pension cost	(56,068)	(9,311)
Distribution to noncontrolling interests	54,483	37,539
Distribution from unconsolidated entities	8,727	11,265
Other	14,324	588
Changes in operating assets and liabilities		
Trading securities, net	(9,690,474)	(469,458)
Patient accounts receivable	(103,047)	(110,248)
Third-party payors receivables and payables, net	82,492	(30,238)
Due to related party	7,881,787	(6,766)
Other assets and liabilities, net	469,125	213,526
Net cash provided by operating activities	475,429	1,111,948
Cash flows from investing activities		
Capital expenditures	(681,508)	(521,414)
Cash received from sale of disposal group	184,298	—
Investments in unconsolidated entities, net	(11,009)	(18,504)
Purchases of investments designated as non-trading	(46,766)	(51,331)
Sales of investments designated as non-trading	46,896	51,239
Other	87	(105)
Net cash used in investing activities	(508,002)	(540,115)
Cash flows from financing activities		
Repayments of long-term debt, net	(124,403)	(51,000)
Proceeds from issuance of long-term debt	70,006	—
Distribution to noncontrolling interests	(54,483)	(37,539)
Proceeds from restricted contributions and income on investments	360	1,407
Net cash used in financing activities	(108,520)	(87,132)
Net (decrease) increase in cash and cash equivalents	**(141,093)**	**484,701**
Cash and cash equivalents at beginning of period	857,599	372,898
Cash and cash equivalents at end of period	**$ 716,506**	**$ 857,599**
Supplemental disclosures of noncash information		
Operating lease right-of-use assets in exchange for new operating lease liabilities	$ 44,510	$ 59,500

See accompanying notes to consolidated financial statements.

1. ORGANIZATION AND BASIS OF PRESENTATION

Description of Business

Advocate Aurora Health, Inc., a Delaware nonprofit nonstock corporation (the "Parent Corporation"), owns and operates primarily not-for-profit healthcare facilities in Illinois and Wisconsin. The Parent Corporation is the sole corporate member of Advocate Health Care Network, an Illinois not-for-profit corporation ("Advocate") and Aurora Health Care, Inc., a Wisconsin nonstock not-for-profit corporation ("Aurora"). The Parent Corporation, Advocate, Aurora and their controlled subsidiaries are collectively referred to herein as the "System." The System was formed in furtherance of the parties' common and unifying charitable health care mission to promote and improve the quality and expand the scope and accessibility of affordable health care and health care-related services for the communities they serve.

The System and Atrium Health, Inc., a North Carolina not-for-profit corporation, ("AHI") entered into a joint operating agreement pursuant to which they created Advocate Health, Inc. ("Advocate Health"), a Delaware nonprofit nonstock corporation, to manage and oversee an integrated health care delivery and academic system which focuses on meeting patients' needs by redefining how, when and where care is delivered. The System and AHI are the two corporate members of Advocate Health. The System maintains its separate legal existence and no sale, transfer or other conveyance of assets or assumption of debt and liabilities occurred in connection with the formation of Advocate Health.

The System provides a continuum of care through its 25 acute care hospitals, an integrated children's hospital, a psychiatric hospital, primary and specialty physician services, outpatient centers, physician office buildings, pharmacies, rehabilitation and home health and hospice care in northern Illinois and eastern Wisconsin.

Principles of Consolidation

Included in the System's consolidated financial statements are all of its wholly owned or controlled subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

2. SIGNIFICANT EVENTS

On December 15, 2023, the System approved the sale of SH Corporate Company, Inc. and SHF Acquisition Company, Inc. (collectively "Senior Helpers") and MobileHelp Group Holdings, LLC ("MobileHelp") as they no longer fit the strategic priorities of Advocate Health. As of December 31, 2023, the related disposal group for Senior Helpers and MobileHelp was reclassified to held for sale. A majority of the disposal group consisted of goodwill and intangible assets, $192,323 and $161,497, respectively. The System recorded an impairment of $150,000 related to the expected sale that is included in purchased services and other expenses in the accompanying consolidated statements of operations and changes in net assets for the year ended December 31, 2023. The sales of Senior Helpers and MobileHelp closed in 2024, which resulted in a gain, net of transaction costs, of $88,163 recorded in purchased services and other expenses in the accompanying consolidated statements of operations and changes in net assets for the year ended December 31, 2024.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities and amounts disclosed in the notes to the consolidated financial statements at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Although estimates are considered to be fairly stated at the time made, actual results could differ materially from those estimates.

Cash Equivalents

The System considers all highly liquid investments with a maturity of three months or less when purchased, other than those included in the investment portfolio, to be cash equivalents.

Investments

The System has designated substantially all its investments as trading. Investments in debt and equity securities with readily determinable fair values are measured at fair value using quoted market prices or otherwise observable inputs. Investments in private equity limited partnerships and derivative products (hedge funds) are reported at fair value using net asset value as a practical expedient. Commingled funds are carried at fair value based on other observable inputs. Investment income or loss (including realized gains and losses, interest, dividends and unrealized gains and losses) is included in the nonoperating section of the accompanying consolidated statements of operations and changes in net assets, unless the income or loss is restricted by donor or law or is related to assets designated for self-insurance programs. Investment income on self-insurance trust funds is reported in other revenue in the accompanying consolidated statements of operations and changes in net assets. Investment income or loss that is restricted by donor or law is reported as a change in net assets with donor restrictions.

Assets Limited as to Use

Assets limited as to use consist of investments set aside by the System for future capital improvements and certain medical education and other health care programs. The System retains control of these investments and may, at its discretion, subsequently use them for other purposes. Additionally, assets limited as to use include investments held by trustees or in trust under debt agreements, self-insurance trusts, retirement plan assets, assets held in reinsurance trust accounts and donor-restricted funds.

Patient Service Revenue and Accounts Receivable

Patient service revenue is reported at the amount that reflects the consideration to which the System expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including managed care payors and government programs and excludes revenues for services provided to patients under capitated arrangements) and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations.

Revenue is recognized as performance obligations are satisfied. Performance obligations are identified based on the nature of the services provided. Revenue associated with performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or

actual) charges. Performance obligations satisfied over time relate to patients receiving inpatient acute care services. The System measures the performance obligation from admission into the hospital to the point when there are no further services required for the patient, which is generally the time of discharge. For outpatient services, the performance obligation is satisfied as the patient simultaneously receives and consumes the benefits provided as the services are performed. Management believes this method provides a faithful depiction of the transfer of services over the term of performance obligations based on the inputs needed to satisfy the obligations.

As the System's performance obligations relate to contracts with a duration of less than one year, the System has applied the optional exemption provided in the guidance and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which typically occurs within days or weeks of the end of the reporting period.

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

The System determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, reduced by explicit and implicit price concessions, including contractual adjustments provided to third-party payors, discounts provided to uninsured and underinsured patients in accordance with policy and/or implicit price concessions based on the historical collection experience of patient accounts. The System determines the transaction price associated with services provided to patients who have third-party payor coverage based on reimbursement terms per contractual agreements, discount policies and historical experience. For uninsured patients who do not qualify for charity care, the System determines the transaction price associated with services based on charges reduced by implicit price concessions. Implicit price concessions included in the estimate of the transaction price are based on historical collection experience for applicable patient portfolios. Patients who meet the System's criteria for charity care are provided care without charge; such amounts are not reported as revenue. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change.

The System does not incur significant incremental costs in obtaining contracts with patients. Any costs incurred are expensed in the period of occurrence, as the amortization period of any asset that the System would have recognized is one year or less in duration.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care using the most likely outcome method. These settlements are estimated based on the terms of the payment agreements with the payor, correspondence from the payor and historical settlement activity, including an assessment to ensure it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated

settlements are adjusted in future periods as new information becomes available or as years are settled or are no longer subject to such audits, reviews and investigations. As a result, there is a possibility that recorded estimates will change by a material amount.

For the years ended December 31, 2024 and 2023, changes in the System's estimates of implicit price concessions, discounts and contractual adjustments or other changes to expected payments for performance obligations related to prior years were not significant.

In the normal course of business, the System does receive payments in advance for certain services provided and would consider these amounts to represent contract liabilities. The contract liabilities received in the normal course of business at December 31, 2024 and 2023 were not material.

The System does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component, due to the expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less.

The System has entered into payment arrangements with patients that allow for payments over a term in excess of one year. The System has evaluated historical collections in excess of one year and current market interest rates to determine whether a significant financing component exists that would require an adjustment to the promised amount of consideration from patients and third-party payors. The System has determined that the impact of implicit financing arrangements for payment agreements in excess of one year is insignificant to the accompanying consolidated statements of operations and changes in net assets.

Inventories

Inventories, consisting primarily of medical supplies, pharmaceuticals and durable medical equipment, are stated at the lower of cost or net realizable value. Inventories are included in other current assets in the accompanying consolidated balance sheets.

Reinsurance Receivables

Reinsurance receivables are recognized in a manner consistent with the liabilities relating to the underlying reinsured contracts. Reinsurance receivables are included in other current assets in the accompanying consolidated balance sheets.

Asset Impairment

The System considers whether indicators of impairment are present and, if indicators are present, performs the necessary tests to determine if the carrying value of an asset is recoverable. Impairment write-downs are recognized in the accompanying consolidated statements of operations and changes in net assets as a component of operating expense at the time the impairment is identified. As described in Note 2. SIGNIFICANT EVENTS, for the year ended December 31, 2023, an impairment of $150,000 related to the disposal group classified as held for sale was included in purchased services and other expenses in the accompanying consolidated statements of operations and change in net assets. There were no material impairment charges recorded for the year ended December 31, 2024.

Property and Equipment, Net

Property and equipment are reported at cost or, if donated, at fair value at the date of the gift. Costs of computer software developed or obtained for internal use, including external and internal direct costs

of materials and labor directly associated with internal-use software development projects, are capitalized during the application development stage and included in property and equipment. Internal labor and interest expense incurred during the period of construction of significant capital projects are capitalized as a component of the costs of the asset.

Property and equipment capitalized under direct financing leases are recorded at the present value of future lease payments, adding initial direct costs and prepaid lease payments, reduced by any lease incentives. Property and equipment capitalized under direct financing leases are amortized using the straight-line method over the related lease term. Amortization of property and equipment under financing leases is included in the accompanying consolidated statements of operations and changes in net assets in depreciation and amortization expense.

Property and equipment assets are depreciated on the straight-line method over the following estimated useful lives:

	Estimated Useful Life in Years
Land improvements	2-25
Buildings and other improvements	2-80
Fixed and movable equipment	2-25

Operating Lease Right-of-use Assets

The System records an operating lease right-of-use asset (an asset that represents the System's right to use the leased asset for the lease term) for leases that do not meet the criteria as a sales-type lease or a direct financing lease.

The System records operating lease right-of-use assets at the present value of future lease payments, adding initial direct costs and prepaid lease payments, reduced by any lease incentives. Operating lease right-of-use assets are amortized using the straight-line method over the related lease term. Amortization of operating lease right-of-use assets is included in purchased services and other expense in the accompanying consolidated statements of operations and changes in net assets.

Goodwill and Intangible Assets, Net

Goodwill of $36,543 and $44,096 and intangible assets of $13,012 and $12,842 are included in other noncurrent assets in the accompanying consolidated balance sheets as of December 31, 2024 and 2023, respectively. The System has elected to amortize goodwill using the straight-line method over a 10-year period. Intangible assets with expected useful lives are amortized over that period. Amortization is included in depreciation and amortization in the accompanying consolidated statements of operations and changes in net assets. Amortization expense was $8,636 and $55,591 for the years ended December 31, 2024 and 2023, respectively.

Investments in Unconsolidated Entities

Investments in unconsolidated entities are included in other noncurrent assets in the accompanying consolidated balance sheets and are accounted for using the equity method or as an equity security without a readily determinable fair value. The System applies the equity method of accounting for investments in unconsolidated entities when its ownership or membership interest is 50% or less and the System has the ability to exercise significant influence over the operating and financial policies of the investee. The income (loss) on health-related unconsolidated entities is included in other revenue

in the accompanying consolidated statements of operations and changes in net assets. The income (loss) on non-health-related unconsolidated entities is included in other nonoperating loss, net in the accompanying consolidated statements of operations and changes in net assets. All other unconsolidated entities are accounted for as an equity security without a readily determinable fair value. These unconsolidated entities are initially recorded at cost, tested for impairment at least annually and adjusted as market transactions occur that would indicate a fair value adjustment is needed. The income (loss) on these unconsolidated entities is included in other nonoperating loss, net in the accompanying consolidated statements of operations and changes in net assets.

Derivative Financial Instruments

The System enters into transactions to manage its interest rate, credit and market risks. Derivative financial instruments, including exchange-traded and over-the-counter derivative contracts and interest rate swaps, are recorded as either assets or liabilities at fair value. Subsequent changes in a derivative's fair value are recognized in other nonoperating loss, net in the accompanying consolidated statements of operations and changes in net assets.

Bond Issuance Costs, Discounts and Premiums

Bond issuance costs, discounts and premiums are amortized over the term of the bonds using the effective interest method and are included in long-term debt, less current portion in the accompanying consolidated balance sheets.

General and Professional Liability Risks

The provision for self-insured general and professional liability claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. The System measures the cost of its unfunded obligations under such programs based upon actuarial calculations and records a liability on a discounted basis.

Net Assets with Donor Restrictions

Net assets with donor restrictions are those assets whose use by the System has been limited by donors to a specific time period or purpose or consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity. Net assets with donor restrictions are used in accordance with the donor's wishes primarily to purchase property and equipment, to fund medical education or to fund health programs.

Assets released from restrictions to fund purchases of property and equipment are reported as increases to net assets without donor restrictions in the accompanying consolidated statements of operations and changes in net assets. Those assets released from restriction for operating purposes are reported in the accompanying consolidated statements of operations and changes in net assets as other revenue. When restricted, earnings are recorded as net assets with donor restrictions until amounts are expended in accordance with the donor's specifications.

Capitation Revenue

The System has agreements with various managed care organizations under which the System provides or arranges for medical care to members of the organizations in return for a monthly payment per member. Revenue is earned each month as a result of the System agreeing to provide or arrange for their medical care.

Other Revenue

Other revenue is recognized at an amount that reflects the consideration to which the System expects to be entitled in exchange for providing goods and services. The amounts recognized reflect consideration due from customers, third-party payors and others. Primary categories of other revenue include retail pharmacy revenue, clinical integration revenue, managed care risk/quality shared savings revenue and other miscellaneous revenue.

Other Nonoperating Loss, Net

Revenues and expenses related to the delivery of health care services are reported in operations. Income and losses that arise from transactions that are peripheral or incidental to the System's main purpose are included in other nonoperating loss, net. Other nonoperating loss, net includes an offset to investment income representing AHI's share of the change in fair value of the investment pool (see Note 6. INVESTMENTS), fund-raising expenses, income taxes, unrealized changes in fair value of swaps and the net non-service components of the periodic benefit expense of the System's pension plans.

Revenue in Excess of Expenses and Changes in Net Assets

The accompanying consolidated statements of operations and changes in net assets includes the revenue in excess of expenses as the performance indicator. Changes in net assets without donor restrictions, which are excluded from revenue in excess of expenses, primarily include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets), pension-related changes other than net periodic pension costs and distributions to noncontrolling interests.

Accounting Pronouncements Adopted

In March 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This guidance provides optional expedients and exceptions for applying current GAAP to contracts, hedging relationships and other transactions affected by the transition from the use of London Interbank Offered Rate (“LIBOR”) to an alternative reference rate. In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*, which adds implementation guidance to ASU 2020-04 to clarify certain optional expedients in Topic 848. In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848,* which deferred the sunset date of Topic 848 to December 31, 2024. The System adopted these standards for the year ended December 31, 2024. The guidance did not have a material impact on the System's accompanying consolidated financial statements.

Reclassifications in the Consolidated Financial Statements

Certain reclassifications were made to the 2023 consolidated financial statements to conform to the classifications used in 2024. There was no impact on previously reported 2023 net assets or revenues in excess of expenses.

4. COMMUNITY BENEFIT

The System provides health care services without charge or at discounted rates to patients who meet the criteria of its financial assistance policies. Charity care services are not reported as patient service revenue, because payment is not anticipated while the related costs to provide the health care are included in operating expenses. Qualifying patients can receive up to 100% discounts from charges and

extended payment plans. The System's cost of providing charity care was approximately $160,000 and $110,000 for the years ended December 31, 2024 and 2023, respectively, as determined using total cost to charge ratios.

In addition to the provision of charity care, the System provides significant financial support to its communities to sustain and improve health care services.

These activities include:

- The unreimbursed cost of providing care to patients covered by the Medicare and Medicaid programs.
- The cost of providing services that are not self-sustaining, for which patient service revenues are less than the costs required to provide the services. Such services benefit uninsured and low-income patients, as well as the broader community, but are not expected to be financially self-supporting.
- Other community benefits, which include the unreimbursed costs of community benefits programs and services for the general community, not solely for those demonstrating financial need, including the unreimbursed cost of medical education, health education, immunizations for children, support groups, health screenings and fairs.

5. REVENUE AND RECEIVABLES

Patient service revenue

The composition of patient service revenue by payor is as follows:

	Year Ended December 31, 2024		Year Ended December 31, 2023	
Managed care	$ 7,525,366	53 %	$ 6,738,790	52 %
Medicare	4,513,293	32 %	4,197,545	32 %
Medicaid	1,720,313	12 %	1,668,531	13 %
Self-pay and other	368,499	3 %	382,223	3 %
	$ 14,127,471	100 %	$ 12,987,089	100 %

Deductibles, copayments and coinsurance under third-party payment programs which are the patient's responsibility are included within the primary payor category in the table above.

Revenue disaggregated by state and service line is as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Illinois	$ 6,459,073	$ 5,920,220
Wisconsin	7,668,398	7,066,869
Total patient service revenue	$ 14,127,471	$ 12,987,089
Hospital	$ 10,545,547	$ 9,772,918
Clinic	3,240,291	2,914,123
Other	341,633	300,048
Total patient service revenue	$ 14,127,471	$ 12,987,089

Currently, the State of Illinois utilizes supplemental reimbursement programs to increase reimbursement to providers to offset a portion of the cost of providing care to Medicaid and indigent patients. These programs are designed with input from the Centers for Medicare & Medicaid Services

and are funded with a combination of state and federal resources, including assessments levied on the providers. Under these supplemental programs, the System recognizes revenue and related expenses in the period in which amounts are estimable and collection is reasonably assured. Reimbursement and the assessment under these programs are reflected in the accompanying consolidated statements of operations and changes in net assets as follows:

	Classification	Year Ended December 31, 2024	Year Ended December 31, 2023
Reimbursement	Patient service revenue	$ 381,290	$ 410,119
Assessment	Purchased services and other	217,317	216,793

The State of Wisconsin assesses a fee or tax on gross patient service revenue. The revenues from this assessment are used to increase payments made to hospitals for services provided to Medicaid and other medically indigent patients. The System's patient service revenue reflects this increase in payment for services to Medicaid and other medically indigent patients and hospital tax assessment expense reflects the fees assessed by the State. Reimbursement and the assessment under these programs are reflected in the accompanying consolidated statements of operations and changes in net assets as follows:

	Classification	Year Ended December 31, 2024	Year Ended December 31, 2023
Reimbursement	Patient service revenue	$ 130,586	$ 120,033
Assessment	Purchased services and other	101,736	100,668

There are no assurances regarding future reimbursement related to these Medicaid supplemental programs as they are subject to annual legislative and regulatory approvals that could be materially modified in the future.

Patient accounts receivable

The composition of patient accounts receivable is summarized as follows:

	December 31, 2024		December 31, 2023	
Managed care	$ 907,753	45 %	$ 877,778	46 %
Medicare	537,627	27 %	475,482	25 %
Medicaid	165,931	8 %	164,872	9 %
Self-pay and other	398,483	20 %	388,615	20 %
	$ 2,009,794	100 %	$ 1,906,747	100 %

The self-pay patient accounts receivable above includes amounts due from patients for co-insurance, deductibles, installment payment plans and amounts due from patients without insurance.

6. INVESTMENTS

The System has a pooled investment fund ("pool") where all of the pool investments are owned by a subsidiary of the System. Each participant in the pool is an affiliate of the subsidiary. Per the Investment Agreement, each participant in the pool has no ownership interest in the pool's investment assets. The participant receives a commensurate value in units of the pool, which is adjusted each month to the current market value. If redemption is sought under the terms of the agreement, the participant is only entitled to receive the fair market value of its units in cash. In April 2024, AHI became a participant in the pool. At December 31, 2024, AHI's interest in the pool is $7,945,909, which is included in the consolidated balance sheets as due to related party- investment pool. The change in

fair value of the entire investment pool for the year ended December 31, 2024 is included in investment income, net in the consolidated statement of operations and changes in net assets. The change in fair value attributable to AHI's interest in the investment pool for the same period of $411,408 is recorded as an offset in other nonoperating loss, net.

The pool invests in a diversified portfolio of investments, including alternative investments, such as real asset funds, equity funds, hedge funds and private equity limited partnerships, whose fair value was $10,873,558 and $6,309,366 at December 31, 2024 and 2023, respectively. Collectively, these funds have liquidity terms ranging from daily to annual with notice periods typically ranging from 1 to 90 days. Certain of these investments have redemption restrictions that may restrict redemption for up to 15 years. However, the potential for the System to sell its interest in these funds in a secondary market prior to the end of the fund term does exist for prices at or other than the carrying value.

At December 31, 2024, the System had additional commitments to fund alternative investments, including recallable distributions of $2,771,805 over the next seven years.

In the normal course of operations and within established investment policy guidelines, the System may enter into various exchange-traded and over-the-counter derivative contracts for trading purposes, including futures, options and forward contracts. These instruments are used primarily to maintain the System's strategic asset allocation and hedge security price movements. These instruments require the System to deposit cash or securities collateral with the broker or custodian. Collateral provided was $5,933 and $17,089 at December 31, 2024 and 2023, respectively. The gross notional value of the derivatives outstanding was $149,464 and $220,940 at December 31, 2024 and 2023, respectively.

By using derivative financial instruments, the System exposes itself to credit and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contracts. When the fair value of a derivative contract is positive, the counterparty owes the System, which creates credit risk for the System. When the fair value of a derivative contract is negative, the System owes the counterparty and, therefore, it does not possess credit risk. The System minimizes the credit risk in derivative instruments by entering into transactions that may require the counterparty to post collateral for the benefit of the System based on the credit rating of the counterparty and the fair value of the derivative contract. Market risk is the adverse effect on the value of a financial instrument that results from a change in the underlying reference security. The market risk associated with market changes is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Receivables and payables for investment trades not settled are presented within other current assets and accounts payable and other accrued liabilities in the accompanying consolidated balance sheets. Unsettled sales resulted in receivables due from brokers of $6,119 and $61,462 at December 31, 2024 and 2023, respectively. Unsettled purchases resulted in payables due to brokers of $28,198 and $102,517 at December 31, 2024 and 2023, respectively.

Investment returns for assets limited as to use and cash and cash equivalents are composed of the following:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Interest income and dividends	$ 300,541	$ 162,493
Income from alternative investments	458,052	260,904
Net realized gains (losses)	187,913	(22,992)
Net unrealized gains	427,528	474,143
Total	$ 1,374,034	$ 874,548

Investment returns are included in the accompanying consolidated statements of operations and changes in net assets as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Other revenue	$ 43,401	$ 46,631
Investment income, net	1,322,601	819,180
Net assets with donor restrictions	8,032	8,737
Total	$ 1,374,034	$ 874,548

The assets limited as to use presented within the accompanying consolidated balance sheets are comprised of the following:

	December 31, 2024	December 31, 2023
Internally designated for capital and other	$ 20,545,013	$ 10,822,009
Held for self-insurance	554,835	687,997
Donor restricted	111,146	106,325
Funds held under retirement plans	502,965	412,776
Investments under securities lending program	18,958	13,700
Total assets limited as to use	21,732,917	12,042,807
Assets limited as to use, current	179,057	179,288
Assets limited as to use, noncurrent	$ 21,553,860	$ 11,863,519

As part of the management of the investment portfolio, the System has entered into an arrangement whereby securities owned by the System are loaned primarily to brokers and investment banks. The loans are arranged through a bank. Borrowers are required to post collateral for securities borrowed equal to no less than 102% of the value of the security on a daily basis, at a minimum. The bank is responsible for reviewing the creditworthiness of the borrowers. The System has also entered into an arrangement whereby the bank is responsible for the risk of borrower bankruptcy and default. At December 31, 2024 and 2023, the System loaned $18,958 and $13,700, respectively, in securities and accepted collateral for these loans in the amount $19,964 and $14,557, respectively, which represents cash and governmental securities, and are included in other current liabilities and other current assets in the accompanying consolidated balance sheets.

7. FAIR VALUE

The System accounts for certain assets and liabilities at fair value and categorizes assets and liabilities measured at fair value in the accompanying consolidated financial statements based upon whether the inputs used to determine their fair values are observable or unobservable. Observable inputs are inputs that are based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about pricing the asset or liability, based on the best information available under the circumstances.

The fair value of all assets and liabilities recognized or disclosed at fair value are classified based on the lowest level of significant inputs. Assets and liabilities that are measured at fair value are disclosed and classified in one of the three categories. Category inputs are defined as follows:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities on the reporting date.

Level 2 — Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs that are unobservable for the asset or liability for which there is little or no market data.

The following section describes the valuation methodologies used by the System to measure financial assets and liabilities at fair value. In general, where applicable, the System uses quoted prices in active markets for identical assets and liabilities to determine fair value. This pricing methodology applies to Level 1 investments, such as domestic and international equities, exchange-traded funds and agency securities.

If quoted prices in active markets for identical assets and liabilities are not available to determine the fair value, then quoted prices for similar assets and liabilities or inputs other than quoted prices that are observable either directly or indirectly are used. These investments are included in Level 2 and consist primarily of corporate notes and bonds, foreign government bonds, mortgage-backed securities, fixed-income securities, including fixed-income government obligations, commercial paper and certain agency, United States and international equities, which are not traded on an active exchange. The fair value for the obligations under swap agreements included in Level 2 is estimated using industry-standard valuation models. These models project future cash flows and discount the future amounts to a present value using market-based observable inputs, including interest rate curves. The fair values of the obligation under swap agreements include adjustments related to the System's credit risk.

Investments owned by the System are exposed to various kinds and levels of risk. Equity securities and equity funds expose the System to market risk, performance risk and liquidity risk for both domestic and international investments. Market risk is the risk associated with major movements of the equity markets. Performance risk is the risk associated with a company's operating performance. Fixed-income securities and fixed-income mutual funds expose the System to interest rate risk, credit risk and liquidity risk. As interest rates change, the value of many fixed-income securities is affected, including those with fixed interest rates. Credit risk is the risk that the obligor of the security will not fulfill its obligations. Liquidity risk is affected by the willingness of market participants to buy and sell particular securities. Liquidity risk tends to be higher for equities related to small capitalization companies and certain alternative investments. Due to the volatility in the capital markets, there is a reasonable possibility of subsequent changes in fair value, resulting in additional gains and losses in the near term.

The carrying values of cash and cash equivalents, accounts receivable and payable, other current assets and accrued liabilities are reasonable estimates of their fair values, due to the short-term nature of these financial instruments.

The fair values of financial assets and liabilities measured at fair value on a recurring basis are as follows:

	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and short-term investments	$ 257,884	$ 234,216	$ 23,668	$ —
Corporate bonds and other debt securities	1,498,905	—	1,498,905	—
United States government bonds	1,266,608	—	1,266,608	—
Bond and other debt security funds	125,104	117,399	7,705	—
Non-government fixed-income obligations	63,140	—	63,140	—
Equity securities	1,846,361	1,831,700	14,661	—
Equity funds	5,274,833	2,362,328	2,912,505	—
Funds held under retirement plans	502,965	101,981	400,984	—
	10,835,800	$ 4,647,624	$ 6,188,176	$ —
Investments at net asset value				
Alternative investments	10,897,117			
Total investments	$ 21,732,917			
Collateral proceeds received under securities lending program	$ 19,964		$ 19,964	
Liabilities				
Obligations under swap agreements	$ (19,566)		$ (19,566)	
Liabilities under retirement and benefit plans	$ (502,965)		$ (502,965)	
Obligations to return capital under securities lending program	$ (19,964)		$ (19,964)	

	December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Cash and short-term investments	$ 255,203	$ 240,517	$ 14,686	$ —
Corporate bonds and other debt securities	719,092	—	719,092	—
United States government bonds	652,278	—	652,278	—
Bond and other debt security funds *	116,796	109,367	7,429	—
Non-government fixed-income obligations	31,706	—	31,706	—
Equity securities	819,568	804,152	15,416	—
Equity funds *	924,961	140,723	784,238	—
Funds held under retirement plans	412,776	85,091	327,685	—
	3,932,380	$ 1,379,850	$ 2,552,530	$ —
Investments at net asset value				
Alternative investments	8,110,427			
Total investments	$ 12,042,807			
Collateral proceeds received under securities lending program	$ 14,557		$ 14,557	
Liabilities				
Obligations under swap agreements	$ (31,681)		$ (31,681)	
Liabilities under retirement and benefit plans	$ (412,776)		$ (412,776)	
Obligations to return capital under securities lending program	$ (14,557)		$ (14,557)	

*Leveling was updated from Level 2 to investments at net asset value based on further analysis of the investments.

8. PROPERTY AND EQUIPMENT, NET

The components of property and equipment, net are summarized as follows:

	December 31, 2024	December 31, 2023
Land and improvements	$ 509,690	$ 493,107
Buildings and other improvements	8,662,172	8,467,723
Fixed and movable equipment	3,101,227	2,877,402
Construction-in-progress	575,090	391,764
	12,848,179	12,229,996
Accumulated depreciation and amortization	(6,768,432)	(6,310,763)
Property and equipment, net	$ 6,079,747	$ 5,919,233

During 2024, the System wrote off fully depreciated property and equipment totaling $74,717.

Property and equipment, net include assets recorded as finance leases and under other financing arrangements. See additional disclosure in Note 9. LEASES.

Depreciation expense was $549,970 and $558,493 for the years ended December 31, 2024 and 2023, respectively.

9. LEASES

The System leases office and clinical space, land and equipment. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets. The System combines lease and non-lease components, except for medical equipment leases.

The depreciable lives of assets are limited by the expected lease terms. Most leases include options to renew. The majority of leases do not provide an implicit rate; therefore, the System has elected to use its incremental borrowing rate, which is the interest rate the System would borrow on a collateralized basis over a similar term, as the discount rate.

Operating and finance leases are classified as follows within the accompanying consolidated balance sheets:

Leases	Classification	December 31, 2024	December 31, 2023
Assets			
Operating	Operating lease right-of-use assets	$ 280,150	$ 305,114
Finance	Property and equipment, net	187,955	207,232
Total lease assets		$ 468,105	$ 512,346
Liabilities			
Current			
Operating	Operating lease liabilities, current portion	$ 67,961	$ 69,062
Finance	Long-term debt, current portion	21,188	20,330
Noncurrent			
Operating	Operating lease liabilities, less current portion	249,594	273,134
Finance	Long-term debt, less current portion	216,011	234,016
Total lease liabilities		$ 554,754	$ 596,542

Finance lease assets are recorded net of accumulated amortization of $138,538 and $114,889 as of December 31, 2024 and 2023, respectively.

Lease costs are classified as follows within the accompanying consolidated statements of operations and changes in net assets:

Lease cost	Classification	December 31, 2024	December 31, 2023
Operating lease cost	Purchased services and other	$ 72,896	$ 79,919
Short term and variable lease cost	Purchased services and other	54,747	59,573
Finance lease cost			
Amortization of lease assets	Depreciation and amortization	23,649	24,677
Interest on lease liabilities	Interest	17,911	18,824
Sublease income	Other revenue	(188)	(372)
Net lease cost		$ 169,015	$ 182,621

Lease terms, discount rates and other supplemental information are as follows:

	December 31, 2024	December 31, 2023
Weighted average remaining lease term (in years)		
Operating	5.8	6.0
Finance	7.9	8.7
Weighted average discount rate		
Operating	2.78 %	2.65 %
Finance	8.25 %	8.22 %
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 76,908	$ 91,424
Operating cash flows from finance leases	17,911	18,824
Financing cash flows from finance leases	21,671	19,676

Future maturities of lease liabilities at December 31, 2024 are as follows:

	Operating Leases	Finance Leases	Total
2025	$ 75,603	$ 36,483	$ 112,086
2026	70,179	39,289	109,468
2027	53,196	38,606	91,802
2028	43,622	45,543	89,165
2029	31,106	45,580	76,686
Thereafter	72,032	123,558	195,590
Future minimum lease payments	345,738	329,059	674,797
Less remaining imputed interest	28,183	91,860	120,043
Total	$ 317,555	$ 237,199	$ 554,754

10. INTEREST IN MASONIC FAMILY HEALTH FOUNDATION

The System has an interest in the net assets of the Masonic Family Health Foundation ("MFHF"), an independent organization, under the terms of an asset purchase agreement (the "Agreement"). Substantially all of MFHF's net assets are designated to support the operations and/or capital needs of one of the System's medical facilities. Additionally, 90% of MFHF's investment yield, net of expenses, on substantially all of MFHF's investments is designated for the support of one of the System's medical facilities. MFHF must pay the System, annually, 90% of the investment yield or an agreed-upon percentage of the beginning of the year net assets.

The interest in the net assets of MFHF amounted to $115,656 and $108,041 at December 31, 2024 and 2023, respectively, and is presented within other noncurrent assets in the accompanying consolidated balance sheets. The System's interest in the investment income (loss) is reflected in the investment income, net line in the accompanying consolidated statements of operations and changes in net assets and amounted to $11,762 and $17,184 for the years ended December 31, 2024 and 2023, respectively. Cash distributions of $3,445 and $4,586 were received by the System from MFHF under terms of the Agreement during the years ended December 31, 2024 and 2023, respectively.

The summarized financial position and results of operations for MFHF accounted for under the equity method as of and for the periods ended is outlined below:

	December 31, 2024	December 31, 2023
Total assets	$ 120,536	$ 112,048
Total liabilities	4,211	3,531
Net assets	116,325	108,517
Total revenue	$ 13,180	$ 18,300
Revenue in excess of expenses	7,808	13,606

11. LONG-TERM DEBT

Long-term debt consisted of the following:

	December 31, 2024	December 31, 2023
Revenue bonds and revenue refunding bonds		
Series 2008A (weighted average rate of 4.32% during 2024 and 2023), principal payable in varying annual installments through November 2030; interest based on prevailing market conditions at time of remarketing	69,020	86,385
Series 2008C (weighted average rate of 3.40% and 3.39% during 2024 and 2023, respectively), principal payable in varying annual installments through November 2038; interest based on prevailing market conditions at time of remarketing	272,065	272,065
Series 2011B (weighted average rate of 3.67% and 3.66% during 2024 and 2023, respectively), principal payable in varying annual installments through April 2051, subject to a put provision that provides for a cumulative seven-month notice and remarketing period; interest tied to a market index plus a spread	69,660	69,660
Series 2011C (weighted average rate of 4.70% and 4.95% during 2024 and 2023, respectively), principal payable in varying annual installments through April 2049, subject to a put provision on September 4, 2029; interest tied to a market index plus a spread	49,755	49,755
Series 2011D (weighted average rate of 4.70% and 4.95% during 2024 and 2023, respectively), principal payable in varying annual installments through April 2049, subject to a put provision on September 4, 2029; interest tied to a market index plus a spread	49,755	49,755
Series 2013A, 5.00%, principal payable in varying annual installments through June 2024	—	7,025
Series 2014, 4.00% to 5.00%, principal payable in varying annual installments through August 2038	67,330	74,695
Series 2015, 4.13%, principal payable in varying annual installments through May 2045	30,620	30,620
Series 2015B, 4.00% to 5.00%, principal payable in varying annual installments through May 2044	13,465	13,665
Series 2018A, 4.00% to 5.00%, principal payable in varying annual installments through August 2044	97,500	97,500
Series 2018B (weighted average rate of 5.00% during 2024 and 2023), principal payable in varying annual installments through August 2054; interest based on prevailing market conditions at time of remarketing	176,730	181,160
Series 2018C (weighted average rate of 4.57% and 4.30% during 2024 and 2023, respectively), principal payable in varying annual installments through August 2054, interest tied to a market index plus a spread or prevailing market conditions at remarketing	182,255	186,845
	1,078,155	1,119,130
Taxable bonds		
Taxable Bond Series 2018, 3.83% to 4.27%, principal payable in varying annual installments through August 2048	799,510	799,510
Taxable Bond Series 2019, 3.39%, principal payable in October 2049	443,180	443,180
Taxable Bond Series 2020A, 2.21% to 3.01%, principal payable in varying annual installments through June 2050	700,000	700,000
	1,942,690	1,942,690

	December 31, 2024	December 31, 2023
Finance lease obligations and financing arrangements	240,773	258,553
Commercial paper, weighted average interest rate of 5.13% and 5.14% during 2024 and 2023, respectively	120,000	50,000
Taxable Term Loan, (weighted average rate of 2.68% during 2024 and 2023), principal payable in varying annual installments through September 2024	—	69,895
	3,381,618	3,440,268
Net unamortized premiums and unamortized bond issuance costs	23,876	26,432
	3,405,494	3,466,700
Less amounts classified as current		
Long-term debt, current portion	(343,589)	(527,479)
	(343,589)	(527,479)
	$ 3,061,905	$ 2,939,221

Maturities of long-term debt, finance leases, and sinking fund requirements, assuming remarketing of the variable rate demand revenue refunding bonds, for the five years ending December 31, 2029, are as follows:

2025	$ 46,984
2026	43,152
2027	44,680
2028	445,285
2029	64,667

The System's outstanding bonds are secured by obligations issued under the Second Amended and Restated Master Trust Indenture dated as of August 1, 2018, as the same may be amended from time to time, between Advocate Aurora Health, Inc., the other affiliates identified therein as the Members of the Obligated Group and U.S. Bank Trust Company, National Association, as master trustee ("the System Master Indenture"). Under the terms of the bond indentures and other arrangements, various amounts are to be on deposit with trustees, and certain specified payments are required for bond redemption and interest payments. The System Master Indenture and other debt agreements, including bank agreements, also place restrictions on the System and require the System to maintain certain financial ratios.

The System's unsecured variable rate revenue bonds, Series 2011B of $69,660 and Series 2018B-4 of $49,420, while subject to a long-term amortization period, may be put to the System at the option of the bondholders in connection with certain remarketing dates. To the extent that bondholders may, under the terms of the debt, put their bonds within 12 months after December 31, 2024, the principal amount of such bonds is included in long-term debt, current portion in the accompanying consolidated balance sheets. Management believes the likelihood of a material amount of bonds being put to the System is remote. However, to address this possibility, the System has taken steps to provide various sources of liquidity, including assessing alternate sources of financing, including lines of credit and/or net assets without donor restrictions as a source of self-liquidity.

The System has standby bond purchase agreements with banks to provide liquidity support for the Series 2008C Bonds. In the event of a failed remarketing of a Series 2008C Bond upon its tender by an existing holder and subject to compliance with the terms of the standby bond purchase agreement, the standby bank would provide the funds for the purchase of such tendered bonds, and the System would be obligated to repay the bank for the funds it provided for such bond purchase (if such bond is not subsequently remarketed), with the first installment of such repayment commencing on the date one year and one day after the bank purchases the bond. As of December 31, 2024, there were no bank-

purchased bonds outstanding. To the extent that the standby bond purchase agreement expiration date is within 12 months after December 31, 2024, the principal amount of such bonds would be classified as a current obligation in the accompanying consolidated balance sheets. The standby bond purchase agreements expire as follows: $58,225 in September 2025, $129,456 in January 2026 and $87,694 in August 2029.

In January 2024, $44,130 of the Series 2018B-3 Bonds were remarketed for a new long-term rate period and will next be subject to mandatory purchase on June 22, 2029. In connection with the remarketing, $4,430 of the Series 2018B-3 Bonds were redeemed and a loss on refinancing was recorded in the amount of $25.

In January 2024, $45,760 of the Series 2018C-4 Bonds were remarketed for a new long-term rate period and will next be subject to mandatory purchase on June 22, 2029. In connection with the remarketing, $4,590 of the Series 2018C-4 Bonds were redeemed and a loss on refinancing was recorded in the amount of $26.

As of December 31, 2024, the System has authorized the issuance of up to $1,000,000 in commercial paper aggregate principal outstanding. As of December 31, 2024, $120,000 of commercial paper notes was outstanding, with maturities ranging from 21 to 62 days. As of December 31, 2023, $50,000 of commercial paper was outstanding, with maturities ranging from 5 to 43 days.

At December 31, 2024, the System had lines of credit with banks aggregating to $1,100,000 in available commitments. These lines of credit provide for various interest rates and payment terms and as of December 31, 2024 expire as follows: $150,000 in August 2025, $325,000 in December 2025, $300,000 in December 2026 and $325,000 in December 2027. These lines of credit may be used to redeem bonded indebtedness, to pay costs related to such redemptions, for capital expenditures for general working capital purposes or to provide for certain letters of credit. At December 31, 2024, letters of credit totaling $72,820 have been issued under one of these lines. At December 31, 2024, no amounts were outstanding on these lines or letters of credit.

The System maintains an interest rate swap program on certain of its variable rate debt, as described in Note 12. INTEREST RATE SWAP PROGRAM.

The System’s interest paid amount encompasses all debt agreements including revenue bonds and revenue refunding bonds, taxable bonds, finance lease obligations, financing arrangements and interest rate swaps. The System's interest paid, net of capitalized interest, amounted to $127,442 and $132,830 for the years ended December 31, 2024 and 2023, respectively. The System capitalized interest of $6,864 and $4,526 for the years ended December 31, 2024 and 2023, respectively.

12. INTEREST RATE SWAP PROGRAM

The System has interest rate-related derivative instruments to manage the exposure of its variable rate debt instruments. By using derivative financial instruments to manage the risk of changes in interest rates, the System exposes itself to credit risk and market risk as described in Note 6. INVESTMENTS .

The System maintains an interest rate swap program on its Series 2008C variable rate demand revenue bonds. These bonds expose the System to variability in interest payments due to changes in interest rates. To limit the variability of its interest payments and to take advantage of low interest rates, the System entered into various interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk. These swaps convert the variable rate cash flow exposure on the variable rate demand revenue bonds to synthetically fixed cash flows. The notional amount under each

interest rate swap agreement is reduced over the term of the respective agreement to correspond with reductions in the principal outstanding under various bond series.

The System has two swaps that are being held as a swap portfolio as the related debt is no longer outstanding.

The following is a summary of the outstanding positions under these interest rate swap agreements at December 31, 2024:

Bond Series	Notional Amount	Maturity Date	Rate Received	Rate Paid
2008C-1	$ 129,900	November 1, 2038	61.7% of SOFR + 26bps	3.605 %
2008C-2B	58,425	November 1, 2038	61.7% of SOFR + 26bps	3.605 %
2008C-3A	88,000	November 1, 2038	61.7% of SOFR + 26bps	3.605 %
Swap portfolio	50,000	November 1, 2038	61.7% of SOFR + 26bps	3.605 %
Swap portfolio	22,090	February 1, 2038	70.0% of SOFR	3.314 %

The swaps are not designated as hedging instruments and, therefore, hedge accounting has not been applied. As such, unrealized changes in fair value of the swaps are classified as other nonoperating loss, net in the accompanying consolidated statements of operations and changes in net assets. The net cash settlement payments, representing the realized changes in fair value of the swaps, are included as interest expense in the accompanying consolidated statements of operations and changes in net assets.

The fair value of the interest rate swap agreements was a liability of $19,566 and $31,681 as of December 31, 2024 and 2023, respectively. No collateral was posted under these swap agreements as of December 31, 2024 and 2023.

Amounts recorded in the accompanying consolidated statements of operations and changes in net assets are as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Net cash payments on interest rate swap agreements (interest expense)	$ (115)	$ 572
Change in fair value of interest rate swaps (other nonoperating loss, net)	$ 12,115	$ (2,167)

The interest rate swap instruments contain provisions that require the System to maintain an investment grade credit rating on its bonds from certain major credit rating agencies. If the System's bonds were to fall below investment grade, it would be in violation of these provisions and the counterparties to the swap instruments could request immediate payment or demand immediate and ongoing full overnight collateralization on interest rate swap instruments in net liability positions.

13. RETIREMENT PLANS

The System maintains various employee retirement benefit plans available to qualifying employees and retirees.

The Advocate Health Care Network Pension Plan (“Advocate Plan”) was frozen effective December 31, 2019 to new participants and participants ceased accruing additional pension benefits. The net pension benefit obligation of $100,078 and $161,376 at December 31, 2024 and 2023, respectively, for the Advocate Plan is included in other noncurrent liabilities in the accompanying consolidated balance sheets.

The Advocate Aurora Health Pension Plan ("AAH Plan") was created through a merger of the Condell Health Network Retirement Plan (frozen effective December 31, 2007) and the Aurora Health Care, Inc. Pension Plan (frozen effective December 31, 2012). The net pension benefit obligation of $113,145 and $110,675 at December 31, 2024 and 2023, respectively, is included in other noncurrent liabilities in the accompanying consolidated balance sheets.

A summary of changes in the plan assets, projected benefit obligation and the resulting funded status for the year ended December 31, 2024 is as follows:

	Advocate	AAH	Total
Change in plan assets:			
Plan assets at fair value at beginning of period	$ 892,895	$ 1,014,048	$ 1,906,943
Actual return on plan assets	64,005	(21,330)	42,675
Employer contributions	5,381	12,500	17,881
Benefits paid	(55,940)	(53,330)	(109,270)
Plan assets at fair value at end of period	$ 906,341	$ 951,888	$ 1,858,229
Change in projected benefit obligation:			
Projected benefit obligation at beginning of period	$ 1,054,271	$ 1,124,723	$ 2,178,994
Interest cost	50,812	55,227	106,039
Actuarial gain	(42,724)	(61,587)	(104,311)
Benefits paid	(55,940)	(53,330)	(109,270)
Projected benefit obligation at end of period	$ 1,006,419	$ 1,065,033	$ 2,071,452
Plan assets less than projected benefit obligation	$ (100,078)	$ (113,145)	$ (213,223)
Accumulated benefit obligation at end of period	$ 1,006,419	$ 1,065,033	$ 2,071,452

A summary of changes in the plan assets, projected benefit obligation and the resulting funded status for the year ended December 31, 2023 is as follows:

	Advocate	AAH	Total
Change in plan assets:			
Plan assets at fair value at beginning of period	$ 863,209	$ 982,492	$ 1,845,701
Actual return on plan assets	79,100	79,473	158,573
Benefits paid	(49,414)	(47,917)	(97,331)
Plan assets at fair value at end of period	$ 892,895	$ 1,014,048	$ 1,906,943
Change in projected benefit obligation:			
Projected benefit obligation at beginning of period	$ 1,037,232	$ 1,087,827	$ 2,125,059
Interest cost	52,102	55,482	107,584
Actuarial loss	14,351	29,331	43,682
Benefits paid	(49,414)	(47,917)	(97,331)
Projected benefit obligation at end of period	$ 1,054,271	$ 1,124,723	$ 2,178,994
Plan assets less than projected benefit obligation	$ (161,376)	$ (110,675)	$ (272,051)
Accumulated benefit obligation at end of period	$ 1,054,271	$ 1,124,723	$ 2,178,994

The Advocate Plan actuarial gain of $42,724 and the AAH Plan actuarial gain of $61,587 for the year ended December 31, 2024 were primarily driven by an increase in discount rates.

Pension plan expense is included in other nonoperating loss, net in the accompanying consolidated statements of operations and changes in net assets is as follows for the year ended December 31, 2024:

	Advocate	AAH	Total
Interest cost	$ 50,812	$ 55,227	$ 106,039
Expected return on plan assets	(53,839)	(60,124)	(113,963)
Amortization of:			
Actuarial loss	5,342	4,896	10,238
Prior service cost	—	3	3
Settlement loss	12,261	—	12,261
Net pension expense	$ 14,576	$ 2	$ 14,578

Pension plan expense is included in other nonoperating loss, net in the accompanying consolidated statements of operations and changes in net assets is as follows for the year ended December 31, 2023:

	Advocate	AAH	Total
Interest cost	$ 52,102	$ 55,482	$ 107,584
Expected return on plan assets	(52,910)	(56,606)	(109,516)
Amortization of:			
Actuarial loss	4,459	—	4,459
Prior service cost	—	3	3
Net pension expense (income)	$ 3,651	$ (1,121)	$ 2,530

The Advocate Plan paid lump sums totaling $51,236 and $45,541 in 2024 and 2023, respectively. The amount in 2024 was greater than the sum of the Advocate Plan's service cost and interest cost, resulting in a settlement cost in the amount of $12,261.

The net change recognized in net assets without donor restrictions as a component of pension-related changes other than net periodic pension cost was as follows for the year ended December 31, 2024:

	Advocate	AAH	Total
Net change recognized	$ (70,492)	$ 14,969	$ (55,523)

The net change recognized in net assets without donor restrictions as a component of pension-related changes other than net periodic pension cost was as follows for the year ended December 31, 2023:

	Advocate	AAH	Total
Net change recognized	$ (16,298)	$ 6,462	$ (9,836)

Included in net assets without donor restrictions at December 31, 2024 are the following amounts that have not yet been recognized in net pension expense:

	Advocate	AAH	Total
Unrecognized prior credit	$ —	$ 88	$ 88
Unrecognized actuarial loss	240,847	411,901	652,748
	$ 240,847	$ 411,989	$ 652,836

Expected employee benefit payments to be paid from the pension plans are as follows:

	Advocate	AAH	Total
2025	$ 154,684	$ 62,940	$ 217,624
2026	81,807	66,447	148,254
2027	78,163	69,521	147,684
2028	72,614	71,898	144,512
2029	73,238	74,056	147,294
2030-2034	352,035	389,905	741,940
Total	$ 812,541	$ 734,767	$ 1,547,308

Expected contributions to the pension plans are as follows:

	Advocate	AAH	Total
2025	$ 4,700	$ 12,500	$ 17,200

Employer contributions are paid from employer assets. No plan assets are expected to be returned to the employer. All benefits paid under the Advocate Plan and AAH Plan (collectively referred to as the "Plans") were paid from the Plans' assets.

The System's asset allocation and investment strategies are designed to earn returns on plan assets consistent with a reasonable and prudent level of risk. Investments are diversified across classes, economic sectors and manager style to minimize the risk of loss. The de-risking portfolio is comprised of cash and fixed-income instruments designed to hedge Plan liabilities. The System utilizes investment

managers specializing in each asset category and, where appropriate, provides the investment manager with specific guidelines that include allowable and/or prohibited investment types. The System regularly monitors manager performance and compliance with investment guidelines. The investment policy is broken out into de-risking and return seeking investments. In 2024, the investment policy was updated to asset allocation targets being on a floating basis dependent on the funded status of the Plan. The targets noted in the table below are based on the funded status of the Plan on December 31, 2024 and 2023:

	December 31, 2024		December 31, 2023	
Asset Category - Advocate Plan	**Asset Allocation Target Range***	**Actual**	**Target**	**Actual**
De-risking portfolio	50%-85%	71 %	70 %	68 %
Return seeking portfolio	15%-50%	29 %	30 %	32 %

	December 31, 2024		December 31, 2023	
Asset Category - AAH Plan	**Asset Allocation Target Range***	**Actual**	**Target**	**Actual**
De-risking portfolio	50%-85%	79 %	85 %	81 %
Return seeking portfolio	15%-50%	21 %	15 %	19 %

**Based on a PBO Funded Status Range of 80%-100%*

At December 31, 2024, the Advocate Plan had commitments to fund alternative investments, including recallable distributions of $9,170 over the next three years.

In the normal course of operations and within established investment policy guidelines, the Plans may enter into various exchange-traded and over-the-counter derivative contracts for trading purposes, including futures, options and forward contracts. These instruments are used primarily to maintain the Plans' strategic asset allocation and hedge security price movements. These instruments require the Plans to deposit cash collateral with the broker or custodian.

Derivative contract information at December 31, 2024 are as follows:

	Advocate	AAH	Total
Cash and security collateral provided	$ 16,974	$ 5,794	$ 22,768
Gross notional value	$ (447,743)	$ 356,010	$ (91,733)

Derivative contract information at December 31, 2023 are as follows:

	Advocate	AAH	Total
Cash and security collateral provided	$ 17,115	$ 7,307	$ 24,422
Gross notional value	$ (418,971)	$ 253,937	$ (165,034)

By using derivative financial instruments, the System exposes itself to credit risk and market risk as described in Note 6. INVESTMENTS .

Fair value methodologies for Level 1 and Level 2 are consistent with the inputs described in Note 7. FAIR VALUE. Real estate commingled funds for which an active market exists are included in Level 2. The System opted to use the net asset value per share, or its equivalent, as a practical expedient for the fair value of the Plans' interest in hedge funds, private equity limited partnerships and real estate commingled funds. There is inherent uncertainty in such valuations and the estimated fair values may differ from the values that would have been used had a ready market for these investments existed.

Private equity limited partnerships and real estate commingled funds typically have finite lives ranging from five to ten years, at the end of which all invested capital is returned. For hedge funds, the typical lockup period is one year, after which invested capital can be redeemed on a quarterly basis with at least 30 days' but no more than 90 days' notice. The Plans' investment assets are exposed to the same kinds and levels of risk as described in Note 7. FAIR VALUE.

The following are the Plans' financial instruments at December 31, 2024, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 7. FAIR VALUE:

Description	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and short-term investments	$ 51,913	$ 1,764	$ 50,149	$ —
Corporate bonds and other debt securities	794,153	—	794,153	—
United States government obligations	566,026	—	566,026	—
Equity funds	177,146	5,831	171,315	—
	1,589,238	$ 7,595	$ 1,581,643	$ —
Investments at net asset value				
Alternative investments	270,946			
Total plan investments	1,860,184			
Accruals carried at cost	(1,955)			
Total plan assets	$ 1,858,229			

The following are the Plans' financial instruments at December 31, 2023, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 7. FAIR VALUE:

Description	December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and short-term investments	$ 54,958	$ 784	$ 54,174	$ —
Corporate bonds and other debt securities	828,052	—	828,052	—
United States government obligations	545,538	—	545,538	—
Equity securities	14,177	14,177	—	—
Equity funds *	156,960	9,473	147,487	—
	1,599,685	$ 24,434	$ 1,575,251	$ —
Investments at net asset value				
Alternative investments	310,180			
Total plan investments	1,909,865			
Accruals carried at cost	(2,922)			
Total plan assets	$ 1,906,943			

*Leveling was updated from Level 2 to investments at net asset value based on further analysis of the investments.

Assumptions used to determine benefit obligations are as follows:

	December 31, 2024	December 31, 2023
Discount rate - Advocate Plan	5.65 %	4.99 %
Discount rate - AAH Plan	5.77 %	5.04 %
Assumed rate of return on assets - Advocate Plan	5.70 %	6.30 %
Assumed rate of return on assets - AAH Plan	5.10 %	5.40 %
Interest crediting rate - Advocate Plan	4.13 %	4.13 %

Assumptions used to determine benefit cost are as follows:

	December 31, 2024	December 31, 2023
Discount rate - Advocate Plan	4.99 %	5.19 %
Discount rate - AAH Plan	5.04 %	5.23 %
Assumed rate of return on assets - Advocate Plan	6.30 %	6.00 %
Assumed rate of return on assets - AAH Plan	5.40 %	4.50 %
Interest crediting rate - Advocate Plan	4.13 %	4.10 %

The assumed rate of return on each of the Plan's assets is based on historical and projected rates of return for asset classes in which the portfolio is invested.

The 2024 and 2023 mortality assumption for the Plans was the amounts-weighted aggregate rates from the Pri-2012 mortality study, with white-collar adjustments projected generationally from 2012 with Scale MP-2021.

In addition to these Plans, the System sponsors a defined contribution plan for its employees. Expense related to the plan, which is included in salaries, wages and benefits expense in the accompanying consolidated statements of operations and changes in net assets, was $357,985 and $332,918 for the years ended December 31, 2024 and 2023, respectively.

14. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	December 31, 2024	December 31, 2023
Purchases of property and equipment	$ 16,641	$ 17,171
Other health care related programs	239,461	227,280
	$ 256,102	$ 244,451

15. FUNCTIONAL OPERATING EXPENSES

Operating expenses directly attributable to a specific functional area of the System are reported as expenses of those functional areas. Expenses other than interest expense are directly allocated to functional departments at the time they are incurred. Interest expense that relates to debt financing is allocated based on the use of the related funds. General and administrative expenses primarily include legal, finance, marketing, supply chain and human resources. Fundraising costs are reported as other nonoperating loss, net in the accompanying consolidated statements of operations and changes in net assets.

Functional operating expenses for the year ended December 31, 2024 are as follows:

	Health care services	General and administrative	Consolidated
Salaries, wages and benefits	$ 8,721,590	$ 817,306	$ 9,538,896
Supplies and drugs	3,374,449	44,626	3,419,075
Purchased services and other	1,559,470	757,030	2,316,500
Contracted medical services	502,220	—	502,220
Depreciation and amortization	522,559	36,047	558,606
Interest	121,293	—	121,293
Total operating expenses	$ 14,801,581	$ 1,655,009	$ 16,456,590

Functional operating expenses for the year ended December 31, 2023 are as follows:

	Health care services	General and administrative	Consolidated
Salaries, wages and benefits	$ 8,156,018	$ 819,549	$ 8,975,567
Supplies and drugs	3,009,944	53,855	3,063,799
Purchased services and other	1,709,147	650,388	2,359,535
Contracted medical services	542,880	—	542,880
Depreciation and amortization	574,943	39,141	614,084
Interest	125,568	—	125,568
Total operating expenses	$ 14,118,500	$ 1,562,933	$ 15,681,433

16. LIQUIDITY

The System's financial assets available within one year of the consolidated balance sheets date for general expenditures are as follows:

	December 31, 2024	December 31, 2023
Cash and cash equivalents	$ 716,506	$ 857,599
Patient accounts receivable	2,009,794	1,906,747
Third-party payors receivables	37,199	100,958
Collateral proceeds under securities lending program	19,964	14,557
Assets limited as to use		
Internally designated for capital and other	20,545,013	10,822,009
Held for self-insurance	554,835	687,997
Donor restricted	111,146	106,325
Funds held under retirement plans	502,965	412,776
Investments under securities lending program	18,958	13,700
Total assets limited as to use	21,732,917	12,042,807
Total financial assets	$ 24,516,380	$ 14,922,668
Less		
Amounts unavailable for general expenditures		
Alternative investments	(4,342,884)	(3,536,782)
Total amounts unavailable for general expenditure	(4,342,884)	(3,536,782)
Amounts unavailable to management without approval		
Due to related party- AHI interest in the investment pool	(7,945,909)	—
Held for self-insurance	(554,835)	(687,997)
Held for employees under retirement plans	(502,965)	(412,776)
Donor restricted	(111,146)	(106,325)
Investments under securities lending program	(18,958)	(13,700)
Total amounts unavailable to management without approval	(9,133,813)	(1,220,798)
Total financial assets available to management for general expenditure within one year	$ 11,039,683	$ 10,165,088

17. COMMITMENTS AND CONTINGENCIES

Future Obligations

Aurora West Allis Medical Center has the right to operate the hospital under the terms of a lease agreement with the City of West Allis ("the City"). In accordance with the lease agreement, the City has title to all assets and any subsequent additions (with the exception of certain equipment used by Aurora for laboratory services). Aurora West Allis Medical Center has an exclusive right to the use of the assets and the obligation to maintain and replace them. The historical cost to the System of the leased facilities is included within the System's property and equipment, net. The agreement provides for annual payments of less than $100 in lieu of annual lease payments and includes payment escalations each subsequent year. The lease expires in 2063.

The System is committed to constructing additions and renovations to its medical facilities that are expected to be completed in future years. The estimated cost of these commitments is $438,351, of which $291,995 has been incurred as of December 31, 2024.

The System entered into agreements for information technology services provided by third parties. The maximum amount of future payments that the System could be required to make under these agreements is approximately $316,537 over the next five years. The System has also entered into

various other agreements. The future commitments under these agreements are $41,258 over the next 10 years.

Litigation

From time to time, the System receives and responds to investigations and requests concerning possible violations of reimbursement, false claims, anti-kickback and anti-referral statutes, environmental regulations and other regulations of health care providers from federal and state regulatory agencies. There can be no assurance that regulatory authorities will not challenge the System's compliance with these laws and regulations, and it is not possible to determine the impact, if any, such claims, or penalties would have on the System. To foster compliance with applicable laws and regulations, the System maintains a compliance program designed to detect and correct potential violations of laws and regulations related to its programs.

The System also is involved in litigation such as medical malpractice and contractual disputes, as both plaintiff and defendant, and other routine labor matters, proposed class action complaints, tax examinations, security events resulting in potential privacy incidents, internal compliance activities and regulatory investigations and examinations arising in the ordinary course of business.

Based on the System's assessment of the above matters, the uncertainty of litigation, and the preliminary stages of many of the matters, the System cannot estimate the reasonable possible loss or range of loss that may result from these matters, except as stated in the consolidated financial statements, including this note. Management of the System is of the opinion, however, that the resolution of these legal actions will not have a material effect on the financial position of the System.

Two sets of plaintiffs have filed separate putative class action civil lawsuits against the Advocate Aurora Health, Inc. ("AAH"), in 2022 and 2023, alleging violations of Federal and State antitrust law arising out of, among other things, the System's arrangements with certain health plans. Both matters are in the discovery stage. The System cannot estimate the reasonable possible loss or range of loss that may result from either of these matters and there can be no assurance that the resolution of either of these matters will not have a material adverse effect on System's consolidated financial position or results of operations.

18. GENERAL AND PROFESSIONAL LIABILITY RISKS

The System is self-insured for substantially all general and professional liability risks. The self-insurance programs combine various levels of self-insured retention with excess commercial insurance coverage. In addition, various umbrella insurance policies have been purchased to provide coverage in excess of the self-insured limits. Revocable trust funds, administered by a trustee and captive insurance companies, have been established for the self-insurance programs. Actuarial consultants have been retained to determine the estimated cost of claims, as well as to determine the amount to fund into the irrevocable trust and captive insurance companies.

The System's hospitals, clinics, surgery centers, physicians and certified registered nurse anesthetist providers that provide health care in Wisconsin are qualified health care providers that are fully covered for losses in excess of statutory limits through mandatory participation in the State of Wisconsin Injured Patients and Families Compensation Fund.

The estimated cost of claims is actuarially determined based on experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. Accrued insurance liabilities and contributions to the trust were determined using a discount rate of 4.00% as of

December 31, 2024 and 2023. The System's accrued professional liability costs, including estimated claims incurred but not reported are classified as follows within the accompanying consolidated balance sheets:

	December 31, 2024	December 31, 2023
Accounts payable and other accrued liabilities	224,206	237,771
Other noncurrent liabilities	779,624	686,643

Total accrued insurance liabilities would have been $143,943 and $122,143 greater at December 31, 2024 and 2023, respectively, had these liabilities not been discounted.

19. RELATED-PARTY TRANSACTIONS

As part of the Advocate Health joint operating agreement as described in Note 1. ORGANIZATION AND BASIS OF PRESENTATION, the System and AHI share certain expenses related to the management of Advocate Health. In 2023, shared expenses were recorded directly to the underlying expense categories in the statements of operations and changes in net assets. In 2024, Advocate Health implemented a management fee to allocate shared expenses between the System and AHI. The System recorded management fees of $96,234 included in purchased services and other expenses in the statements of operations and changes in net assets as of December 31, 2024. In certain situations, the System pays for expenses on behalf of Advocate Health and it is subsequently reimbursed. The System has a receivable from Advocate Health of $18,775 and $1,870 included in other current assets in the accompanying consolidated balance sheets as of December 31, 2024 and 2023, respectively.

In the normal course of business, the System and AHI make payments or receive payments from third parties that require cash to be exchanged between the entities. As a result of these transactions, the System has a receivable from AHI of $52,114 and $4,896 included in other current assets in the accompanying consolidated balance sheets as of December 31, 2024 and 2023, respectively.

20 INCOME TAXES AND TAX STATUS

The subsidiaries of the System are primarily tax-exempt organizations under Internal Revenue Code Section 501(c)(3) and their related income is exempt from federal income tax. Accordingly, no income taxes are recorded for the majority of the income in the accompanying consolidated financial statements for these entities. Unrelated business income is generated by certain of these entities through the provision of services or other activities not directly related to the provision of patient care.

At December 31, 2024, the System had $306,973 of federal and $128,322 of state net operating loss carryforwards with unutilized amounts of state net operating loss carryforwards expiring between 2024 and 2044. At December 31, 2023, the System had $160,318 of federal and $150,532 of state net operating loss carryforwards with unutilized amounts of state net operating loss carryforwards expiring between 2023 and 2039. As a result of the Tax Cuts and Jobs Act of 2017, net operating losses generated after 2017 do not expire for federal purposes. Of the $306,973 of federal net operating loss carryforwards at December 31, 2024, $296,622 was generated after 2017.

The System calculated income taxes for its taxable subsidiaries. Taxable income differs from pretax book income primarily due to certain income and deductions for tax purposes being recorded in the consolidated financial statements in different periods. Deferred income tax assets and liabilities are recorded for the tax effect of these differences using enacted tax rates for the years in which the differences are expected to reverse.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which those temporary differences become deductible.

The System had deferred tax assets and liabilities as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Other deferred tax assets	$ 8,497	$ 14,811
Net operating loss carryforwards	72,078	45,781
Valuation allowances	(61,497)	(45,024)
Net deferred tax assets	19,078	15,568
Deferred tax liabilities	(1,785)	(15,660)
Net deferred tax assets (liabilities)	$ 17,293	$ (92)

(Credits) provisions for federal, state and deferred income taxes are included in other nonoperating loss, net in the accompanying consolidated statements of operations and changes in net assets as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Federal	$ 1,152	$ 13,270
State	1,062	—
Deferred	(4,825)	709
	$ (2,611)	$ 13,979

21 SUBSEQUENT EVENTS

The System evaluated events and transactions subsequent to December 31, 2024 through April 9, 2025, the date of consolidated financial statement issuance.

In January 2025, $49,420 of the Series 2018B-4 Bonds were converted to a new long-term interest rate period and sold to a single institutional investor. The new long-term interest rate period will end on June 25, 2026.

****

Supplementary Information

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Shape the future
with confidence

Report of Independent Auditors on Supplementary Information

The Board of Directors
Advocate Health, Inc.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidating balance sheet and consolidating statement of operations are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst & Young LLP

April 9, 2025

ADVOCATE AURORA HEALTH, INC.

CONSOLIDATING BALANCE SHEET

December 31, 2024

(in thousands)

	Credit Group	Noncredit Group	Eliminations	Consolidated
Assets				
Current assets				
Cash and cash equivalents	$ 907,290	$ (190,784)	$ —	$ 716,506
Assets limited as to use	169,186	9,871	—	179,057
Patient accounts receivable	1,803,159	221,789	(15,154)	2,009,794
Receivable from subsidiaries	16,000	—	(16,000)	—
Other current assets	915,370	169,966	—	1,085,336
Total current assets	3,811,005	210,842	(31,154)	3,990,693
Assets limited as to use	21,452,547	363,819	(262,506)	21,553,860
Note receivable from subsidiaries	11,905	—	(11,905)	—
Property and equipment, net	5,688,742	391,005	—	6,079,747
Noncurrent assets				
Investments in subsidiaries	791,721	—	(791,721)	—
Operating lease right-of-use assets	202,172	77,978	—	280,150
Other noncurrent assets	516,959	45,121	—	562,080
Total other assets	1,510,852	123,099	(791,721)	842,230
Total assets	**$ 32,475,051**	**$ 1,088,765**	**$ (1,097,286)**	**$ 32,466,530**

ADVOCATE AURORA HEALTH, INC.

CONSOLIDATING BALANCE SHEET

December 31, 2024

(in thousands)

	Credit Group	Noncredit Group	Eliminations	Consolidated
Current liabilities				
Long-term debt, current portion	$ 342,893	$ 696	$ —	$ 343,589
Operating lease liabilities, current portion	56,272	11,689	—	67,961
Accrued salaries and employee benefits	1,338,674	61,990	—	1,400,664
Accounts payable and accrued liabilities	1,206,939	344,826	(15,154)	1,536,611
Third-party payors payables	420,166	3,064	—	423,230
Accounts payable to subsidiaries	—	16,000	(16,000)	—
Total current liabilities	3,364,944	438,265	(31,154)	3,772,055
Noncurrent liabilities				
Long-term debt, less current portion	3,054,636	19,174	(11,905)	3,061,905
Operating lease liabilities, less current portion	180,589	69,005	—	249,594
Obligations under swap agreements	19,566	—	—	19,566
Due to subsidiaries	262,506	—	(262,506)	—
Due to related party	7,945,909	—	—	7,945,909
Other noncurrent liabilities	1,814,148	54,976	—	1,869,124
Total noncurrent liabilities	13,277,354	143,155	(274,411)	13,146,098
Total liabilities	**16,642,298**	**581,420**	**(305,565)**	**16,918,153**
Net assets				
Without donor restrictions				
Controlling interest	15,652,865	(91,663)	(472,280)	15,088,922
Noncontrolling interests in subsidiaries	—	522,794	(319,441)	203,353
Total net assets without donor restrictions	15,652,865	431,131	(791,721)	15,292,275
With donor restrictions	179,888	76,214	—	256,102
Total net assets	**15,832,753**	**507,345**	**(791,721)**	**15,548,377**
Total liabilities and net assets	**$ 32,475,051**	**$ 1,088,765**	**$ (1,097,286)**	**$ 32,466,530**

ADVOCATE AURORA HEALTH, INC.

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended December 31, 2024

(in thousands)

	Credit Group	Noncredit Group	Eliminations	Consolidated
Revenue				
Patient service revenue	$ 12,786,249	$ 1,708,137	$ (366,915)	$ 14,127,471
Capitation revenue	650,839	538,314	(3,911)	1,185,242
Other revenue	779,576	1,036,078	(284,850)	1,530,804
Total revenue	14,216,664	3,282,529	(655,676)	16,843,517
Expenses				
Salaries, wages and benefits	8,530,459	1,021,034	(12,597)	9,538,896
Supplies and drugs	2,593,810	825,265	—	3,419,075
Purchased services and other	1,939,398	544,487	(167,385)	2,316,500
Contracted medical services	230,987	642,059	(370,826)	502,220
Depreciation and amortization	515,117	43,489	—	558,606
Interest	117,220	7,964	(3,891)	121,293
Total expenses	13,926,991	3,084,298	(554,699)	16,456,590
Operating income (loss)	**289,673**	**198,231**	**(100,977)**	**386,927**
Nonoperating income				
Investment income, net	1,270,964	51,637	—	1,322,601
Other nonoperating (loss) income, net	(430,568)	(2,252)	13	(432,807)
Total nonoperating income, net	840,396	49,385	13	889,794
Revenue in excess of expenses	1,130,069	247,616	(100,964)	1,276,721
Less income attributable to noncontrolling interests	—	(169,765)	100,964	(68,801)
Revenue in excess of expenses- attributable to controlling interests	**$ 1,130,069**	**$ 77,851**	**$ —**	**$ 1,207,920**

Notes to Supplementary Information

1. Credit Group

The supplementary financial information for the Credit Group is in accordance with the Second Amended and Restated Master Trust Indenture dated as of August 1, 2018 between Advocate Aurora Health, Inc, the other affiliates identified therein as the Members of the Obligated Group, the Restricted Affiliates, and U.S. Bank Trust Company, National Association, as master trustee ("the System Master Indenture").

2. Credit Group Members

The Credit Group is comprised of the Obligated Group in combination with the Restricted Affiliates. The Obligated Group includes Advocate Aurora Health, Inc.; Advocate Health Care Network; Advocate Health and Hospitals Corporation; Advocate North Side Health Network; Advocate Condell Medical Center; Advocate Sherman Hospital; Aurora Health Care, Inc.; Aurora Health Care Metro, Inc.; Aurora Health Care Southern Lakes, Inc.; Aurora Health Care Central, Inc. d/b/a Aurora Sheboygan Memorial Medical Center; Aurora Medical Center of Washington County, Inc.; Aurora Health Care North, Inc. d/b/a Aurora Medical Center Manitowoc County; Aurora Medical Center of Oshkosh, Inc.; Aurora Medical Group, Inc.; Aurora Medical Center Grafton LLC; and Aurora Medical Center Bay Area, Inc. The Restricted Affiliates include Advocate Charitable Foundation; Advocate Home Care Products, Inc.; EHS Home Health Care Services, Inc.; Evangelical Services Corporation, d/b/a Advocate Network Services, Inc.; High Technology, Inc.; Meridian Hospice; and West Allis Memorial Hospital Inc. d/b/a Aurora West Allis Medical Center. The Credit Group is with U.S. Bank Trust Company, National Association, as master trustee ("the System Master Indenture").

COST INDEX

CHICAGO Q3 2025

Mortenson

Despite Market Pressures, Non-Residential Construction Outlook Holds Steady with Modest Cost Increases

Nonresidential construction conditions remained steady through the third quarter, with market sentiment generally stable despite broader economic crosscurrents. Contractors continue to report consistent bidding activity, while owners are showing greater confidence in advancing projects that were previously delayed or under review. Supply chains continue to stabilize, and pricing volatility has eased across most major trades, helping keep overall cost escalation contained.

Broader market indicators reflect a cautious but tentatively more hopeful environment. The Dodge Momentum Index advanced sharply during the quarter, reflecting renewed planning activity across commercial and institutional sectors. Total construction starts also improved modestly in September, suggesting that underlying demand remains intact even as developers proceed cautiously amid policy and financing uncertainties.

Nationally, nonresidential construction costs tracked by the Mortenson Quarterly Cost Index for the third quarter of 2025 rose by +1.16% over the past quarter and +6.60% over the previous twelve months. All Mortenson regional offices reported modest cost increases this quarter. Portland and Chicago recorded the smallest quarterly changes, both at +0.78%. The remaining offices reported slightly elevated costs: Seattle (+0.88%), Milwaukee (+1.33%), Denver (+1.34%), Minneapolis (+1.38%), Phoenix (+1.42%), and Salt Lake City (+1.65%).

Material and labor costs increased nominally this quarter. **Tracked construction materials edged up slightly by +1.16%, nudging the year-over-year figure to +7.0%, while trade partner work increased +1.22% in Q3 and +6.3% annually.** Self-performed labor increased at a slower pace, two basis points lower compared to the previous quarter and 1.4% lower year over year.

Trucking and ocean freight markets are both expected to see relatively stable or declining prices in 2026 due to weak demand and ample capacity. In trucking, rates will likely remain low as warehouse prices fall amid strong inventory levels, though factors like driver shortages and rising container fees could create upward pressure.

Similarly, ocean freight rates are projected to decrease into early 2026 because of eased tariff front-loading, increased shipping capacity, and reduced congestion through the Panama Canal. While tariffs may briefly elevate prices in late 2025, freight costs are anticipated to stay low overall, with occasional temporary spikes caused by tariff pass-throughs and trade route changes.

Continued on next page

For a more specific update or questions regarding this report, please contact:

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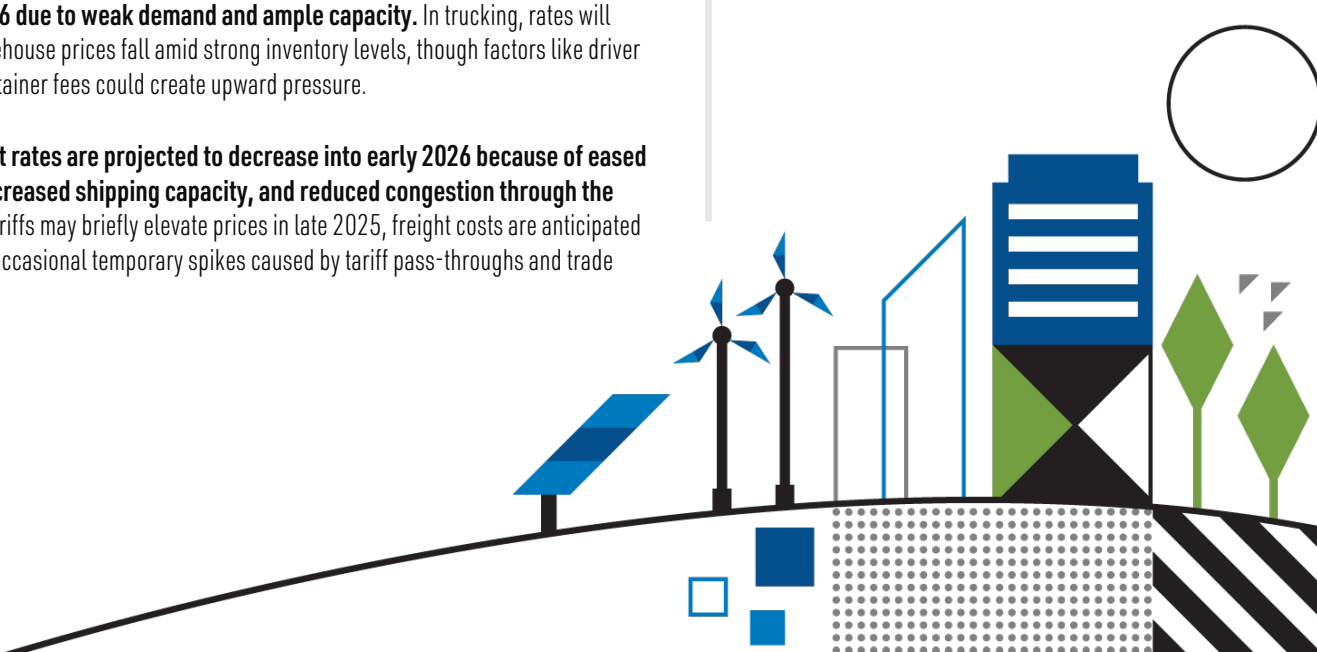


COST INDEX
CHICAGO Q3 2025

Mortenson

Continued from previous page

Cost movement this quarter was primarily driven by select material and installation scopes, particularly those tied to steel and mechanical systems. Top scope packages showing quarterly cost increases include reinforcing steel material (+8.1%), installation of reinforcing material (+2.8%), steel framing erection (+4.0%), conveying systems (+2.0%), and plumbing systems (+2.5%).

Across regional markets, activity remained steady with increasing trade partner competition and continued aggressive pricing. Minneapolis and other upper Midwest markets reported a gradual improvement in project awards and a more optimistic outlook, while **labor availability remained stable nationwide.**

The Dodge Momentum Index, a leading indicator of nonresidential construction planning, continued its upward trajectory through the third quarter. The index surged 20.8% in July, followed by additional gains of 8% in August and 3% in September, signaling renewed confidence in both commercial and institutional sectors. **Total construction starts also improved, rising 3.1% in September with nonresidential building up 11.9% for the month.**

"After months of wait-and-see due to tariff uncertainty, owners and developers have begun to move forward with projects and assumed higher costs for them," said Sarah Martin, associate director of forecasting at Dodge Construction Network. "While the recent uptick points to strengthening planning activity, Dodge notes that overall momentum remains tempered by broader economic headwinds."

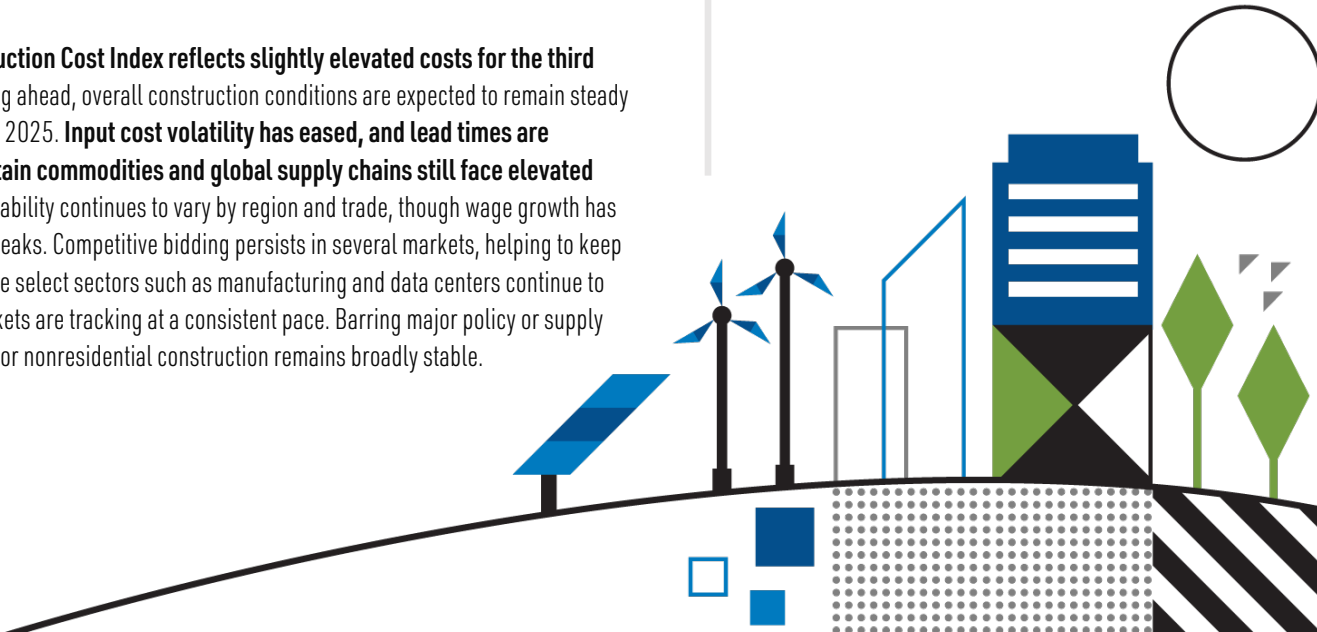
Despite cost stability, the design pipeline remains under pressure. The AIA/Deltek Architecture Billings Index fell to 43.3 in September, indicating billings at architecture firms continue to decline. **As a forward-looking indicator for nonresidential construction activity, this softness suggests future project starts may continue at a measured pace,** even as cost pressures stay contained.

The Mortenson Construction Cost Index reflects slightly elevated costs for the third quarter of 2025. Looking ahead, overall construction conditions are expected to remain steady through the remainder of 2025. **Input cost volatility has eased, and lead times are improving, though certain commodities and global supply chains still face elevated uncertainty.** Labor availability continues to vary by region and trade, though wage growth has moderated from earlier peaks. Competitive bidding persists in several markets, helping to keep escalation in check. While select sectors such as manufacturing and data centers continue to drive demand, most markets are tracking at a consistent pace. Barring major policy or supply disruptions, the outlook for nonresidential construction remains broadly stable.

VIEW THE FULL CONSTRUCTION COST INDEX

Mortenson tracks and reports on eight metropolitan areas in the U.S. including Chicago, Denver, Milwaukee, Minneapolis, Phoenix, Portland, Salt Lake City and Seattle. The Mortenson Construction Cost Index is calculated quarterly by pricing representative non-residential construction projects in various metropolitan areas. It is part of a portfolio of industry insights and market studies provided by Mortenson.

For nationwide construction cost index data visit: Mortenson.com/Cost-Index.

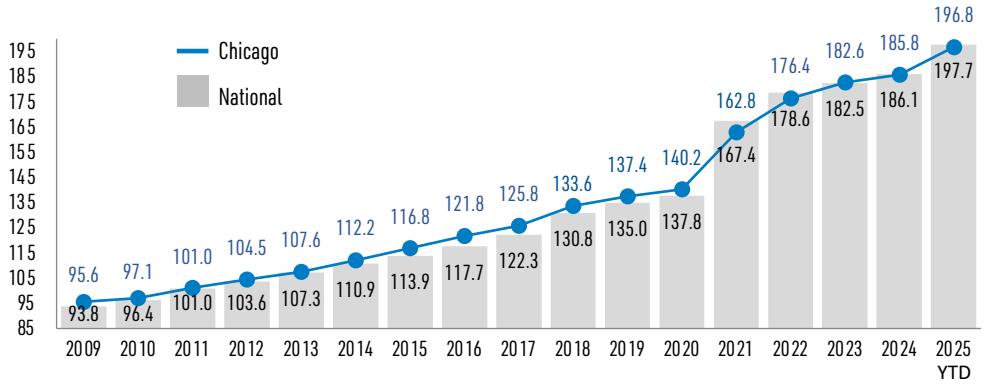


COST INDEX

CHICAGO Q3 2025

Mortenson

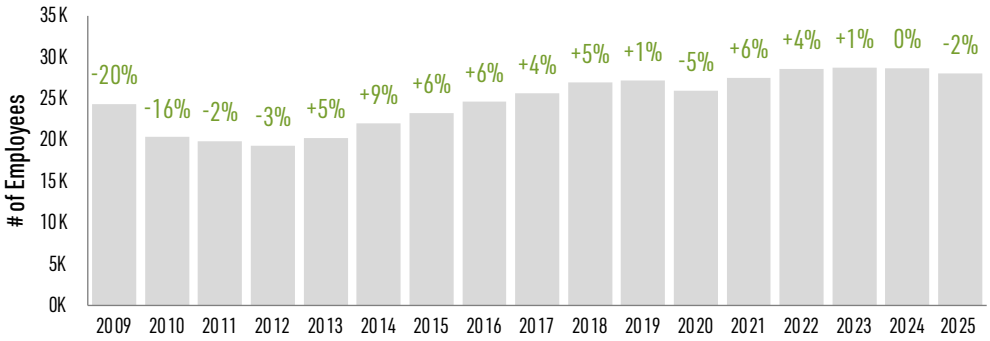
CONSTRUCTION COST INDEX
(January 2009 = 100)



Nationally, the Mortenson Cost Index went up 1.2% in the third quarter of 2025 and is up 6.6% compared to a year ago.

In Chicago, costs rose 0.8% this quarter and 6.6% over the last twelve months.

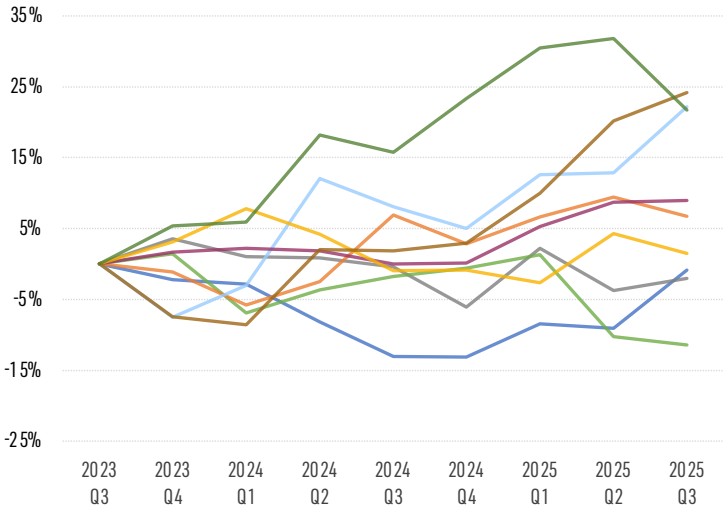
CHICAGO CONSTRUCTION EMPLOYMENT
(Jan-Sept Average Monthly Employment and YoY % Change)



Building construction employment in the Chicago metro averaged 28,100 workers per month in the first nine months of 2025–a 2% decline compared to the same period in 2024. Labor availability remains stable, though the federal shutdown left September data unavailable, limiting late-Q3 visibility.

Source: Bureau of Labor Statistics
Chicago-Naperville-Schaumburg, IL - Construction of Buildings

MATERIAL PRICING CHANGES
(National Average - Cumulative Q3 2023 to Q3 2025)



Copper Pipe +24%
Copper Wire +22%
Lumber +22%
Structural Steel +9%
Plywood +7%
Conduit +2%
Reinforcing Material -1%
Steel Pipe -2%
PVC Pipe -11%

Construction material costs remain elevated amid a gradually stabilizing but volatile global supply chain, affected by economic uncertainty, tariffs, and fluctuating demand. Steel and copper continue to experience notable, upward price swings.

RLB Rider Levett Bucknall

Photo courtesy of David Schacher Photography

2025
Third Quarter

QUARTERLY CONSTRUCTION COST REPORT

AT A GLANCE

NORTH AMERICA | Q3 2025

Paul Brussow
President
North America

A Market in Motion: Costs, Capital, and Capacity

Construction costs are sending a mixed message this quarter: stability on the surface, shifts underneath. While national averages point to moderation, local dynamics—from labor shortages to mega-project demand—are reshaping the landscape in ways owners can't afford to ignore. Deal-making across the AEC industry continues at a robust pace—private equity and strategic mergers are holding steady in 2025, even amid policy uncertainty. Additionally, if federal interest rates become more attractive, private investors will be willing to take on loans, creating new momentum for projects that have been on hold. Valuations remain strong, signaling that investors still have confidence in the sector's fundamentals. For owners, this is more than a headline; it's a call to examine whether strategic partnerships, recapitalization, or joint ventures might unlock new avenues of growth, innovation, or resilience.

Labor and the Scale of Projects

While employment levels and output are strong, labor shortages persist, especially as mega-projects in infrastructure and advanced manufacturing place new strains on the workforce. These large-scale efforts demand more than labor—they require effective collaboration platforms, shared data standards, and targeted training initiatives. Owners who invest in workforce development today will find themselves better positioned to deliver projects efficiently tomorrow.

Building Financial Resilience

If one theme defines the current market, it is change. Tariff uncertainty, global supply chain disruption, and shifting labor dynamics all contribute to cost swings that static budgets cannot absorb. Owners who continue to rely on fixed assumptions risk exposure. Instead, cost certainty comes from flexibility: rolling forecasts, scenario planning, and early procurement strategies. At RLB, desired outcome is to create living budgets that adapt with market conditions, ensuring resilience over the full lifecycle of a project.

Looking Ahead: Future-Proofing Investments

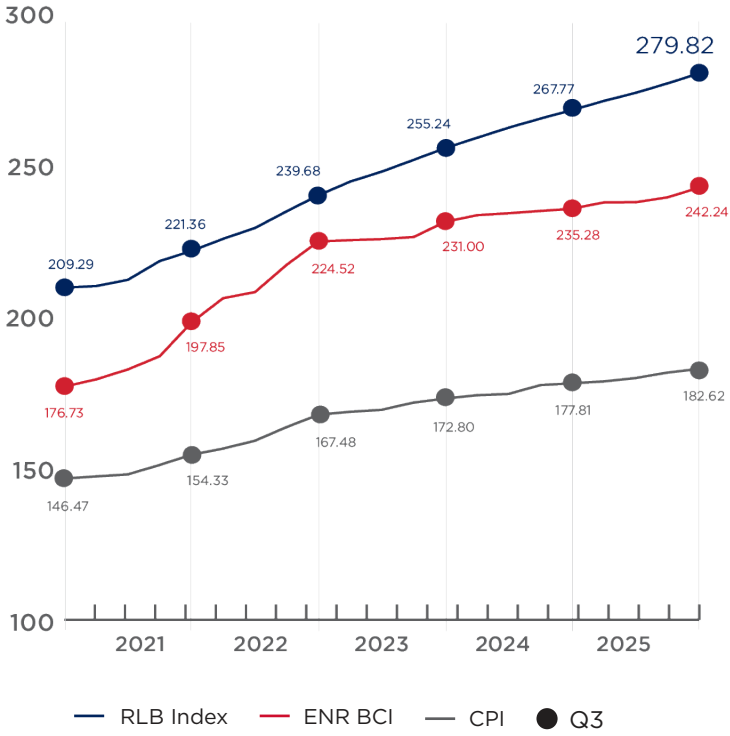
Owners today face an AEC landscape defined by rapid innovation and rising expectations. The rapid expansion of advanced technology sectors—such as data centers and semiconductor manufacturing—underscores how critical it is to build with speed, precision, and adaptability in today's global economy. The projects that thrive will be those designed not only for delivery but for endurance—built to remain resilient, efficient, and valuable for decades. My recommendation for our readers is to:

- Treat budgets as dynamic frameworks, not static documents.
- Apply consistent project delivery standards across entire portfolios.
- Link sustainability and technology decisions directly to long-term ROI.

By moving beyond reaction and into preparation, our industry can turn today's uncertainty into tomorrow's opportunity.

NATIONAL CONSTRUCTION COST INDEX

Welcome to the third quarter 2025 issue of the RLB Quarterly Cost Report! This issue contains data current to mid-Q3 2025.



Date	NCCI
Q3 2022	239.68
Q4 2022	244.19
Q1 2023	247.49
Q2 2023	251.34
Q3 2023	255.24
Q4 2023	258.62
Q1 2024	262.00
Q2 2024	264.94
Q3 2024	267.77
Q4 2024	270.75
Q1 2025	273.41
Q2 2025	276.51
Q3 2025	**279.82**

$2,139.1 billion

According to the U.S. Department of Commerce, construction-put-in-place during July 2025 was estimated at a seasonally adjusted annual rate of $2,139.1 billion, which is

0.1% below

the revised June estimate of $2,140.5 billion, and

2.8% below

the July 2024 estimate of $2,200.7 billion.

The National Construction Cost Index shows the changing cost of construction between July 2022 and July 2025, relative to a base of 100 in April 2001. Index recalibrated as of April 2011.

FEATURE PROJECT

PHOENIX, ARIZONA

CITY OF PHOENIX POLICE HEADQUARTERS

The Phoenix Police Headquarters stands as a vital pillar of public safety and innovation in the heart of downtown. This 27-story facility has been thoughtfully renovated to support modern law enforcement needs. Designed to enhance operational efficiency and community engagement, the headquarters redefines the standard for urban police infrastructure.

RLB has been an invaluable partner to the City of Phoenix on the 100 W Washington project. Our team has provided expertise in Project Management and Cost Management throughout the project's lifecycle. From the initial programming phase, RLB has been actively involved in guiding the client through the complexities of transforming an older building to meet the needs of its end users. This has included updating outdated systems and ensuring compliance with Fire and Life Safety requirements. In addition, our team has served as the client's go-to resource for abatement coordination, construction management, furniture relocation, AV, security and access control coordination, and move-in logistics. RLB's close collaboration with Arrington Watkins Architects, Richard Kennedy Architects, Okland Construction, the City of Phoenix Public Works Department, and numerous other city entities has been key to ensuring the project's success.

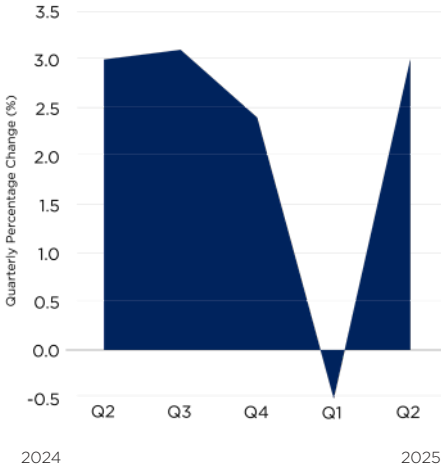
Our team worked diligently to address the unique and complex needs of the Phoenix Police Department through continuous communication and coordination with the project team.

> "One of the most significant highlights of this project was obtaining the Temporary Certificate of Occupancy for floors 23, 24, and 25, which allowed us to provide a new home for the Communications Bureau (911). The biggest challenge was moving the cutover date up by a month and securing all the necessary inspectors' signoffs, all while coordinating with their own vendors to get their technology upand running.
>
> It was a tremendous effort from everyone involved. After countless long shifts and multiple tests of the Fire and Life Safety systems, we came together and successfully met the new cutover date. The transition went smoothly, and the client was extremely happy."
>
> Melissa Araque, Project Manager
>
> **Rider Levett Bucknall**

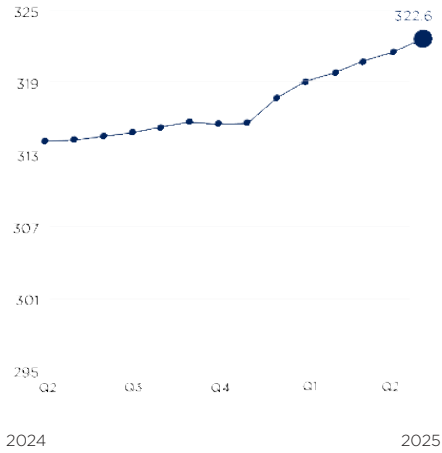
Photos courtesy of Larry Kantor Photography and David Schacher Photography

KEY STATISTICS

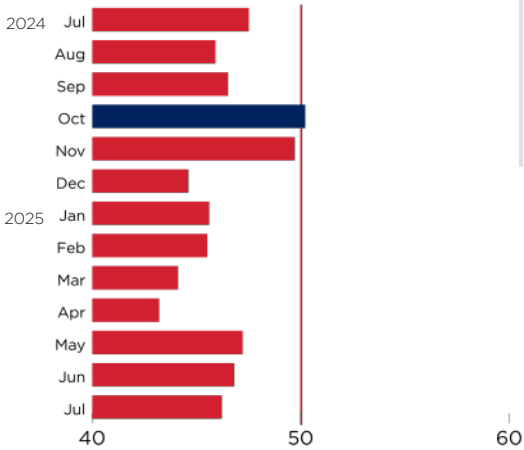
Gross Domestic Product* (GDP)



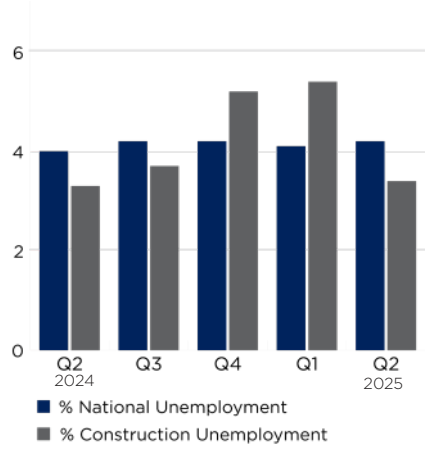
Consumer Price Index (CPI)



Architectural Billings



Unemployment Comparison

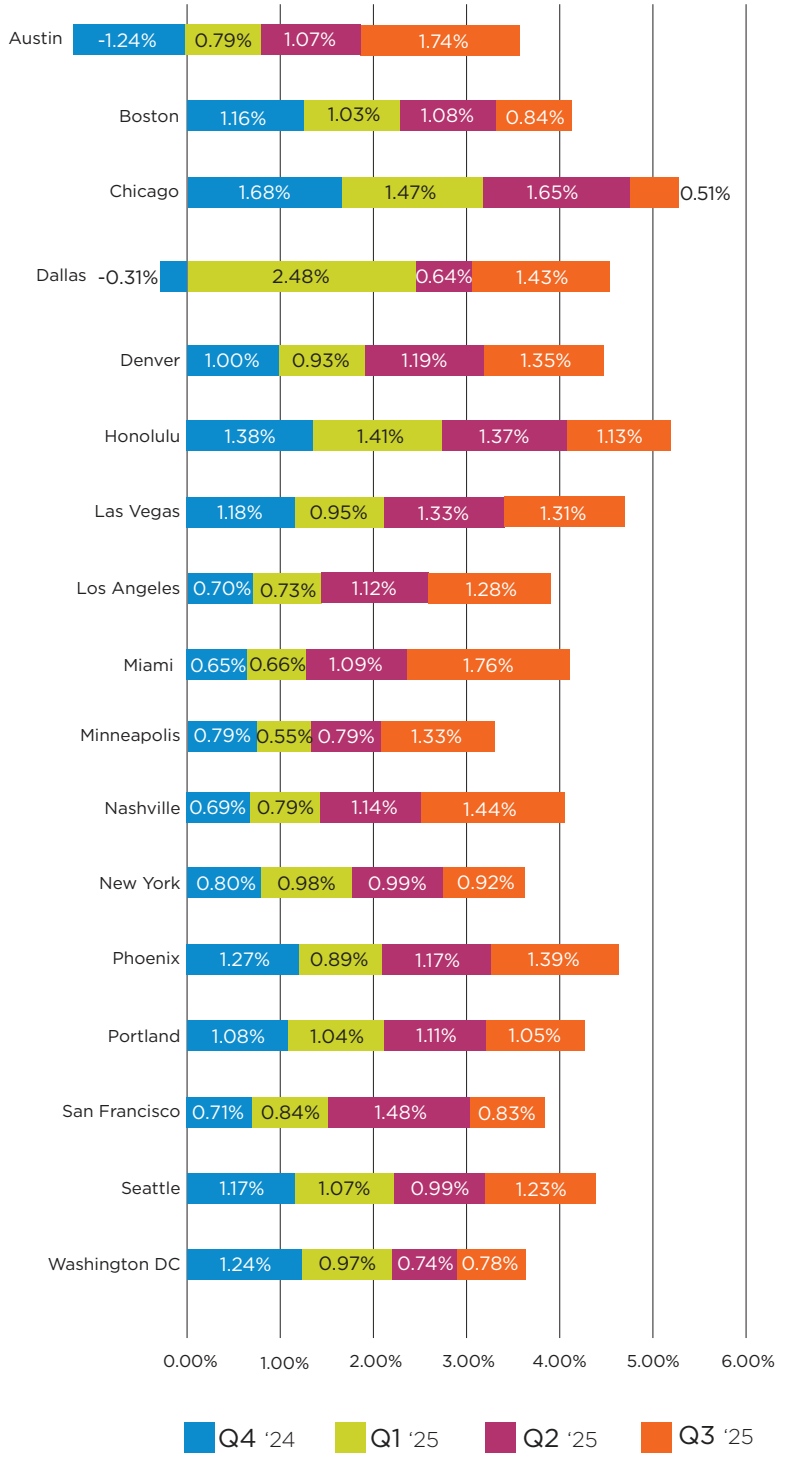


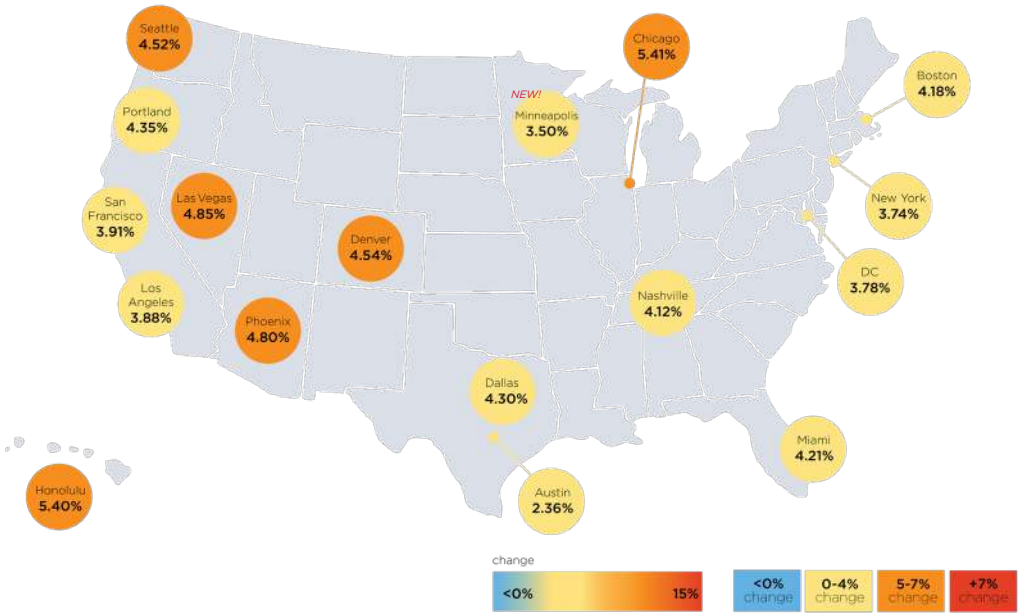
GDP represented in percent change from the preceding quarter, seasonally adjusted at annual rates. CPI figures represent the monthly value at the end of the quarter. ABI is derived from a monthly American Institute of Architects survey of architectural firms of their work on the boards, reported at the end of the period. Construction Put-in-Place figures represent total value of construction dollars in billions spent at a seasonally adjusted annual rate taken at the end of each quarter. General Unemployment rates are based on the total population 16 years and older. Construction Unemployment rates represent only the percent of experienced private wage and salary workers in the construction industry 16 years and older. National unemployment rates are seasonally adjusted, reflecting the average of a three-month period.

* Adjustments made to GDP based on amended changes from the Bureau of Economic Analysis.

Sources: U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, American Institute of Architects.

COMPARATIVE COST INDEX

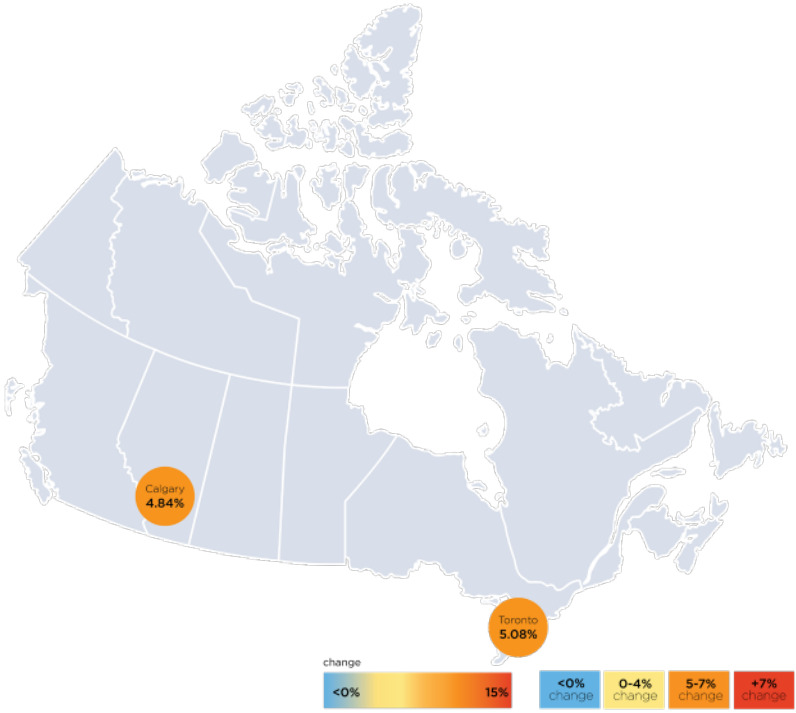




City	July 2024	October 2024	January 2025	April 2025	July 2025	Annual % Change
Austin	19,443	19,202	19,353	19,560	19,901	2.36%
Boston	31,309	31,672	32,000	32,346	32,619	4.18%
Chicago	32,130	32,670	33,151	33,697	33,870	5.41%
Dallas	19,375	19,315	19,794	19,922	20,207	4.30%
Denver	19,656	19,852	20,036	20,274	20,549	4.54%
Honolulu	31,471	31,906	32,356	32,798	33,170	5.40%
Las Vegas	19,391	19,619	19,806	20,069	20,331	4.85%
Los Angeles	28,532	28,731	28,942	29,265	29,640	3.88%
Miami	19,647	19,774	19,904	20,121	20,475	4.21%
Minneapolis *NEW!*	23,072	23,255	23,383	23,566	23,881	3.50%
Nashville	19,483	19,617	19,773	19,999	20,286	4.12%
New York	36,079	36,366	36,721	37,085	37,428	3.74%
Phoenix	20,260	20,518	20,700	20,942	21,232	4.80%
Portland	22,844	23,091	23,330	23,589	23,837	4.35%
San Francisco	35,822	36,076	36,378	36,916	37,223	3.91%
Seattle	25,861	26,162	26,442	26,703	27,030	4.52%
Washington, DC	28,934	29,293	29,576	29,796	30,029	3.78%

Comparative Cost Map Indicates percentage change between July 2024 to July 2025.

COMPARATIVE COST INDEX



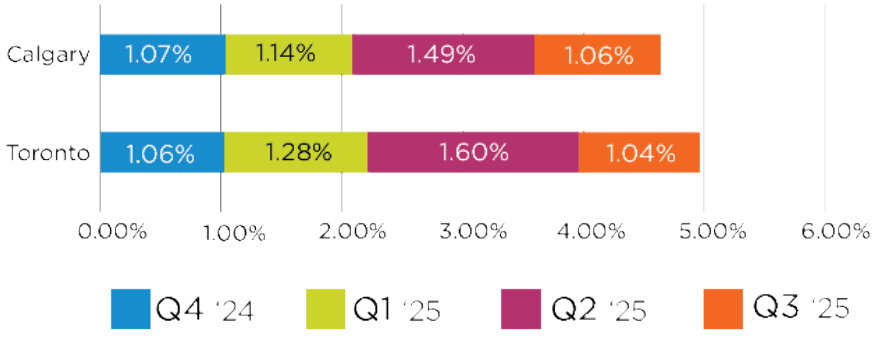
City	July 2024	October 2024	January 2025	April 2025	July 2025	Annual % Change
• Calgary	26,876	27,163	27,474	27,882	28,178	4.84%
• Toronto	35,573	35,952	36,413	36,995	37,379	5.08%

Alberta offers strong investment potential, driven by recent project approvals and rich natural resources. The province currently hosts 111 active and potential natural resource projects totaling $148 billion, part of a broader $633 billion federal pipeline. These projects primarily target the energy sector—oil and gas, carbon capture and storage, power generation and transmission, and downstream processing.

By the end of Q2 2025, Alberta municipalities issued $2.1 billion in building permits, a 48.4% increase year-over-year. Non-residential construction remained stable despite a slight 0.2% monthly decline, with YTD investment up 9.7%. Institutional and governmental spending surged 54%, and industrial spending rose 36%. Non-residential construction intentions hit a record high, fueled by a 192% increase in institutional/governmental permits and a 38% rise in total permit value. Residential investment grew 4.6% in Q2 to $2.0 billion, supported by strong renovation and conversion activity, though YTD investment declined 2.9%.

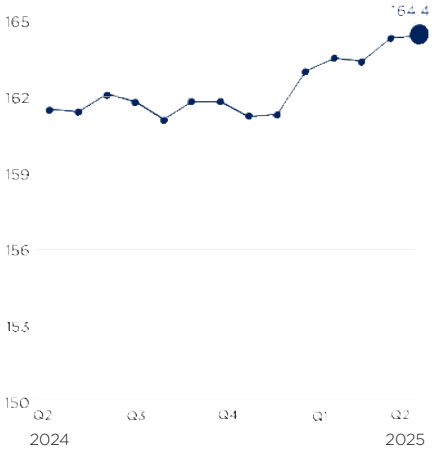
Ontario is advancing its largest infrastructure investment to date, with over $200 billion earmarked for public assets like transit, highways, and hospitals. Infrastructure Ontario reports 28 projects in pre-procurement or active procurement stages, with a combined design and construction value exceeding $30 billion. In the first half of 2025, ICI permit values rose 6% YTD, driven by a 29% increase in institutional sector activity—particularly in hospitals and medical facilities.

Toronto is prioritizing housing development, aiming to create 20,000 new rental units through a multi-million dollar incentive program. To revive stalled projects, the city is deferring property taxes, development charges, and other fees. The first phase targets over 8,000 units, contingent on additional funding from federal and provincial governments.

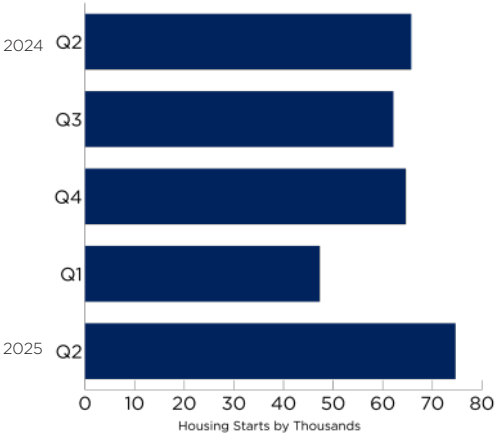


KEY STATISTICS

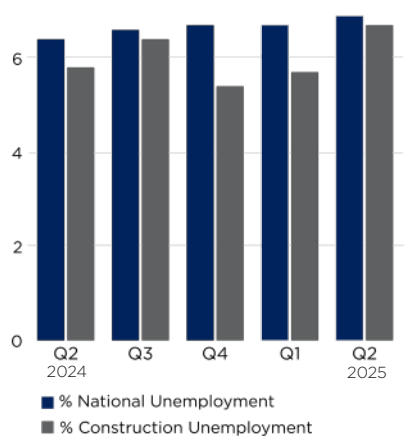
Gross Domestic Product* (GDP)



Consumer Price Index (CPI)



Housing Starts



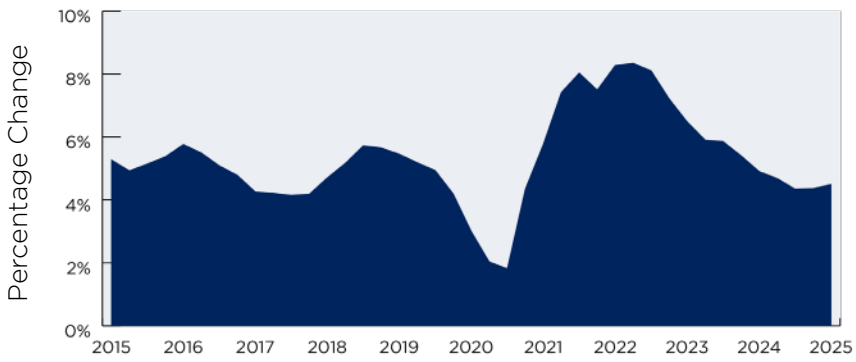
Unemployment Comparison

INDICATIVE CONSTRUCTION COSTS

	OFFICES				RETAIL SHOPPING				HOTELS				HOSPITAL	
	PRIME		SECONDARY		CENTER		STRIP		5 STAR		3 STAR		GENERAL	
LOCATION	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
USA														
Austin	250	420	165	225	200	330	190	255	425	580	300	445	475	670
Boston	455	705	270	405	250	405	175	280	475	805	330	555	605	1110
Chicago	345	570	215	350	215	460	170	280	520	800	380	510	450	920
Dallas	255	430	160	230	205	340	190	260	435	595	305	450	480	685
Denver	350	575	250	350	200	360	200	275	460	665	320	475	700	1000
Honolulu	385	645	245	375	305	615	285	465	735	880	420	665	565	950
Las Vegas	280	495	200	265	175	670	160	360	440	810	260	445	555	665
Los Angeles	270	410	210	300	190	400	160	230	435	675	310	415	695	1055
Miami	255	435	165	235	210	345	180	280	460	620	320	420	495	700
Minneapolis	420	685	295	420	240	420	240	325	545	745	385	565	830	1190
Nashville	360	595	260	360	210	360	195	285	470	645	330	435	710	980
New York	415	960	240	595	355	715	375	755	515	775	375	515	640	975
Phoenix	265	455	175	240	215	360	125	210	425	660	225	340	515	725
Portland	325	425	305	400	325	425	300	375	550	725	425	550	1000	1300
San Francisco	460	800	360	580	320	550	275	500	580	1020	430	660	750	1500
Seattle	370	660	245	340	275	445	210	335	485	735	340	485	650	920
Washington, D.C.	340	565	235	370	185	330	150	250	435	675	285	445	520	930
CANADA														
Calgary	295	440	250	300	245	335	145	215	320	495	240	275	715	970
Toronto	310	505	260	360	235	490	190	245	440	815	270	320	645	1005

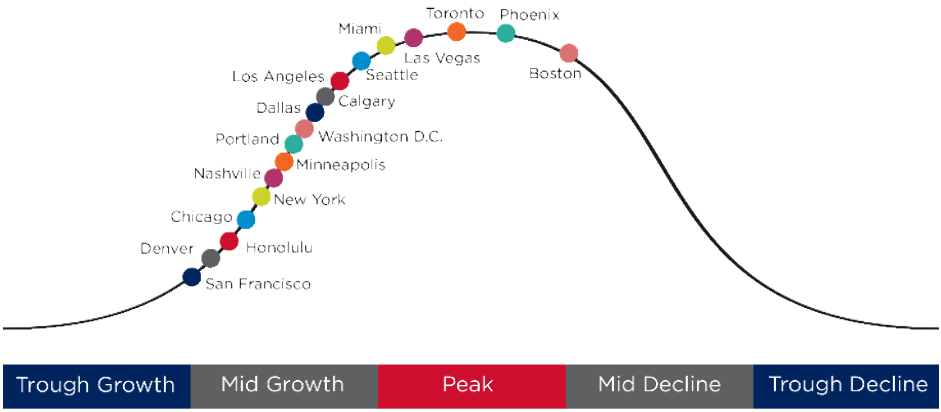
AT A GLANCE CONSTRUCTION COST CHANGE

As construction costs across the country continue to increase, RLB takes a historical view of the percentage change of year-on-year construction costs, dating back ten years.



The data in the chart below represents estimates of current building costs in each respective market. Costs may vary as a consequence of factors such as site conditions, climatic conditions, standards of specification, market conditions, etc. Values of U.S. locations represent hard construction costs based on U.S. dollars per square foot of gross floor area, while values of Canadian locations represent hard construction costs based on Canadian dollars per square foot.

INDUSTRIAL		PARKING				RESIDENTIAL				EDUCATION					
WAREHOUSE		GROUND		BASEMENT		MULTI-FAMILY		SINGLE-FAMILY		ELEMENTARY		HIGH SCHOOL		UNIVERSITY	
LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
75	150	115	190	165	260	180	270	190	515	275	390	310	475	420	645
130	220	110	165	140	190	285	390	305	430	595	675	625	800	650	900
150	240	100	150	165	285	210	480	285	570	320	480	370	510	450	910
75	150	115	190	165	265	185	275	195	520	280	400	315	480	430	660
130	205	125	200	175	280	210	375	240	475	375	500	400	610	650	900
145	290	180	235	205	315	300	505	335	625	565	930	585	790	725	1060
80	170	80	110	105	200	210	500	245	495	455	565	540	740	705	930
145	220	120	150	165	225	265	435	235	415	415	540	355	625	515	705
80	150	125	195	170	285	185	285	195	530	290	410	320	495	435	675
150	235	150	240	210	330	240	425	275	555	390	565	475	725	775	1070
130	205	130	210	185	290	210	365	240	475	335	485	410	630	645	725
145	240	115	210	170	250	250	490	355	715	550	695	595	765	585	840
85	160	60	115	95	170	195	290	205	555	295	425	335	515	455	695
275	350	275	325	300	375	325	415	305	450	600	750	750	1000	750	1000
150	255	130	205	250	350	400	640	330	580	650	950	700	1100	750	1200
185	255	140	205	215	310	285	485	265	410	450	675	385	675	595	810
130	215	75	100	90	155	215	360	270	395	390	595	405	610	490	740
115	175	95	130	100	155	215	300	325	470	270	370	275	380	355	535
140	200	130	175	170	235	265	335	330	650	285	350	285	375	325	580



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