

RECEIVED

Roate, George

From: Amber Bollman [abollman@murer.com]
Sent: Friday, April 30, 2010 2:08 PM
To: Roate, George
Subject: Ambulatory SurgiCenter of Downers Grove 09-050
Attachments: Revised Page 58.pdf; Physician Referral Letters.pdf; Letter of Explanation.pdf

MAY 03 2010

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Dear George:

In preparation for the June meeting of the Illinois Health Facilities and Services Review Board, please find attached the following documents, submitted on behalf of the Ambulatory SurgiCenter of Downers Grove:

1. **A revised Page 58 of the Certificate of Need application** -- As you will see, the table of financial feasibility criteria has been revised. Following the March Board meeting, the Ambulatory SurgiCenter of Downers Grove asked its accountant, Wolf & Company, to review the financial data that had been originally prepared and submitted in the Certificate of Need application. Upon closer examination, Wolf & Company identified amounts that had been recorded incorrectly and misclassified. This led to errant calculations. The amounts included in this revised Page 58 are now accurate and reflect the revised calculations prepared by Wolf & Company.
2. **A letter from Wolf & Company explaining the adjustments that were made in making the financial feasibility calculations and accompanying worksheets.**
3. **Physician Referral Letters from Dr. Bernardo Duarte and Dr. George Sosenko** – The new letters include the names and locations of facilities where the doctors have referred patients in the last 12 months and the number of patients referred to those facilities.

It is my understanding, based on our previous exchanges, that these attachments address all the outstanding issues regarding the facility's pending Certificate of Need application. Please let me know if this understanding is incorrect and additional information is needed.

I also wish to clarify a statement in our prior submission to the Board indicating that the Midwest Fertility Center would assume legal responsibility for debt held by the Ambulatory SurgiCenter of Downers Grove. Our intent was not to make Midwest Fertility Center a co-applicant. Rather, we hoped that the existence of a sister organization would mitigate any concerns the Board may have about the Ambulatory SurgiCenter's current ratio (as originally submitted). The Midwest Fertility Center is not a guarantor for loans held by the Ambulatory SurgiCenter nor have the two facilities entered into any type of formal agreement to assume legal obligations for one another.

I hope this clarifies the confusion that arose during the March hearing. If you have any questions or concerns, please don't hesitate to contact me. Thank you for all your assistance in this process.

Sincerely,

Amber Bollman, J.D.
Consultant
Murer Consultants, Inc.
58 North Chicago Street, 7th Floor
Joliet, IL 60432
Phone: 815-727-3355
Fax: 815-727-3360
Email: abollman@murer.com

April 30, 2010

Ms. Cherilyn Murer
Murer Consultants, Inc.
58 North Chicago Street, 7th Floor
Joliet, Illinois 60432

Re: Ambulatory Surgicenter of Downers Grove, Ltd.

RECEIVED

MAY 03 2010

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Dear Ms. Murer:

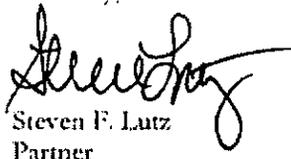
We were asked to review the financial ratios and financial statements that were originally provided to you by the practice manager from Ambulatory Surgicenter of Downers Grove, Ltd. During the course of our review, we engaged in discussions with management and learned facts which would require revisions to the original ratios and reports.

First, we discovered that the full amount of debt owed Chestnut Management Company was recorded incorrectly as a current liability on the balance sheet for each fiscal year. We have reclassified the current portion of the long-term debt based on the principal payments paid in the subsequent fiscal year. Secondly, we recorded additional paid-in capital based on our understanding of the capital structure as of December 31, 2007 and in subsequent years. Note that we have not calculated the projected debt-service-coverage ratio nor the cushion ratio. These ratios would not be applicable in this context because the notes are due to the management company that is controlled by the shareholder and not to a third party. Finally, we understand that the management agreement between Chestnut Management Company and Ambulatory Surgicenter of Downers Grove provides for a management fee of 45% of Ambulatory Surgicenter of Downers Grove's net revenues. We have recalculated the management fee in accordance with the agreement.

We are enclosing copies of the revised balance sheets and a corrected table of current ratios for your review. We have not audited, reviewed, or compiled the accompanying financial statements as defined by the American Institute of Certified Public Accountants.

Please feel free to call Laura Grunwald at (630) 545-4517 or me at (630) 545-4550 with any questions you may have.

Sincerely,


Steven F. Lutz
Partner

SFL/dr

Enclosures

Ambulatory Surgicenter of Downers Grove, Ltd.
Current Ratio
Computed from Attached Balance Sheets

<u>December 31.</u>	<u>Current Assets</u>	/	<u>Current Liabilities</u>	=	<u>Current Ratio</u>
2007	\$ 3,247,926.00	/	\$ 1,876,258.00	=	1.73
2008	\$ 4,209,190.00	/	\$ 925,649.00	=	4.55
2009	\$ 5,312,614.00	/	\$ 925,026.00	=	5.74
2010*	\$ 5,312,614.00	/	\$ 925,026.00	=	5.74

* 2010 is an estimate

Ambulatory Surgicenter of Downers Grove, Ltd.
Net Margin Percentage
Computed from Attached Balance Sheets

<u>December 31,</u>	<u>Net income</u>	/	<u>Net operating revenue</u>	=	<u>Net margin %</u>
2007	52,915.00	/	4,097,823.22	=	1.29%
2008	629,213.94	/	4,878,397.00	=	12.90%
2009	454,052.75	/	3,924,974.00	=	11.57%
2010*	454,052.75	/	3,924,974.00	=	11.57%

* 2010 is an estimate

Ambulatory Surgicenter of Downers Grove, Ltd.
Percent Debt to Total Capitalization
Computed from Attached Balance Sheets

<u>December 31,</u>	<u>Long-Term Debt</u>	/	<u>Long-Term Debt and unrestricted fund balance</u>	=	<u>Percent Debt To Total Capitalization</u>
2007	\$ 646,227.98	/	\$ 1,693,218.98	=	38.166%
2008	\$ 1,916,506.76	/	\$ 3,592,711.76	=	53.344%
2009	\$ 2,561,496.23	/	\$ 4,690,074.44	=	54.615%
2010*	\$ 1,636,496.00	/	\$ 3,765,074.00	=	43.465%

* 2010 is an estimate

Ambulatory Surgicenter of Downers Grove, Ltd.
Days Cash on Hand
Computed from Attached Balance Sheets

<u>December 31,</u>	<u>Cash & Investments</u>	/	<u>Operating expense Less Depreciation Expense/365</u>	=	<u>Days Cash on hand</u>
2007	11,182.22	/	11,039.65	=	1.01
2008	19,190.39	/	11,600.14	=	1.65
2009	362,613.83	/	9,463.12	=	38.32
2010*	480,000.00	/	10,000.00	=	48.00

* 2010 is an estimate

3:59 PM
04/29/10
Cash Basis

Ambulatory Surgicenter of Downers Grove, LTD
Balance Sheet
As of December 31, 2007

	<u>Dec 31, 07</u>
ASSETS	
Current Assets	
Checking/Savings	
100 - Chase	11,057.22
102 - Petty Cash	125.00
Total Checking/Savings	<u>11,182.22</u>
Other Current Assets	
Due from Affiliate - Surg Asst.	9,400.44
Due from Laparoscopy Intl	1,140,000.00
118 - Loan Receivable - MFC	2,087,343.45
Total Other Current Assets	<u>3,236,743.89</u>
Total Current Assets	<u>3,247,926.11</u>
Fixed Assets	
120 - Equipment	618,827.27
126 - Vehicles	18,947.87
130 - Furniture & Fixtures	42,436.17
140 - Leasehold Improvements	456,626.00
141 - Accum. Depr. - Equipment	-618,828.00
142 - Accum Depr. - Furn. & Fix.	-41,810.92
143 - Accum. Depr. - Leasehold Impr.	-135,700.08
144 - Accum. Depr.- Vehicles	-18,947.87
Total Fixed Assets	<u>321,550.44</u>
TOTAL ASSETS	<u><u>3,569,476.55</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Amex	1,257.70
Total Credit Cards	<u>1,257.70</u>
Other Current Liabilities	
204 - Current portion of long - term	1,875,000.00
Total Other Current Liabilities	<u>1,875,000.00</u>
Total Current Liabilities	<u>1,876,257.70</u>
Long Term Liabilities	
211 - Note Payable - Chestnut Managme	2,521,227.98
225 - Less current portion of long-te	-1,875,000.00
Total Long Term Liabilities	<u>646,227.98</u>
Total Liabilities	<u>2,522,485.68</u>
Equity	
3250 - Additional paid in Capital	1,000,000.00
Retained Earnings	-6,924.03
240 - Common Stock	1,000.00
Net Income	52,914.90
Total Equity	<u>1,046,990.87</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,569,476.55</u></u>

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Cash Basis

Ambulatory Surgicenter of Downers Grove, LTD
Profit & Loss
January through December 2007

	<u>Jan - Dec 07</u>
Ordinary Income/Expense	
Income	
300 · Professional Fees	4,153,320.20
301 · Professional Fee Reimbursements	-49,078.14
302 · Patient Refunds	-14,729.33
660 · Miscellaneous Income	522.01
700 · Interest Income	7,788.48
Total Income	<u>4,097,823.22</u>
Expense	
ADMIN	
500 · Advertising	2,555.48
503 · Automobile Expense	339.01
505 · Depreciation	15,435.00
515 · Dues & Subscriptions	1,268.47
520 · Insurance	7,604.00
522 · Insurance - Malpractice	34,292.00
522.1 · Health & Dental Insurance	94,402.31
524 · Consulting	262,011.26
529 · Licenses and Permits	2,210.00
531 · Bldg. Repair & Maintenance	8,743.03
534 · Cleaning & Laundry	20,033.38
535 · Office Expense	19,113.49
536 · Bank Fees	1,217.04
536.1 · Credit Card Fees	6,058.59
537 · Meals	2,934.64
539.1 · Clerical Salaries	256,500.96
539.2 · Clinical Salaries	438,559.18
540 · Outside Services	19,770.29
541 · Payroll Tax Expense	93,966.47
546 · Postage	6,568.98
550 · Legal Fees	1,500.00
551 · Accounting	6,535.00
555 · Rent	363,780.00
556 · 401k Expense	11,725.34
557 · Employee Relations	6,098.39
561 · Payroll Service	3,190.77
570 · Telephone	10,250.86
572 · Telephone Answering Service	1,121.88
575 · Meeting, Seminar, Cont. Educati	2,347.75
579 · Miscellaneous Exp	40.00
580 · Utilities	48,000.00
Total ADMIN	<u>1,718,173.55</u>
CLINICAL	
504 · Anesthesia Drugs/Supplies	35,232.69
577 · OR/Surgical Supplies & Equip	261,752.05
574 · Recovery Room Supplies	19,299.88
526 · Lab Expense	34,503.25
532 · Equipment Rental	100,080.00
560 · Clinical Repairs & Maint.	29,351.18
573 · Scavenger	2,495.47
Total CLINICAL	<u>482,714.32</u>
Total Expense	<u>2,200,887.87</u>
Net Ordinary Income	1,896,935.35
Other Income/Expense	
Other Expense	
528 · Chestnut Management	1,844,020.45
Total Other Expense	<u>1,844,020.45</u>
Net Other Income	<u>-1,844,020.45</u>

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Cash Basis

Ambulatory Surgicenter of Downers Grove, LTD
Profit & Loss
January through December 2007

	<u>Jan - Dec 07</u>
Net Income	<u><u>52,914.90</u></u>

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Cash Basis

Ambulatory Surgicenter of Downers Grove, LTD
Balance Sheet
As of December 31, 2008

	<u>Dec 31, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
100 - Chase	19,065.39
102 - Petty Cash	125.00
Total Checking/Savings	<u>19,190.39</u>
Other Current Assets	
Due from Affiliate - Surg Asst.	10,000.00
Due from Laparoscopy Intl	1,330,000.00
118 - Loan Receivable - MFC	2,850,000.00
Total Other Current Assets	<u>4,190,000.00</u>
Total Current Assets	<u>4,209,190.39</u>
Fixed Assets	
120 - Equipment	618,827.27
125 - Vehicles	19,947.87
130 - Furniture & Fixtures	45,186.29
140 - Leasehold Improvements	456,626.00
141 - Accum. Depr. - Equipment	-618,828.00
142 - Accum Depr. - Furn. & Fix.	-45,186.29
143 - Accum. Depr. - Leasehold Impr.	-147,455.27
144 - Accum. Depr.- Vehicles	-19,947.87
Total Fixed Assets	<u>309,170.00</u>
TOTAL ASSETS	<u><u>4,518,360.39</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Amex	648.82
Total Credit Cards	<u>648.82</u>
Other Current Liabilities	
204 - Current portion of long - term	925,000.00
Total Other Current Liabilities	<u>925,000.00</u>
Total Current Liabilities	<u>925,648.82</u>
Long Term Liabilities	
211 - Note Payable - Chestnut Managme	2,841,506.76
225 - Less current portion of long-te	-925,000.00
Total Long Term Liabilities	<u>1,916,506.76</u>
Total Liabilities	<u>2,842,155.58</u>
Equity	
3260 - Additional paid in Capital	1,000,000.00
Retained Earnings	45,990.87
240 - Common Stock	1,000.00
Net Income	629,213.94
Total Equity	<u>1,676,204.81</u>
TOTAL LIABILITIES & EQUITY	<u><u>4,518,360.39</u></u>

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 Cash Basis

Ambulatory Surgicenter of Downers Grove, LTD
Profit & Loss
 January through December 2008

	Jan - Dec 08
Ordinary Income/Expense	
Income	
300 - Professional Fees	4,935,495.59
301 - Professional Fee Reimbursements	-52,703.17
302 - Patient Refunds	-10,779.12
660 - Miscellaneous Income	381.74
700 - Interest Income	6,022.24
Total Income	4,878,397.28
Expense	
ADMIN	
500 - Advertising	3,270.98
503 - Automobile Expense	787.18
505 - Depreciation	15,130.56
515 - Dues & Subscriptions	720.23
520 - Insurance	11,083.00
522 - Insurance - Malpractice	30,893.00
522.1 - Health & Dental Insurance	90,930.41
524 - Consulting	206,349.00
529 - Licenses and Permits	2,685.00
531 - Bldg. Repair & Maintenance	4,882.09
534 - Cleaning & Laundry	19,851.76
535 - Office Expense	22,858.93
536 - Bank Fees	1,611.44
536.1 - Credit Card Fees	7,057.15
537 - Meals	1,635.35
539.1 - Clerical Salaries	245,119.55
539.2 - Clinical Salaries	416,749.78
540 - Outside Services	19,952.38
541 - Payroll Tax Expense	53,040.34
545 - Postage	6,104.36
550 - Legal Fees	9,931.17
551 - Accounting	7,000.00
555 - Rent	363,780.00
556 - 401k Expense	10,456.44
557 - Employee Relations	2,890.95
561 - Payroll Service	3,079.98
570 - Telephone	10,291.75
572 - Telephone Answering Service	1,119.72
575 - Meeting, Seminar, Cont. Educat	920.00
576 - Travel Expense	80.00
579 - Miscellaneous Exp	0.00
580 - Utilities	48,000.00
Total ADMIN	1,618,262.50
CLINICAL	
504 - Anesthesia Drugs/Supplies	42,017.88
577 - OR/Surgical Supplies & Equip	202,441.70
574 - Recovery Room Supplies	18,990.71
528 - Lab Expense	37,065.09
532 - Equipment Rental	100,080.00
560 - Clinical Repairs & Maint.	32,633.27
573 - Scavenger	2,413.41
Total CLINICAL	435,642.06
Total Expense	2,053,904.56
Net Ordinary Income	2,824,492.72
Other Income/Expense	
Other Expense	
528 - Chestnut Management	2,195,278.78
Total Other Expense	2,195,278.78
Net Other Income	-2,195,278.78

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Cash Basis

Ambulatory Surgicenter of Downers Grove, LTD
Profit & Loss
January through December 2008

	<u>Jan - Dec 08</u>
Net Income	<u>629,213.94</u>

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 Cash Basis

Ambulatory Surgicenter of Downers Grove, LTD
Balance Sheet
 As of December 31, 2009

	<u>Dec 31, 09</u>
ASSETS	
Current Assets	
Checking/Savings	
100 - Chase	362,488.83
102 - Petty Cash	125.00
Total Checking/Savings	<u>362,613.83</u>
Other Current Assets	
Due from Affiliate - Surg Asst.	10,000.00
Due from Laparoscopy Intl	1,420,000.00
118 - Loan Receivable - MFC	3,520,000.00
Total Other Current Assets	<u>4,950,000.00</u>
Total Current Assets	<u>5,312,613.83</u>
Fixed Assets	
120 - Equipment	618,827.27
125 - Vehicles	19,947.87
130 - Furniture & Fixtures	45,186.29
140 - Leasehold Improvements	466,826.00
141 - Accum. Depr. - Equipment	-618,828.87
142 - Accum Depr. - Furn. & Fix.	-45,186.29
143 - Accum. Depr. - Leasehold Impr.	-164,339.89
144 - Accum. Depr.- Vehicles	-19,947.87
Total Fixed Assets	<u>302,486.51</u>
TOTAL ASSETS	<u><u>5,615,100.34</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Amex	25.90
Total Credit Cards	<u>25.90</u>
Other Current Liabilities	
204 - Current portion of long - term	925,000.00
Total Other Current Liabilities	<u>925,000.00</u>
Total Current Liabilities	<u>925,025.90</u>
Long Term Liabilities	
211 - Note Payable - Chestnut Managme	3,486,496.23
225 - Less current portion of long-te	-925,000.00
Total Long Term Liabilities	<u>2,561,496.23</u>
Total Liabilities	<u>3,486,522.13</u>
Equity	
3250 - Additional paid in Capital	1,000,000.00
Retained Earnings	673,525.46
240 - Common Stock	1,000.00
Net Income	454,052.75
Total Equity	<u>2,128,578.21</u>
TOTAL LIABILITIES & EQUITY	<u><u>5,615,100.34</u></u>

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 Cash Basis

Ambulatory Surgicenter of Downers Grove, LTD
Profit & Loss
 January through December 2009

	Jan - Dec 09
Ordinary Income/Expense	
Income	
300 - Professional Fees	4,014,057.61
301 - Professional Fee Reimbursements	-60,111.54
302 - Patient Refunds	-30,741.15
660 - Miscellaneous Income	1,450.02
700 - Interest Income	318.72
Total Income	3,924,973.66
Expense	
ADMIN	
500 - Advertising	888.37
503 - Automobile Expense	109.60
505 - Depreciation	16,883.49
515 - Dues & Subscriptions	843.33
520 - Insurance	6,093.00
522 - Insurance - Malpractice	25,844.00
522.1 - Health & Dental Insurance	85,987.70
524 - Consulting	155,446.59
529 - Licenses and Permits	8,456.00
531 - Bldg. Repair & Maintenance	13,539.84
534 - Cleaning & Laundry	20,924.78
535 - Office Expense	15,882.22
536 - Bank Fees	1,331.32
536.1 - Credit Card Fees	11,033.04
537 - Meals	1,163.00
539.1 - Clerical Salaries	231,148.84
539.2 - Clinical Salaries	427,070.41
540 - Outside Services	14,222.59
541 - Payroll Tax Expense	62,900.99
545 - Postage	6,530.25
550 - Legal Fees	12,469.63
551 - Accounting	4,900.00
555 - Rent	363,780.00
566 - 401k Expense	11,204.74
557 - Employee Relations	6,912.06
561 - Payroll Service	3,099.52
570 - Telephone	9,332.53
572 - Telephone Answering Service	1,116.84
575 - Meeting, Seminar, Cont. Educati	350.00
580 - Utilities	48,000.00
Total ADMIN	1,568,464.66
CLINICAL	
504 - Anesthesia Drugs/Supplies	5,481.30
577 - OR/Surgical Supplies & Equip	153,533.05
574 - Recovery Room Supplies	17,777.05
526 - Lab Expense	30,187.30
532 - Equipment Rental	100,080.00
560 - Clinical Repairs & Maint.	23,656.65
573 - Scavenger	1,751.43
Total CLINICAL	332,466.78
Total Expense	1,900,931.44
Net Ordinary Income	2,024,042.22
Other Income/Expense	
Other Expense	
528 - Chestnut Management	1,569,989.47
Total Other Expense	1,569,989.47
Net Other Income	-1,569,989.47
Net Income	454,052.75

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T. Financial Feasibility

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

HEALTH FACILITIES & SERVICES REVIEW BOARD

REVIEW CRITERIA RELATING TO FINANCIAL FEASIBILITY (FIN)

Does the applicant (or the entity that is responsible for financing the project or is responsible for assuming applicant's debt obligations in case of default) have a bond rating of "A" or better?
 Yes No

If yes is indicated, submit proof of the bond rating of "A" or better (that is less than two years old) from Fitch's, Moody's or Standard and Poor's rating agencies and go to Section XXVI. If no is indicated, submit the most recent three years' audited financial statements including the following:

- 1. Balance sheet
- 2. Income statement
- 3. Change in fund balance
- 4. Change in financial position

A. Criterion 1120.210(a), Financial Viability

1. Viability Ratios

If proof of an "A" or better bond rating has not been provided, read the criterion and complete the following table providing the viability ratios for the most recent three years for which audited financial statements are available. Category B projects must also provide the viability ratios for the first full fiscal year after project completion or for the first full fiscal year when the project achieves or exceeds target utilization (per Part 1100), whichever is later.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:	2007	2008	2009	2010
Current Ratio	1.73	4.55	5.74	5.74
Net Margin Percentage	1.29%	12.90%	11.57%	11.57%
Percent Debt to Total Capitalization	38.17%	53.34%	54.62%	43.47
Projected Debt Service Coverage	N/A	N/A	N/A	N/A
Days Cash on Hand	1.01	1.65	38.32	48.00
Cushion Ratio	N/A	N/A	N/A	N/A

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. Insert the worksheets after this page.

2. Variance

Compare the viability ratios provided to the Part 1120 Appendix A review standards. If any of the standards for the applicant or for any co-applicant are not met, provide documentation that a person or organization will assume the legal responsibility to meet the debt obligations should the applicant default. The person or organization must demonstrate compliance with the ratios in Appendix A when proof of a bond rating of "A" or better has not been provided.

BERNARDO DUARTE, M.D., F.A.C.S.

General, Endocrine, and Advanced Laparoscopic Surgery
2425 West 22nd Street • Suite 204-A • Oak Brook, Illinois 60523 • 630.472.1111

DATE 3/25/10

RECEIVED

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

MAY 03 2010

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

To the Members of the Board:

I respectfully request that you consider this letter as an addendum to my previous letter (dated July 14, 2009), in which I indicated my desire to perform general procedures at the Ambulatory SurgiCenter of Downers Grove.

As stated in my previous correspondence, I anticipate approximately 250 general surgery referrals in the next year at the Ambulatory SurgiCenter of Downers Grove. These patients will come from within the geographic service area proposed by the Ambulatory SurgiCenter of Downers Grove.

The ability to perform general surgery procedures at the Ambulatory SurgiCenter of Downers Grove would be extremely beneficial to my patients, as it is common for individuals struggling with infertility to require general surgery as well as gynecological procedures. Often times, while a patient may need an outpatient general surgical procedure and a gynecological procedure, two separate surgeries must be performed. This requires placing the patient under anesthesia for two separate surgeries with the added cost of two separate procedures and all accompanying expenses of room and staff preparation. In addition, two surgeries places an extra burden on the patient, who must take more time off work and endure added recovery time for two different procedures, rather than combining the two.

Further, patients at the Ambulatory SurgiCenter of Downers Grove are familiar with the personal and professional care they receive at this facility by staff trained to handle outpatient procedures specifically tailored toward the obstetrics and gynecological specialties. As a result, patients would benefit by receiving consistent care for the handling of related general surgical procedures in the same manner, specifically due to the fundamental relationship between general surgery and gynecology specialties.

By allowing a surgeon specializing in general surgery to provide services at the Ambulatory SurgiCenter of Downers Grove, patients will have the opportunity to obtain modern and specialized services. Patients at this facility are not intermingled with other patient populations that would expose patients to infection and disease commonly found in the acute care setting of a hospital.

BERNARDO DUARTE, M.D., F.A.C.S.

General, Endocrine, and Advanced Laparoscopic Surgery

2425 West 22nd Street • Suite 204-A • Oak Brook, Illinois 60523 • 630.472.1111

Over the past 12 months, I have referred patients to the following health care facilities:

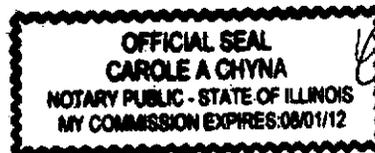
Facility Name	Address	Number of Patients Referred
WEISS MEMORIAL HOSPITAL	4646 N. MARINE DR - CHICAGO	200
ST ELIZABETH HOSPITAL	2363 N. CALIFORNIA AVE. CHICAGO	50
ELMHURST HOSPITAL	270 BERTEAU AVE. ELMHURST	50

Again, I would like to reiterate that my patients would benefit greatly from the ability to receive general surgery treatment at the Ambulatory SurgiCenter of Downers Grove.

The information contained in this letter is true and correct to the best of my information and belief.

Sincerely,


Dr. Bernardo Duarte
2425 W. 22nd Street, Suite 204-A
Oak Brook, IL 60523




6-1-12

March 25, 2010

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

To the Members of the Board:

I respectfully request that you consider this letter as an addendum to my previous letter (dated June 5, 2009), in which I indicated my desire to perform urology procedures at the Ambulatory SurgiCenter of Downers Grove.

As stated in my previous correspondence, I anticipate approximately 250 urology referrals in the next year at the Ambulatory SurgiCenter of Downers Grove. These patients will come from within the geographic service area proposed by the Ambulatory SurgiCenter of Downers Grove.

The ability to perform urology procedures at the Ambulatory SurgiCenter of Downers Grove would be extremely beneficial to my patients. As part of a couple's infertility treatment at the Midwest Fertility Center, many males need special urologic procedures to directly retrieve sperm from their testicles. These procedures must be performed at the same location where In Vitro laboratory services are provided. The sperm can immediately be processed and procedurally utilized by the infertility team. It is of foremost importance to the successful treatment of these patients that urologic procedures be permitted at the Ambulatory SurgiCenter of Downers Grove, where their In Vitro Fertilization procedure will take place. This will enable me to perform sperm aspiration at the facility since it is a part of the In Vitro Fertilization procedure their female partner is undergoing. Having the sperm aspiration at the same location is crucial for IVF success.

Additionally, patients that need outpatient urology procedures will benefit from obtaining this service at the Ambulatory SurgiCenter of Downers Grove due to the optimum outpatient environment at this facility. Most patients brought to this facility will also require infertility services that can be provided by the on-site fertility center.

Further, patients at the Ambulatory SurgiCenter of Downers Grove are comfortable with the personal and professional care they receive at this facility by staff trained to handle outpatient procedures specifically tailored toward the obstetrics and gynecological specialties. As a result, male partners would benefit by receiving consistent care for the handling of related urology procedures in the same manner, specifically due to the fundamental relationship between urology and gynecology specialties. Many of the male patients cared for at the Ambulatory SurgiCenter of Downers Grove need urologic procedures such as ligation of varicocele or repair of other urologic problems in addition to aspirations of sperm from the testicles as previously described.

Often, female patients undergoing outpatient procedures also need urologic procedures. Up to 50 percent of the females utilizing the surgery center could possibly have some degree of urinary incontinence and require urologic intervention. It will be a tremendous benefit to be the patient to be able to have these services provided at the same time and same place, thus eliminating the need of additional anesthesia and additional down time for a separate urologic procedure at a later time.

By allowing a surgeon specializing in urology to provide services at the Ambulatory SurgiCenter of Downers Grove, patients will have the opportunity to obtain modern and specialized services. Patients at this facility are not intermingled with other patient populations that would expose patients to infection and disease commonly found in the acute care setting of a hospital.

Over the past 12 months, I have referred patients to the following health care facilities:

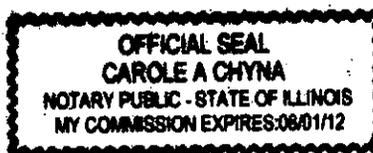
Facility Name	Address	Number of Patients Referred
Our Lady of the Resurrection Medical Ctr.	5645 West Addison St. Chicago, IL	50
Saint Joseph Hospital	2900 N. Lake Shore Dr. Chicago, IL 60657	40
St. Mary & Elizabeth Med Ctr.	2363 N. California Ave. Chicago, IL 60647	100

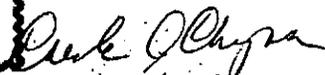
Again, I would like to reiterate that my patients would benefit greatly from the ability to undergo urology surgical procedures at the Ambulatory SurgiCenter of Downers Grove.

The information contained in this letter is true and correct to the best of my information and belief.

Sincerely,


Dr. George R. Sosenko
3825 Highland Avenue, Suite #2A
Downers Grove, IL 60515




9-1-12