

Axel & Associates, Inc.

MANAGEMENT CONSULTANTS

10-014

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MAR 18 2010

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Via Electronic Mail and FedEx

TO: Mike Constantino
FROM: Jack Axel
DATE: March 17, 2010

RE: Change of Ownership CON Applications
West Suburban Medical Center
Westlake Hospital

In reviewing the two applications identified above, I noted that the pro forma income statement and balance sheet for Resurrection Health Care were inadvertently omitted. I am attaching copies, and will forward hard copies to you, immediately. Also, this morning I received a copy of the new IDPH license for MacNeal Hospital (pages 48 and 49 of the West Suburban and Westlake applications, respectively.) I have attached a copy of that document, and will also forward hard copies to you, immediately.

RESURRECTION HEALTH CARE

COMBINED STATEMENT OF REVENUE AND EXPENSES POST
TRANSACTION

(Divestiture of Westlake and West Suburban Hospitals)

	<u>CONSOLIDATED TOTAL</u>
NET SERVICE REVENUE	\$1,314,509
REVENUE FROM OTHER SERVICES	96,487
NET ASSETS RELEASED FROM RESTRICTIONS	<u>3,519</u>
TOTAL OPERATING REVENUE	\$1,414,515
OPERATING EXPENSES:	
SALARIES	524,500
EMPLOYEE BENEFITS	161,276
SPECIALISTS' FEES	69,068
SUPPLIES	171,445
OTHER	188,157
PURCHASED SERVICES	56,998
INSURANCE	36,104
DEPRECIATION AND AMORTIZATION	74,874
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	95,286
INTEREST	23,141
ASSESSMENTS AND TAXES	<u>49,809</u>
TOTAL EXPENSES	<u>\$1,450,658</u>
LOSS FROM OPERATIONS	<u>(\$36,143)</u>
NON-OPERATING GAINS (LOSSES)	
INVESTMENT INCOME (LOSS), AND OTHER, NET	(42,902)
CONTRIBUTIONS & OTHER	<u>(607)</u>
NET NONOPERATING GAINS (LOSSES)	<u>(\$43,509)</u>
REVENUE AND GAINS DEFICIENT OF EXPENSES AND LOSSES	<u><u>(\$79,652)</u></u>

**RESURRECTION HEALTH CARE
COMBINED BALANCE SHEET POST TRANSACTION
(Divestiture of Westlake and West Suburban Hospitals)**

ASSETS

CURRENT ASSETS:	
CASH & CASH EQUIVALENTS	\$102,217
ASSETS WHOSE USE IS LIMITED OR RESTRICTED	379,482
PATIENT AND RESIDENT ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS	162,150
OTHER RECEIVABLES	16,593
INVENTORY OF SUPPLIES	12,878
ESTIMATED RECEIVABLES UNDER THIRD-PARTY REIMBURSEMENT PROGRAMS	1,396
PREPAID EXPENSES AND OTHER CURRENT ASSETS	<u>25,595</u>
TOTAL CURRENT ASSETS	<u>\$700,311</u>
 INVESTMENTS:	
BY BOARD FOR REINVESTMENT & SELF-INSURANCE UNDER BOND INDENTURE AGREEMENTS-HELD BY TRUSTEE	297,342
BY DONORS-PERMANENTLY RESTRICTED	29,260
TOTAL INVESTMENTS	<u>14,319</u> <u>\$340,921</u>
 PLANT, PROPERTY & EQUIPMENT (LESS ACCUMULATED DEPRECIATION)	
DEFERRED FINANCE CHARGES	724,743
OTHER ASSETS	9,653
TOTAL ASSETS	<u>18,804</u> <u>\$1,794,432</u>
 <u>LIABILITIES AND FUND EQUITY</u>	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLE & ACCRUED EXPENSES	80,923
ACCRUED PAYROLL AND FRINGE BENEFITS	59,412
ESTIMATED PAYABLES UNDER THIRD-PARTY REIMBURSEMENT PROGRAMS	97,228
CURRENT PORTION LONG-TERM DEBT	379,482
DEFERRED REVENUE & REFUNDABLE DEPOSITS	<u>42,099</u>
TOTAL CURRENT LIABILITIES	<u>\$659,144</u>
 LONG-TERM DEBT, EXCLUDING CURRENT INSTALLMENTS AND UNAMORTIZED BOND DISCOUNT	
ACCRUED PENSION LIABILITY	256,767
ESTIMATED SELF-INSURED PROFESSIONAL AND GENERAL LIABILITY CLAIMS	245,673
ASSET RETIREMENT OBLIGATIONS	251,671
TOTAL LIABILITIES	<u>13,509</u> <u>\$1,426,764</u>
 NET ASSETS:	
UNRESTRICTED	340,593
TEMPORARILY RESTRICTED	12,756
PERMANENTLY RESTRICTED	<u>14,319</u>
TOTAL FUND EQUITY	<u>\$367,668</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,794,432</u>



State of Illinois 1959/872
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

DAMON T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of
 The State of Illinois
 Department of Public Health

EXPIRATION DATE	CATEGORY	LI. NUMBER
01/31/11	BGBD	0008082

FULL LICENSE
GENERAL HOSPITAL
EFFECTIVE: 02/01/10

BUSINESS ADDRESS

VHS OF ILLINOIS
D/B/A MACNEAL HOSPITAL
3249 SOUTH OAK PARK AVENUE
BERWYN IL 60402

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/77 •