

Constantino, Mike

From: John.Beberman@uchospitals.edu
Sent: Wednesday, May 30, 2012 12:43 PM
To: Constantino, Mike
Subject: Alteration #1 to Project 07-153
Attachments: 1631_001.pdf

Hi Mike. Attached is a scanned copy of the application to alter Project 07-153 New Hospital Pavilion. Please let me know if you need anything further and I'll await your direction regarding the review fee. This is much easier than mailing six copies like in the old days.

John

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Thank you
University of Chicago Medical Center



THE
UNIVERSITY
OF CHICAGO
HOSPITALS

CAPITAL BUDGET AND CONTROL

American School Building

MC 0953
850 East 58th Street
Chicago, IL 60637-1459
phone 773-702-1246
fax 773-702-8148

May 30, 2012

Mr. Michael Constantino
Health Facilities and Services Review Board - 2nd Floor
525 West Jefferson Street
Springfield, IL 62761

In Re: Alteration I – Project #07-153 New Hospital Pavilion

Dear Mr. Constantino:

Enclosed is our application to alter Project #07-153 New Hospital Pavilion by adding Adult Cardiac Catheterization and Electrophysiology services. This is the first alteration for this project. The cost will be \$11,750,519 and there will be no increase in square footage. We have addressed the applicable criteria and adjusted certain tables to reflect the proposed changes. We understand that you will inform us of the review fee amount.

Please let us know if you need any further information. I can be reached at 773-702-1246.

Sincerely,

John R. Beberman
Director, Capital Budget & Control

**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: The University of Chicago Medical Center | | |
| Street Address: 5841 South Maryland Avenue | | |
| City and Zip Code: Chicago 60637 | | |
| County: Cook | Health Service Area: 6 | Health Planning Area: A-03 |

Applicant/Co-Applicant Identification

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

| | | |
|------------------------------------------------------------|--|--|
| Exact Legal Name: The University of Chicago Medical Center | | |
| Address: 5841 South Maryland Avenue | | |
| Name of Registered Agent: | | |
| Name of Chief Executive Officer: Sharon O'Keefe | | |
| CEO Address: 5841 South Maryland Avenue | | |
| Telephone Number: (773) 702-6240 | | |

Type of Ownership of Applicant/Co-Applicant

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

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

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

Primary Contact

[Person to receive all correspondence or inquiries during the review period]

| |
|---------------------------------------------------------|
| Name: John R. Beberman |
| Title: Director, Capital Budget & Control |
| Company Name: The University of Chicago Medical Center |
| Address: 14216 S. Meadowview Ct., Orland Park, IL 60462 |
| Telephone Number: 773-702-1246 |
| E-mail address: john.bebberman@uchospitals.edu |
| Fax Number: |

Additional Contact

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

| |
|-------------------|
| Name: |
| Title: |
| Company Name: |
| Address: |
| Telephone Number: |
| E-mail address: |
| Fax Number: |

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance]

| |
|-----------------------------------------------------------|
| Name: John R. Beberman |
| Title: Director, Capital Budget & Control |
| Company Name: The University of Chicago Medical Center |
| Address: 14216 S. Meadowview Court, Orland Park, IL 60462 |
| Telephone Number: 773-702-1246 |
| E-mail address: john.beberman@uchospitals.edu |
| Fax Number: |

Site Ownership

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

| |
|----------------------------------------------|
| Exact Legal Name of Site Owner: |
| Address of Site Owner: |
| Street Address or Legal Description of Site: |

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: The University of Chicago Medical Center |
| Address: 5841 South Maryland Avenue, Chicago, IL 60637 |
| <input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other |
| <ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois certificate of good standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. |

Organizational Relationships

| |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provide (for each co-applicant) an organizational chart containing the name and relationship of any person who is related (as defined in Part 1130.140). If the related person 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-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

Applicable to only new construction projects [Refer to application instructions.]

| |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org . This map must be in readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (http://www.idph.state.il.us/about/hfpb.htm). |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

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 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- Substantive
 Non-substantive

Part 1120 Applicability or Classification:
[Check one only.]

- Part 1120 Not Applicable
 Category A Project
 Category B Project
 DHS or DVA Project

2. Narrative Description

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

This is an alteration to Project #07-153 New Hospital Pavilion, which has a permit amount of \$785.7 million. The alteration is to relocate Adult Cardiac Catheterization into this new building, reducing from three laboratories to two. These would be located on the fifth floor, adjacent to Interventional Radiology. The labs would occupy space originally designed for faculty offices. In addition, we would relocate our two main Electrophysiology Labs from our outpatient building to the sixth floor of the new building, which primarily will house our operating rooms. These labs will occupy area originally planned as conference/education spaces.

This is a substantive change since the addition of two new services substantially changes the scope of the project. It is an allowable alteration requiring HFPB action since it is a cost increase (\$13m) that does not exceed 5 percent of the original project cost. This is the first request for alteration for this project. The total square footage remains the same.

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-clinical components that are not related to the provision of health care, complete the second column of the table below. See 20 ILCS 3960 for definition of non-clinical. Note, the use and sources of funds must equal.

| Project Costs and Sources of Funds | | | |
|------------------------------------------------------------|----------------------|---------------------|----------------------|
| USE OF FUNDS | ORIGINAL | Alteration 1 | TOTAL |
| Preplanning Costs | | | |
| Site Survey and Soil Investigation | \$170,000 | | \$170,000 |
| Site Preparation | 9,070,311 | | 9,070,311 |
| Off Site Work | 90,758 | | |
| New Construction Contracts | 432,425,625 | 3,299,263 | 435,724,888 |
| Modernization Contracts | | | |
| Contingencies | 43,242,563 | 329,926 | 43,572,489 |
| Architectural/Engineering Fees | 21,379,756 | 348,000 | 21,727,756 |
| Consulting and Other Fees | 30,075,000 | 194,674 | 30,269,674 |
| Movable or Other Equipment (not in construction contracts) | 167,888,276 | 7,328,656 | 175,216,932 |
| Bond Issuance Expense (project related) | 17,411,699 | | 17,411,699 |
| Net Interest Expense During Construction (project related) | 45,297,000 | | 45,297,000 |
| Fair Market Value of Leased Space or Equipment | | | |
| Other Costs To Be Capitalized | 18,695,000 | 250,000 | 18,945,000 |
| Acquisition of Building or Other Property (excluding land) | | | |
| TOTAL USES OF FUNDS | \$785,745,988 | \$11,750,519 | \$797,496,507 |
| SOURCE OF FUNDS | ORIGINAL | Alteration 1 | TOTAL |
| Cash and Securities | \$185,745,988 | \$11,750,519 | \$197,496,507 |
| Pledges | | | |
| Gifts and Bequests | 100,000,000 | | 100,000,000 |
| Bond Issues (project related) | 500,000,000 | | 500,000,000 |
| Mortgages | | | |
| Leases (fair market value) | | | |
| Governmental Appropriations | | | |
| Grants | | | |
| Other Funds and Sources | | | |
| TOTAL SOURCES OF FUNDS | \$785,745,988 | \$11,750,519 | \$797,496,507 |

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

ORIGINAL cost included \$450,578,311 non-reviewable costs. Alteration 1 costs are all reviewable/clinical.

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 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 cost and operating deficit cost is \$ _____.

Project Status and Completion Schedules

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, 2016

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

- Purchase orders, leases or contracts pertaining to the project have been executed.
 Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON contingencies.
 Project obligation 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

Are the following submittals up to date as applicable:

- Cancer Registry
 APORS
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports have 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.

Facility Bed Capacity and Utilization

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

| FACILITY NAME: Univ. of Chicago Medical Ctr | | CITY: Chicago | | | |
|-------------------------------------------------|-----------------|---------------|--------------|-------------|---------------|
| REPORTING PERIOD DATES: From: 1/1/11 to: 1/1/12 | | | | | |
| Category of Service | Authorized Beds | Admissions | Patient Days | Bed Changes | Proposed Beds |
| Medical/Surgical | 300 | 12,056 | 80,877 | 0 | 300 |
| Obstetrics | 46 | 1,788 | 5,802 | 0 | 46 |
| Pediatrics | 61 | 2,964 | 14,968 | 0 | 61 |
| Intensive Care | 114 | 5,646 | 26,325 | 0 | 114 |
| Comprehensive Physical Rehabilitation | | | | | |
| Acute/Chronic Mental Illness | | | | | |
| Neonatal Intensive Care | 47 | 617 | 13,810 | 0 | 47 |
| General Long Term Care | | | | | |
| Specialized Long Term Care | | | | | |
| Long Term Acute Care | | | | | |
| Other (identify) | | | | | |
| TOTALS: | 568 | 23,071 | 141,782 | 0 | 568 |

CERTIFICATION

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

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

This Application for Permit is filed on behalf of The University of Chicago Medical Center *
 In accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit 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 permit application fee required for this application is sent herewith or will be paid upon request.

Sharon O'Keefe
 SIGNATURE

James M. Watson
 SIGNATURE

Sharon O'Keefe
 PRINTED NAME

James M. Watson
 PRINTED NAME

President
 PRINTED TITLE

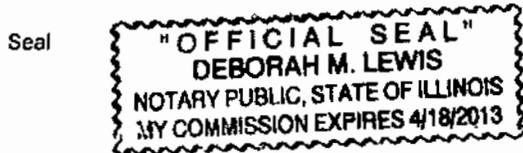
Chief Financial Officer
 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 29 day of May 2012

Notarization:
 Subscribed and sworn to before me
 this 29 day of May 2012

Deborah M. Lewis
 Signature of Notary

Deborah M. Lewis
 Signature of Notary



*Insert EXACT legal name of the applicant

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding of 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): See Attachment -39 for rating documentation

- Section 1121.120 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 - Not applicable - meet credit rating variance

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

| | | | |
|--------------|--|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$11,750,519 | | 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 time table 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 time table of receipts; |
| | | d) | Debt - a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: |
| | | 1) | For general obligation bonds, proof of passage of the required referendum or evidence that the government 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 the funds are to be made available from subsequent fiscal years, a copy of the 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 |
| \$11,750,519 | | TOTAL FUNDS AVAILABLE | |

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

IX. 1120.130 - Financial Viability Not applicable since we meet credit rating variance.

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. All of the projects capital expenditures are completely funded through internal sources
2. 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
3. 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 40, 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.

| Provide Data for Projects Classified as: | Category A or Category B (last three years) | | | Category B (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.

2. 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 41, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements Not applicable since we meet credit rating variance.

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

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

| COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE | | | | | | | | | |
|-----------------------------------------------------|-------------------------|------|----------------------|--------|-----------------------|--------|----------------------|--------------------|--------------------------|
| Department (list below) | A | B | C | D | E | F | G | H | Total Cost (G + H) |
| | Cost/Square Foot New | Mod. | Gross Sq. Ft. New | Circ.* | Gross Sq. Ft. Mod. | Circ.* | Const. \$ (A x C) | Mod. \$ (B x E) | |
| | | | | | | | | | |
| Contingency | | | | | | | | | |
| TOTALS | | | | | | | | | |

* Include the percentage (%) of space for circulation

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

| INDEX OF ATTACHMENTS | | |
|----------------------|--------------------------------------------------------------------------------------------------------|-------|
| ATTACHMENT NO. | | PAGES |
| 1 | Applicant/Coapplicant Identification Including Certificate of Good Standing | |
| 2 | Site Ownership | |
| 3 | Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. | |
| 4 | Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc. | |
| 5 | Flood Plain Requirements | |
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| 34 | Children's Community-Based Health Care Center | |
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| 37 | Clinical Service Areas Other than Categories of Service | 23 |
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SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Project Costs and Sources of Funds

| | | |
|----------------------------------------|----------------|----------------------------------------------|
| New Construction Contracts | | |
| Construction | 3,018,539 | |
| General requirements | 67,917 | |
| General conditions | 67,917 | |
| CM fee | <u>144,890</u> | |
| Total New Construction | | \$3,299,263 |
| Contingencies | | \$329,926 |
| Architectural/Engineering Fees | | \$348,000 |
| Consulting and Other Fees | | |
| CON review fee | 23,650 | |
| IDPH architectural review fee | 14,000 | |
| Commissioning | 107,024 | |
| City of Chicago permit fee | 20,000 | |
| Other consulting, fees | <u>30,000</u> | |
| Total Consulting and Other Fees | | \$194,674 |
| Movable or Other Equipment | | |
| Cardiac Catheterization Labs | | |
| Cath Lab 1 single plane | 1,300,000 | |
| Cath Lab 2 biplane | 2,000,000 | |
| Cardiology software | 100,000 | |
| Intervascular ultrasound (2) | 240,000 | |
| Supply storage/tracking syst. | 40,000 | |
| A/V integration of 1 Lab | 218,500 | |
| Medicine dispensing machines | 60,000 | |
| Scrub sinks | 18,000 | |
| Small equipment | 103,521 | Cabinets, carts, refrigerators, chairs, etc. |
| Electrophysiology Labs | | |
| New biplane | 2,000,000 | |
| Relocate biplane from DCAM 5749 | 84,000 | |
| EP software | 38,000 | |
| Surgical lights and equip. booms | 149,484 | |
| Velocity mapping system | 300,000 | |
| Supply storage/tracking syst. | 40,000 | |
| A/V integration of 1 Lab | 218,500 | |
| Medicine dispensing machines | 60,000 | |
| Scrub sinks | 18,000 | |
| Small equipment | 103,521 | Cabinets, carts, refrigerators, chairs, etc. |
| Information Technology | 207,130 | |
| Furnishings | <u>30,000</u> | |
| Total Movable and Other Equipment | | \$7,328,656 |
| Other Costs to be Capitalized | | |
| UCMC capitalized salaries and benefits | 200,000 | |
| Moving | <u>50,000</u> | |
| Total Other Costs to be Capitalized | | \$250,000 |
| Grand Total Costs | | \$11,750,519 |

SECTION I - Cost Space Requirements

| Department | Cost | Gross Square Feet | | Amnt of Proposed Total GSF That Is: | | | | |
|----------------------------|----------------------|-------------------|------------------|-------------------------------------|--------|----------------|----------------|---------------|
| | | Existing | Proposed | New Construction | Remod. | As Is | Vacated | Re-assign |
| Med/Surg Acute Care | \$94,394,535 | 125,427 | 196,998 | 141,552 | | 55,446 | 69,980 | 0 |
| ICU | 38,683,759 | 45,977 | 70,278 | 49,173 | | 21,105 | 24,872 | 0 |
| Surgery | 72,853,222 | 58,099 | 97,553 | 58,195 | | 39,358 | 18,741 | 0 |
| Preparation/Recovery | 32,653,058 | 16,037 | 37,038 | 37,038 | | 0 | 16,037 | 0 |
| Anatomic Pathology Lab | 7,204,979 | 15,956 | 20,210 | 8,254 | | 11,956 | 4,000 | 0 |
| Central Sterile Process. | 6,093,713 | 20,996 | 30,292 | 9,296 | | 20,996 | 0 | 3,930 |
| Radiology | 56,538,472 | 71,911 | 104,245 | 32,334 | | 71,911 | 0 | 9,467 |
| GI Procedures | 12,868,581 | 12,404 | 26,243 | 13,839 | | 12,404 | 0 | 12,404 |
| Pharmacy | 6,371,778 | 14,918 | 26,520 | 11,602 | | 14,918 | 0 | 3,793 |
| Respiratory Therapy | 928,905 | 2,650 | 4,609 | 1,959 | | 2,650 | 0 | 0 |
| Clinical Support | 6,576,675 | 44,422 | 55,403 | 16,069 | | 39,334 | 5,088 | 5,088 |
| Adult Card. Cath. Labs | 6,695,506 | 4,994 | 4,088 | 4,088 | | 0 | 0 | 4,994 |
| Electrophysiology Labs | 5,055,013 | 5,995 | 4,580 | 3,194 | | 1,386 | 0 | 4,609 |
| Total Reviewable | \$346,918,196 | 428,797 | 669,389 | 386,593 | | 290,078 | 138,719 | 34,681 |
| Family and Staff Support | \$88,846,811 | 51,009 | 235,070 | 189,051 | | 46,019 | 4,990 | 0 |
| Support Services | 74,220,970 | 205,175 | 291,130 | 85,955 | | 205,175 | 0 | 0 |
| Infrastructure | 253,852,461 | 285,937 | 612,742 | 326,805 | | 285,937 | 0 | 0 |
| Bridges/Tunnels | 3,561,306 | 30,009 | 37,735 | 7,726 | | 30,009 | 0 | 0 |
| Future Development | 30,096,762 | 48,138 | 246,616 | 198,478 | | 48,138 | 0 | 0 |
| Total Nonreviewable | \$450,578,311 | 620,268 | 1,423,292 | 808,014 | | 615,278 | 4,990 | 0 |
| Grand Total | \$797,496,507 | 1,049,065 | 2,092,681 | 1,194,607 | | 905,356 | 143,709 | 34,681 |

There is no major movable equipment as defined in Sec. 1130.140, though we identify costly equipment in Page 4 Detail.

SECTION IV - PROJECT SCOPE, UTILIZATION

SIZE OF PROJECT

| SIZE OF PROJECT | | | | |
|------------------------------|---------------|----------------|------------|---------------|
| DEPARTMENT/SERVICE | PROPOSED DGSF | STATE STANDARD | DIFFERENCE | MET STANDARD? |
| Cardiac Catheterization Labs | 4,088 | 3,600 | 488 | No |
| Electrophysiology Labs | 3,194 | No Standard | NA | NA |

Cardiac Catheterization Labs

1. The proposed space is necessary and not excessive.

DGSF for the proposed two labs totals 4,088 and is detailed in Attachment 14 in a listing of rooms and square footage. The two main rooms comprise most of the space. Because we prefer to situate the equipment at a diagonal in the room to maintain a line-of-sight between the control technician and cardiologist, the room has to be larger than if the equipment was placed squarely. During the procedure, the technician is in the control room monitoring the x-ray monitor, EKG, heart wave, pulse oximeter, and the monitor showing catheter or stent placement. The technician also can view the patient and is able to see unusual bleeding or scizing that might not be seen by the attending physician. There is constant communication between the cardiologist and the technician, some verbal, some by hand signals, and other non-verbal means. Typically, the patient is under conscious sedation so the medical team has to be judicious about what is discussed so as not to upset the patient. We believe the diagonal equipment positioning is important for the best care, though it does create some wasted space in the procedure room. There are 4 to 6 medical students who rotate through Cardiology and are usually in the control room.

In the procedure room, the cardiologist, the Interventional Cardiology fellow, a General Cardiology fellow, and a sedation nurse are present for cases. Frequently we have complex and unusual cases of interest to additional fellows. Increasingly there are cases requiring a combined approach, in which a second attending Cardio Thoracic or vascular surgeon will also be in the room.

The procedure rooms are ringed with supply carts, defibrillator cart, anesthesia machine and cart, heart pump, instrument and prep tables, balloon pump, blanket warmer, and several IV poles. Connected to each main room are equipment storage rooms for quick access to additional items such as lasers and generators for the fluoroscopic system. There is an additional equipment room in between the two procedure rooms. We see a relatively large number of high acuity patients - 12 percent are in cardiogenic shock or post-arrest and these patients are on ventilators. We are the only service in Chicago and possibly the state that institutes travascular therapeutic hypothermia, which requires an additional console in the room. While other labs will use ventricular support devices such as Impellas, TandemHearts, and balloon pumps, we use them with greater frequency and need the extra room to place them. We are the only service in Chicago (and likely east of the Mississippi) that institutes therapeutic extracorporeal membrane oxygenation (ECMO) in the cath lab. This is generally done only in operating rooms. This requires additional equipment, as well as a perfusionist in the room.

A technician plus one or two fellows are in the control room. Often there are vendor representatives checking out equipment performance in the control area. The stations not facing into the room are used as general workstations by any of the 15 fellows.

A reading room that seats eight will be used extensively, not only by cath lab attendings and their fellows, but also IR and EP attending physicians teaching their fellows. This shared room opens up opportunities for collaboration between related disciplines, which we encourage.

A staff lounge and staff toilet/shower complete the area. These are large enough to serve the the many staff members who work in the two labs. The work is intense and high pressured, and it is important for the staff to be able to have a rest area to decompress between cases, without having to go far.

SECTION IV - PROJECT SCOPE, UTILIZATION

SIZE OF PROJECT

2. The space exceeds the State standard.

a. The 15 fellows are residents specializing in cardiology, spending additional years refining their skills in the work of the cath labs. This is a teaching hospital and additional space must be provided to make room for these fellows who would not be found in non-teaching settings. We estimate that 15 percent additional area is needed for them in the procedure rooms, 33 percent more in the control rooms, 50 percent more in the reading room, and 25 percent more in the staff lounge. This calculation is shown in a following page in this Attachment, accounting for 576 additional dgsf. Were it not for this need for additional space for teaching, dgsf per lab would be 1,756, within the standard of 1,800.

b. This service was placed in an area occupied by offices and support space for IR physicians working in the adjacent angiography labs. Some rooms, such as the staff toilet (126 nsf), equipment/supply storage (266 nsf), and circulation space between the control rooms and procedure rooms was larger than would have been the case if we were not moving into this configuration of space. But most of the variance to the State standard is accounted for in 2.a. above related to teaching space.

Electrophysiology Labs

1. The proposed space is necessary and not excessive.

DGSF for the proposed two EP labs totals 3,194 and is detailed in Attachment 14 in a listing of rooms and square footage. Though there is no State standard for EP space, the rooms are somewhat similar in operation to cardiac catheterization labs which have a standard of 1,800 dgsf per room. In that regard, the EP labs appear to be reasonably sized at 1,597 dgsf per lab. Relocating our existing two labs into the OR floor made for a good fit since the standard OR room size was approximately the 600 nsf needed for the EP labs.

With clinical procedure space, the layout and size of the rooms is determined by the equipment and number of people working in the area. As can be appreciated in the attached floor plans, the main rooms are fairly well taken up by the bi-plane units in the center of the room along with the many supply carts, a crash cart, anesthesia cart, cardiac mapping system, defibrillator cart, instrument tables, medication dispenser, electrosurgical unit, and IV poles. The main rooms must be large enough to accommodate these many items as well as leave circulation space for the medical team. Within the room there is usually an attending cardiologist, fellow, sedation nurse, a scrub technologist, and a circulator for bringing any supplies or instruments not located in the room.

The control room located in an interior corridor outside of the main rooms seats four per room, usually either the attending or fellow to direct the other working with the patient based on what is seen on the monitor. A vendor representative from the 3D software company is also at the control desk lending expertise in the use of the mapping system. Residents rotating through cardiology may also be present at the control desk, along with occasional medical school students. Located between the two procedure rooms is an equipment room, which houses the generators for the fluoroscopic system in each main room.

SECTION IV - PROJECT SCOPE, UTILIZATION

SIZE OF PROJECT

Cardiac Catheterization Labs Space Program

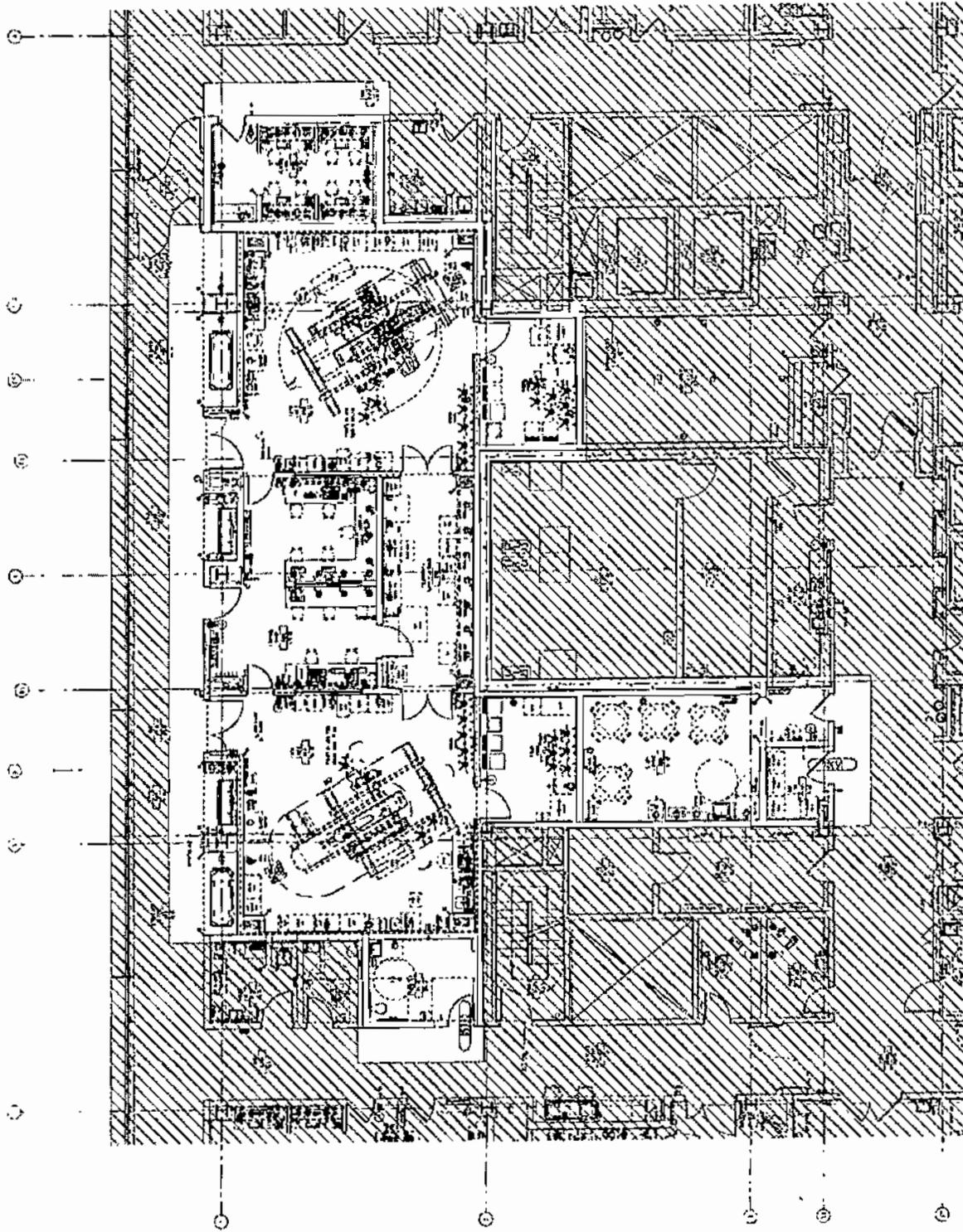
| | <u>DGSF</u> | | |
|--------------------------------|-------------|---------------|----------------------|
| Staff Toilet | 126 | | |
| Cath Lab 1 | 784 | | |
| Stretcher Alcove | 39 | | |
| Scrub | 34 | | |
| Equipment Room 1 | 171 | | |
| Equipment Room 2 | 171 | | |
| Staff Lounge | 361 | | |
| Tank Storage | 63 | | |
| Control Room | 435 | | |
| Equipment/Supply Storage | 266 | | |
| Scrub | 31 | | |
| Cath Lab 2 | 783 | | |
| Stretcher Alcove | 44 | | |
| Equipment Alcove | 29 | | |
| Reading Room | 214 | | |
| Common Corridor/Circulation | <u>537</u> | | |
| Total DGSF | | 4,088 /2 labs | = 2,044 per lab |
| Less Added Space for Teaching: | | | |
| Cath Lab 1 - 15% | (118) | | |
| Cath Lab 2 - 15% | (117) | | |
| Control Room - 33% | (144) | | |
| Reading Room - 50% | (107) | | |
| Staff Lounge - 25% | <u>(90)</u> | | |
| Net DGSF | | 3,512 /2 labs | = 1,756 per lab |
| State standard | | | 1,800 per lab |

SECTION IV - PROJECT SCOPE, UTILIZATION

SIZE OF PROJECT

Electrophysiology Labs Space Program

| <u>EP Labs</u> | <u>DGSF</u> |
|------------------------------------|-------------|
| EP Lab 1 | 594 |
| Control Room 1 | 197 |
| Scrub | 32 |
| Stretcher Alcove | 33 |
| Utility Core | 92 |
| Blood Gas Lab | 56 |
| Soiled Utility | 69 |
| Equipment Room | 186 |
| EP Lab 2 | 632 |
| Control Room 2 | 328 |
| Scrub | 32 |
| Common Corridor/Circulation | 723 |
| Shared Circulation at Utility Core | 220 |
| Total DGSF | <hr/> 3,194 |



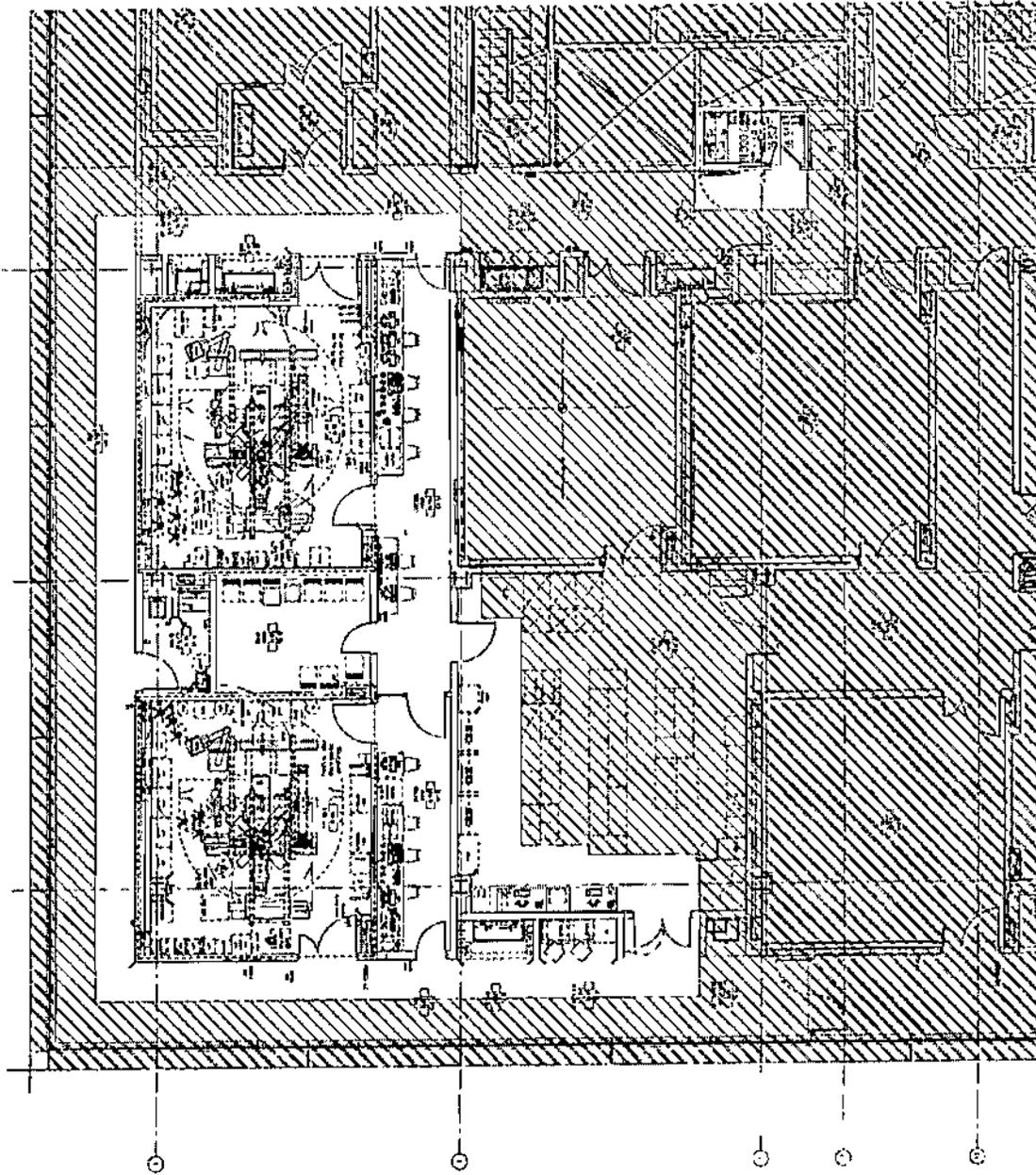
Attachment 14

THE UNIVERSITY OF CHICAGO MEDICAL CENTER
NEW HOSPITAL PAVILION
RUPAEL WINDLY ARCHITECTS PC / CANNON DESIGN

CARDIAC SERVICES
LEVEL 5 - PROCEDURE

SCALE = 1/8" = 1'

CERTIFICATE OF NEED
MAY 24, 2012



CERTIFICATE OF NEED
MAY 24, 2012

SCALE = 1/4" = 1'
N

CARDIAC SERVICES
LEVEL 8 - SURGERY

THE UNIVERSITY OF CHICAGO MEDICAL CENTER
NEW HOSPITAL PAVILION
RAFAEL VIÑOLY ARCHITECTS PC / CANNON DESIGN

Attachment 14

SECTION IV - PROJECT SCOPE, UTILIZATION

PROJECT SERVICES UTILIZATION

| UTILIZATION | | | | | |
|-------------|----------------|--------------------------------|-----------------------|----------------|---------------|
| | DEPT./ SERVICE | HISTORICAL UTILIZATION (CASES) | PROJECTED UTILIZATION | STATE STANDARD | MET STANDARD? |
| 2010 | Adult Cath Lab | 2,338 | | | |
| 2011 | | 2,606 | | | |
| 2012 | | | 2,083 | | |
| 2013 | | | 2,250 | | |
| 2014 | | | 2,430 | 3,000 | yes |
| 2015 | | | 2,624 | 3,000 | yes |

The second year of operation will be 2015, at which we project to reach 2,624. In 2012 our principal interventional cardiologist and our case total is expected to decline to 2,083 for 2012. We anticipate recruiting replacement faculty and expect to achieve 8 percent annual case growth through 2015. We would reach 2,624 in 2015, approximately the total we reached in 2011. The demand is there, it's a matter of having the physician capacity to take care of it. We are strong in cardiac diagnostics, electrophysiology, and cardiac surgery, all of which attract persons suffering heart disease, some of whom require cardiac catheterization.

We currently operate three adult cardiac catheterization labs. We propose with this alteration to reduce to two labs. The State standard is 1,500 cases per lab, which we meet in 2014 when we open the new facility and 2015, the second year of operation.

SECTION VII. F. CARDIAC CATHETERIZATION

1. Peer Review

The department conducts weekly meetings of the attending cardiologists, fellows, technicians, and nurses to ascertain whether the patients are getting good care. Cases from the previous week are reviewed and discussions focus on the conduct of the cases and whether the operating procedures went well. This weekly meetings also serve an educational purpose of bringing the team up to date on new clinical approaches and other topical subjects in the field.

There are Quality Assurance meeting held every quarter where morbidity and mortality is the focus. These meetings study any cases that did not go as expected, to ascertain the reasons why and examine whether protocols were followed or if improvement can be instituted to improve future care. Staff from Risk Management often attend these meetings.

There are quarterly meeting with the Emergency Department physicians to determine whether our system of bringing serious cardiac cases to the catheterization labs occurs within our 5 minute objective. Rapid identification of the right cases and quick transport to the lab are important to achieving the best outcomes.

Finally, there are monthly Cath Lab staff meeting that concentrate on procedural matters with the non-physician staff, though this meeting is also attended by the lead cardiologist.

These regularly scheduled meetings provide a structured and dependable mechanism to review our practices, resolve problems that might surface, and study recent cases to ensure we are providing safe and high quality care. We work hard to strengthen the culture here of strong peer review and openness to reduce mistakes and improve results.

2. Modernization of Existing Cardiac Catheterization Laboratories

During the recent 12 months ending April 30, 2011, we performed 2,083 adult cardiac catheterizations. This meets the 1,500 cases standard for one lab and justifies a second lab.

3. NA

4. NA

5. NA

6. Laboratory Location

The two adult cardiac catheterization labs will be adjacent to one another in the NHP. Thus, there is backup capability if it is needed. The proposed location is also desirable insofar as being on the floor below the operating rooms. There are occasional emergency relocations from the cardiac catheterization labs to the OR, but much more frequently from the OR to the

SECTION VII. F. CARDIAC CATHETERIZATION

cath labs.

7. NA

8. Continuity of Care

On the floor immediately above the proposed location in the NHP is our inpatient operating suite. Open heart surgeries will be performed in this location. In addition, patients experiencing cardiac difficulties during their operative procedure can be quickly moved into a hybrid CVT OR or the cardiac catheterization labs for quick intervention.

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

R. Criterion 1110.3030 - Clinical Service Areas Other than Categories of Service

2. Changes by Service

Adult cardiac catheterization labs addressed in Section VII. F. as a category of service.

| Service | # Existing Key Rooms | # Proposed Key Rooms |
|------------------------|----------------------|----------------------|
| Electrophysiology Labs | 3 | 3 |
| | | |
| | | |

3. (c)(1) - Deteriorated Facilities

The two principal electrophysiology laboratories are located in our outpatient building - the Duchoissois Center for Advanced Medicine (DCAM). We include a third lab, located in Mitchell Hospital first floor in our inventory, but this contains equipment we do not prefer. This lab is used approximately one half day each month during busy periods when three EP physicians are working simultaneously. The great majority of our work is done in the two labs located in the DCAM.

We propose to relocate the two EP labs from the DCAM to the sixth floor of the New Hospital Pavilion (NHP). They would be situated in a corner of the 6th floor, that floor otherwise to consist entirely of the adult inpatient operating rooms. Along with relocating the adult cardiac catheterization labs from Billings Hospital to the fifth floor of the NHP, the intent of this relocation is to move the invasive cardiology procedure areas into the NHP, which will also contain the adult operating rooms, Interventional Radiology, and GI Procedures, along with 240 inpatient beds that will serve these patients along with cancer patients. The NHP is focused on invasive procedures (along with cancer care) and consistent with this purpose we chose to include the invasive cardiology services addressed in this application for alteration. Both the fifth and sixth floors of the NHP have extensive preparation/recovery facilities - 50 prep/holding bays on the OR floor and 43 on the IR/GI Procedure floor. It makes sense in terms of staffing efficiencies of these areas to consolidate the interventional services in the NHP, rather than have many outposts scattered about the Medical Center. When similar services are dispersed to many areas, operations are inefficient and it is difficult to flex up or down effectively as patient demand varies from day to day.

The NHP is designed to simplify and improve patient and family wayfinding and support. All patients arriving for surgery or another invasive procedure would take elevators to the 7th floor reception area to check in. When the patient is taken to the fifth or sixth floor for their procedure, the family and friends would wait comfortably in the seventh floor Sky Lobby, which affords spectacular views of the University of Chicago campus, Lake Michigan, and the Chicago skyline. There will be food service available on this floor, a chapel, and many lounge areas depending on the size of the group and level of quiet that is preferred. This area will be staffed to keep family and friends advised of the progress of the patient during his/her procedure. Presently, the adult Operating Rooms, GI procedures, Interventional Radiology, and the two Invasive Cardiology services are located seven different locations, none able to provide the comfort, support, and organization that will be possible in the NHP.

By bringing these clinical services into the new hospital building, we will significantly help empty the oldest buildings of clinical operations. Over the past several decades, we have averaged about \$1 million per year meeting the demanding hospital life safety requirements. Most of this effort is spent in our older buildings, such as Billings Hospital, opened in 1927. The adult cardiac cath labs are located in Billings. Inpatient echocardiography is also located in Billings. One big benefit from moving the EP labs from the DCAM to the NHP will be freeing space in the

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

more modern (opened 1997) DCAM so that Echocardiography can be moved there, to be situated with Nuclear Cardiology. Thus, we remove the most significant clinical services from Billings Hospital, leaving some minor activities that will be easy to relocate once the NHP opens and space is freed up.

Another element of deterioration is the principal equipment. We propose to replace both cardiac catheterization systems, one in its 11th year of use and the other in its 12th. For the EP Lab, we will relocate a system that is 7 years old but replace and upgrade to bi-plane a system in its 10th year. The depreciable life for these systems is 7 years and all to be replaced are past that. In terms of maintenance/service, the EP labs receive routine maintenance and experience just a few additional service calls. It is a different situation for the cath labs, where one unit has had 111 hours of downtime and 16 service calls in the past two years and the other 314 hours down and 47 service calls. In one case the main tube was replaced at a cost of \$57,000. The new equipment will provide numerous improvements. The patient and staff will be exposed to less radiation, both by upgrading to biplane labs (both in EP and Cardiac Cath) which means fewer angiograms taken, as well as digital flat panels replacing the image intensifier in the Toshiba lab, which reduces exposure by eliminating the scatter effect of radiation from the tube. A second key consideration is that image quality will be much improved. Another improvement will be the ability to import echocardiograms and CT scans into the lab to review during cases.

(c)(3)(C) - Utilization - Service or Facility (no standard)

During the last two years, EP cases have been 780 two years ago and 879 for the past year, ending April 30, 2012. During the very busiest times when three EP physicians are working at once, we make use of a third lab. It is equipped with a stereotactic device that is not preferred by our physicians and sees little use. On average, it is used one-half day a month, or 48 hours a year. To determine room utilization, we studied the 18 categories of workload and reviewed our logs of actual room time over a six month period. We calculated average case times for each category, though individual cases in some instances can range from 2 to 10 hours. We eliminated times for procedures that occur simultaneously with other procedures so as not to double count. We also did not count cardioversions and tilt table tests since these are performed in the holding area and not in the lab. The results are summarized in this attachment.

For the past year, procedures, including room clean up and preparation for the next case took 3,784 hours, or 1,892 hours per lab. We work 10 hour days, and are off weekends and the six major holidays we observe institutionally, for 254 days or 2,540 hours available per year. Thus, our room utilization rate is 74.5 percent, which we consider fairly strong and evidence that two rooms are needed.

SECTION VII. R. Clinical Service Areas Other Than Categories of Service

Electrophysiology Labs Workload Analysis

| | May, 2010-Apr, 2011 | May, 2011-Apr, 2012 | Avg Case Time Hours | Total Annual Hours |
|----------------------------------------------|---------------------------|---------------------------|--------------------------------------------|----------------------------------------|
| EP | | | | |
| Diagnostic EP Study | | 238 | 4.5 | 107 |
| AV node ablation | | 10 | 3.5 | 35 |
| SVT ablation | | 170 | 6.25 | 1,063 |
| VT ablation | | 33 | 7 | 231 |
| EP Studies & Ablations | | 451 | | |
| Pacemaker - Initial | | 84 | 5 | 420 |
| Pacemaker - Generator change | | 23 | 3.75 | 86 |
| ICD/CRT-D - Initial | | 138 | 5.5 | 759 |
| I.V lead implanted | | 79 | | included in CRT-D or Pacemaker-Initial |
| I.V lead implanted | | 5 | | included in CRT-D or Pacemaker-Initial |
| ICT/CRT Generator change | | 40 | 5 | 200 |
| Device extractions | | 23 | 6 | 138 |
| Device extractions | | 0 | 6 | 0 |
| Device extractions | | 50 | 6 | 300 |
| Transvenous lead repair/revisions | | 33 | 4 | 132 |
| Implantation of Cardiac Device | | 5 | 3 | 15 |
| Removal of Cardiac Event Recorder | | 3 | 3 | 9 |
| Test of Device during Implant/Replacement | | 93 | 2.5 | 233 |
| Prog of Device after Implant | | 30 | 3.5 | 105 |
| Cardiac Device Invasive Procedures | | 606 | | |
| Total Procedures / Hours | | 1,057 | | 3,832 |
| Total Cases (Visits) | 780 | 879 | | |
| Total Hours | 3,832 | | | |
| Less hours worked in seldom used room | (48) | | One day per month for 4 hours | |
| Net Hours for Two Main Rooms | 3,784 | | | |
| Hours Per Room Average | 1,892 | | | |
| Room Availability | 2,540 | | 10 hrs./day less 6 holidays (254 days/yr.) | |
| Room Use Rate | 74.5% | | | |

Note: We have three EP labs in our inventory, but one lab using stereotactic equipment is kept open through contractual agreement with the manufacturer for demonstration purposes and is seldom used (4 hours per month). For practical purposes, we operate two labs and this analysis demonstrates 74.5% utilization of those rooms.

Summary:

Illinois Finance Authority The University of Chicago Medical Center; Letter of Credit

US\$42.5 mil VRDO rev bnds (University Of Chicago Med Ctr) ser 2011B

| | | |
|-------------------------|---------|-----|
| <i>Long Term Rating</i> | AA/A-1+ | New |
|-------------------------|---------|-----|

US\$42.5 mil VRDO rev bnds (University Of Chicago Med Ctr) ser 2011A

| | | |
|-------------------------|--------|-----|
| <i>Long Term Rating</i> | A+/A-1 | New |
|-------------------------|--------|-----|

Rationale

Standard & Poor's Ratings Services assigned its 'A+/A-1' rating to the Illinois Finance Authority's variable-rate demand revenue bonds, series 2011A, based on an irrevocable direct-pay letter of credit (LOC) provided by Bank of America N.A. (A+/A-1). Standard & Poor's also assigned its 'AA/A-1+' rating to the authority's variable-rate demand revenue bonds, series 2011B, based on an irrevocable direct-pay LOC provided by Wells Fargo Bank National Assn. (AA/A-1+). Both LOCs were issued for The University of Chicago Medical Center.

Both LOCs are scheduled to become effective on May 20, 2011, and expire on May 20, 2016, unless terminated earlier pursuant to their respective terms. The Bank of America LOC is sized at principal plus 45 days' interest, calculated with a maximum rate of 12% per annum. The Wells Fargo LOC is sized at principal plus 43 days' interest, calculated with a maximum rate of 12% per annum.

The LOCs provide coverage in the daily and weekly rate modes, but the bonds will initially bear interest in the daily rate mode. The bonds can be converted to bear interest at the daily, weekly, two-day interest rate, short-term interest rate, LIBOR-based interest rate, long-term interest rate, Securities Industry and Financial Markets Assn.-based interest rate, or auction rate. Upon conversion to any new rate mode (other than conversions among daily, weekly, and two-day interest rates), a mandatory tender will occur.

Holder may tender their bonds while they bear interest in the daily or weekly rate modes upon providing the appropriate notice specified by the respective series' Trust Indenture. If an event of default under the reimbursement agreement occurs, the trustee is instructed to effect a mandatory tender or acceleration of the bonds; the respective LOC will terminate on the earlier of its honoring a payment on the bonds or 15 days after the trustee is notified of such event of default. Should the respective LOC not reinstate interest due to an event of default under the reimbursement agreement, the trustee is instructed to either effect a mandatory tender or (with respect to the series 2011A Bonds) to accelerate the bonds.

MOODY'S
INVESTORS SERVICE

New Issue: MOODY'S ASSIGNS Aa3 LONG-TERM AND UNDERLYING RATINGS TO THE UNIVERSITY OF CHICAGO MEDICAL CENTER'S (IL) SERIES 2011A&B VRDB BONDS AND SERIES 2011C FIXED RATE BONDS; OUTLOOK REMAINS STABLE

Global Credit Research - 27 Apr 2011

Aa3 PARITY RATINGS AFFIRMED; AFFECTS APPROXIMATELY \$768 MILLION OF RATED DEBT TO BE OUTSTANDING

Illinois Finance Authority
Health Care-Hospital
IL

Moody's Rating

| ISSUE | RATING |
|--------------------------------------------------|------------------|
| Series 2011AVRDB Revenue Bonds | Aa3 ¹ |
| Sale Amount \$46,250,000 | |
| Expected Sale Date 05/19/11 | |
| Rating Description Hospital Revenue Bonds | |
| Series 2011B VRDB Revenue Bonds | Aa3 ² |
| Sale Amount \$46,250,000 | |
| Expected Sale Date 05/19/11 | |
| Rating Description Hospital Revenue Bonds | |
| Series 2011C Fixed Rate Revenue Bonds | Aa3 |
| Sale Amount \$90,000,000 | |
| Expected Sale Date 05/11/11 | |
| Rating Description Hospital Revenue Bonds | |

¹ Expected to be supported by an irrevocable direct pay letter of credit (LOC) from Bank of America, N.A.

² Expected to be supported by irrevocable direct pay LOC from Wells Fargo Bank, National Association

Moody's Outlook Stable

Opinion

NEW YORK, Apr 27, 2011 – Moody's Investors Service has assigned Aa3 long-term and underlying ratings to The University of Chicago Medical Center's (UCMC) \$92.5 million of Series 2011A&B variable rate demand bonds (VRDB) and \$90 million of Series 2011C fixed rate revenue bonds to be issued through the Illinois Finance Authority. Concurrent with this action, we are affirming UCMC's long-term and underlying Aa3 ratings (see Rated Debt section at the end of this report). The Series 2011AVRDB bonds are expected to be supported by an irrevocable direct pay letter of credit (LOC) from Bank of America, N.A. and the Series 2011B VRDB bonds are expected to be supported by an LOC from Wells Fargo Bank, National Association. UCMC also has existing VRDB bonds supported by LOCs: the Series 2008D and Series 2010AVRDB bonds are supported by an LOC from Bank of America; the Series 2009E VRDB bonds are supported by an LOC from JPMorgan Chase Bank; and the Series 2010B VRDB bonds are supported by an LOC from Wells Fargo Bank. UCMC also has \$87 million of commercial paper (CP) revenue notes outstanding (supported by an LOC from Northern Trust), which do not carry an underlying rating from Moody's. The outlook remains stable.

RATINGS RATIONALE

SUMMARY RATINGS RATIONALE: The affirmation of the Aa3 rating and maintenance of the stable outlook reflect UCMC's continued good cash flow generation, maintenance of good liquidity ratios, and strong relationship with Aa1 rated University of Chicago.

STRENGTHS

*Status as a controlled entity of Aa1 rated University of Chicago. While UCMC is a separate 501(c)(3) from the University, UCMC and the University are very closely integrated (e.g., every member of the UCMC board is appointed by the University board).

*Large, nationally recognized academic medical center with high acuity mix of tertiary and quaternary services including a children's hospital.

X. 1120.140 - Economic Feasibility

C. Reasonableness of project and Related Costs

| COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE | | | | | | | | | |
|------------------------------------------------------------|-----------------|------|------------------|-------|---------------|-------|--------------------|---------|----------------------|
| Department (list below) | A B | | C D | | E F | | G | H | Total |
| | Cost/Sq. Foot | | Gross Sq. Ft. | | Gross Sq. Ft. | | Const. \$ | Mod. \$ | Costs |
| | New | Mod. | New | Circ. | Mod | Circ. | (A x C) | (B x E) | (G + H) |
| Reviewable: | | | | | | | | | |
| Med/Surg Acute Care | \$350.48 | | 141,552 | 32% | | | 49,611,812 | | \$49,611,812 |
| ICU | 414.52 | | 49,173 | 32% | | | 20,383,395 | | 20,383,395 |
| Surgery | 430.62 | | 58,195 | 29% | | | 26,434,934 | | 26,434,934 |
| Preparation/Recovery | 494.92 | | 37,038 | 29% | | | 18,330,921 | | 18,330,921 |
| Anatomic Pathology Lab | 543.32 | | 8,254 | 34% | | | 4,484,460 | | 4,484,460 |
| Central Sterile Processing | 326.40 | | 9,296 | 38% | | | 3,034,124 | | 3,034,124 |
| Radiology | 422.98 | | 32,334 | 42% | | | 15,405,717 | | 15,405,717 |
| GI Procedures | 422.98 | | 13,839 | 42% | | | 5,853,425 | | 5,853,425 |
| Pharmacy | 318.76 | | 11,602 | 46% | | | 3,698,355 | | 3,698,355 |
| Respiratory Therapy | 300.58 | | 1,959 | 32% | | | 588,882 | | 588,882 |
| Clinical Support | 286.45 | | 16,069 | 32% | | | 4,602,877 | | 4,602,877 |
| Adult Cardiac Cath Labs | 453.07 | | 4,088 | 13% | | | 1,852,154 | | 1,852,154 |
| Electrophysiology Labs | 453.07 | | 3,194 | 29% | | | 1,447,109 | | 1,447,109 |
| Contingency | 40.28 | | 0 | 37% | | | 15,572,086 | | 15,572,086 |
| Reviewable Total | \$443.10 | | 386,593 | | | | 171,300,251 | | \$171,300,251 |
| Non-reviewable: | | | | | | | | | |
| Family and Staff Support | \$286.45 | | 189,051 | 33% | | | 54,152,794 | | \$54,152,794 |
| Support Services | 286.45 | | 85,955 | 34% | | | 24,621,354 | | 24,621,354 |
| Mechanical/Electrical/Plumbing | 543.65 | | 326,805 | 25% | | | 177,666,002 | | 177,666,002 |
| Bridges/Tunnels | 322.61 | | 7,726 | 38% | | | 2,492,483 | | 2,492,483 |
| Future Development | 106.13 | | 198,478 | 34% | | | 21,064,091 | | 21,064,091 |
| Contingency | 34.65 | | 0 | 37% | | | 28,000,402 | | 28,000,402 |
| Non-reviewable Total | 286.45 | | 808,014 | | | | 307,997,126 | | 307,997,126 |
| TOTALS | \$401.22 | | 1,194,607 | | | | 479,297,377 | | 479,297,377 |

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D. Projected Operating Costs

Adult Cardiac Catheterization - \$2,635 per case

Electrophysiology - \$10,470 per case (\$4,032 w/o cost of implantables such as pacemaker)

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E. Total Effect of the Project on Capital Costs

UCMC Total

| | |
|---------------------------------------|---------------|
| 2015 Depreciation | \$111,486,000 |
| 2015 Interest | 45,600,000 |
| 2015 Total Capital Cost | \$157,086,000 |
| 2015 Equivalent Patient Days | 611,633 |
| 2015 Capital Cost Per Equiv. Pat. Day | \$257 |

Project Total

| | |
|---------------------------------------|--------------|
| Depreciation | \$35,444,289 |
| Interest | 22,553,751 |
| Amortization | 259,911 |
| Total Capital Cost – Project | \$58,257,951 |
| 2015 Equivalent Patient Days | 611,633 |
| 2015 Capital Cost Per Equiv. Pat. Day | \$95.25 |