



**Adventist**  
**Hinsdale Hospital**

Keeping you well

December 21, 2012

**RECEIVED**

DEC 24 2012

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Ms. Courtney R. Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson Street, 2<sup>nd</sup> floor  
Springfield, Illinois 62761

Dear Ms. Avery:

Please accept this letter and the enclosed supporting documentation as a modification to project number 12-078: Adventist Cancer Institute. The modifications to the project are summarized below:

1. **Equipment:** The number of general X-ray machines has decreased from two to one. Based on the feedback we received from our physicians we are able to provide both general X-ray and chest X-ray services using a single digital X-ray machine. The upgraded digital equipment is \$66,709 less than purchasing the two pieces of general X-ray equipment originally planned. The decrease in equipment allows us to meet the state's standard for X-ray utilization.

The other equipment modification involves the purchase of a PET/CT instead of leasing a PET/MRI. The cost savings of making this change is \$2,500,000. The basis for making this change is also related to the physician feedback we received. The majority of our physicians stated that a PET/CT was actually preferred to a PET/MRI, which is still in its early stages of adoption.

2. **Gross Square Footage:** The total gross square footage (GSF) for the building increased by 354 for a new total of 53,942 GSF (29,330 GSF of clinical space and 24,612 GSF of non-clinical space).

	Modified GSF	Original CON	Difference
Clinical	29,330	29,603	-273
Non-clinical	24,612	23,985	+627
Total	53,942	53,588	+354

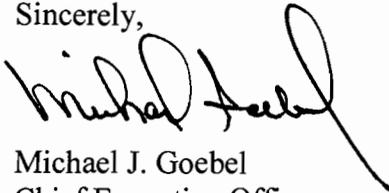
The modifications being proposed are a direct result of meetings held with key physicians, employees and space programming experts whose input allowed us to improve workflow and create a more efficient environment for our patients. The decrease in clinical space was a result of rearranging and reducing the diagnostic imaging space and the additional non-clinical space was a result of rearranging and expanding the lobby and public areas.

3. Project Cost: As a result of the modifications to equipment and gross square footage changes, the total project cost has decreased by \$2,605,204. The new total project cost is \$48,004,041. The decrease in cost is a result of the equipment savings and the reduction in clinical space, which decreased the total construction cost of the project.
4. Funding: The funding for this project has also changed from all cash and securities to bond issues and pledges. The only lease for the PET/MRI in the original CON application has been changed to a purchase for a PET/CT. As we remain an A bond rated organization, this change in funding does not require any additional financial documentation under the Review Board's rules.

All of the supporting documentation for the modifications to our original CON application is included with this letter.

Furthermore, I certify that no additional modifications will be made to this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Goebel", with a large, stylized flourish extending from the end of the signature.

Michael J. Goebel  
Chief Executive Officer

## 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.

The proposed project is a collaborative effort between Adventist Hinsdale Hospital (AHH) and Adventist La Grange Memorial Hospital (ALMH) for the construction of a free-standing comprehensive cancer institute to be located at 421 East Ogden Ave in Hinsdale, Illinois. The institute will be operated as a department of AHH.

The project will consolidate and replace the outpatient cancer services being provided at AHH, the existing free-standing cancer treatment pavilion, currently located on the ALMH campus, and an existing imaging center, located in leased space at 908 Elm Street in Hinsdale, Illinois. This will create a one-stop cancer treatment facility for patients to schedule multiple appointments in one day.

The vacated space will be used at zero cost for the following purposes: 1) the existing outpatient cancer center will be used as storage; 2) the Hinsdale Imaging center will be vacated and re-leased by third party owner; 3) the lab space will also be vacated and re-leased by third party owner; 4) the linear accelerator space at Adventist Hinsdale Hospital will be used as a waiting area for the Radiology Department. The total amount of vacated space is 30,715 gross square feet (GSF).

The proposed facility will have a total of 53,942 GSF (29,330 GSF of clinical space and 24,612 GSF of non-clinical space) and will house the following clinical services: radiation oncology, medical oncology, diagnostic imaging, pharmacy, a laboratory and exam rooms. In addition, the building will have the following non-clinical areas: public space (stairs, elevators, lobby, and public corridors), a retail gift shop, café, patient education resource center, conference rooms and offices for physicians and key staff.

The facility will have two new linear accelerators that replace two existing linear accelerators and will include the purchase of a PET/CT. No individual piece of equipment exceeds the capital expenditure minimum.

The total project cost is \$48,004,041.

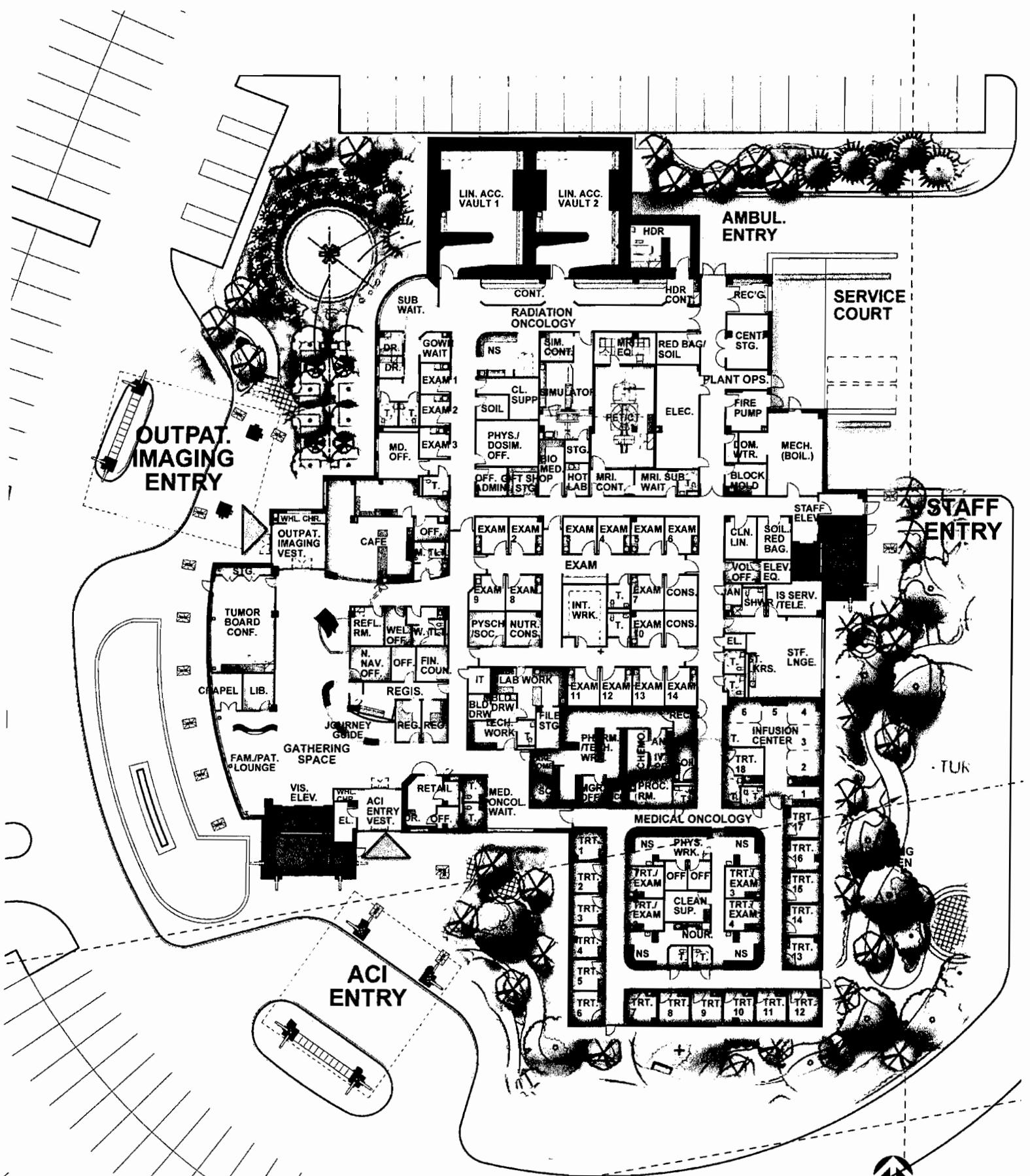
This is a non-substantive project based upon the fact that it does not constitute the establishment of a licensed healthcare facility.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs	\$ 24,863	\$ 20,137	\$ 45,000
Site Survey and Soil Investigation	\$ 19,338	\$ 15,662	\$ 35,000
Site Preparation	\$ 662,900	\$ 536,929	\$ 1,199,829
Off Site Work	\$ -	\$ -	\$ -
New Construction Contracts	\$ 15,530,015	\$ 6,312,057	\$ 21,842,072
Modernization Contracts	\$ -	\$ -	\$ -
Contingencies	\$ 1,079,668	\$ 874,312	\$ 1,953,980
Architectural/Engineering Fees	\$ 733,179	\$ 593,841	\$ 1,327,020
Consulting and Other Fees	\$ 968,828	\$ 784,707	\$ 1,753,535
Movable or Other Equipment (not in construction contracts)	\$ 14,766,939	\$ 500,000	\$ 15,266,939
Bond Issuance Expense (project related) *	\$ -	\$ -	\$ -
Net Interest Expense During Construction (project related)	\$ 453,054	\$ 366,954	\$ 820,008
Fair Market Value of Leased Space or Equipment	\$ -	\$ -	\$ -
Other Costs To Be Capitalized	\$ 2,077,764	\$ 1,682,894	\$ 3,760,658
Acquisition of Building or Other Property (excluding land)	\$ -	\$ -	\$ -
<b>TOTAL USES OF FUNDS</b>	<b>\$ 36,316,548</b>	<b>\$ 11,687,493</b>	<b>\$ 48,004,041</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Cash and Securities			
Pledges	\$ 8,942,450	\$ 3,057,550	\$ 12,000,000
Gifts and Bequests			
Bond Issues (project related) *	\$ 27,374,098	\$ 8,629,943	\$ 36,004,041
Mortgages	\$ -	\$ -	\$ -
Leases (fair market value)		\$ -	
Governmental Appropriations	\$ -	\$ -	\$ -
Grants	\$ -	\$ -	\$ -
Other Funds and Sources	\$ -	\$ -	\$ -
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 36,316,548</b>	<b>\$ 11,687,493</b>	<b>\$ 48,004,041</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

\* Bonds will be issued by the corporate office at no expense to the applicant

Dept. / Area	Cost	Gross Square Feet			Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space*	
<b>REVIEWABLE</b>								
Diagnostic Imaging	\$ 9,183,765	10,985	7,417	7,417			10,985	
PET/CT	\$ 1,586,140	1,281	1,281	1,281				
Exam Suite	\$ 4,468,681	-	3,609	3,609			0	
Lab	\$ 943,512	504	762	762			504	
Medical Oncology	\$ 9,263,010	-	7,481	7,481			0	
Movable or Other Equipment (not in construction contracts)	\$ -						0	
Pharmacy	\$ 1,431,365		1,156	1,156			0	
Radiation Oncology	\$ 9,440,074	19,226	7,624	7,624			19,226	
<b>Total Clinical=</b>	<b>\$ 36,316,548</b>	<b>31,996</b>	<b>29,330</b>	<b>29,330</b>			<b>30,715</b>	
<b>NON-REVIEWABLE</b>								
Admissions/Education	\$ 1,196,197		2519	2519				
Public Areas	\$ 2,914,750		6138	6138				
Mechanical	\$ 3,727,252		7,849	7,849				
Exterior Walls	\$ 798,731		1,682	1,682				
Staff Area	\$ 3,050,563		6,424	6,424				
<b>Total Non-clinical=</b>	<b>\$ 11,687,493</b>	<b>-</b>	<b>24,612</b>	<b>24,612</b>			<b>-</b>	
<b>TOTAL=</b>	<b>\$ 48,004,041</b>	<b>31,996</b>	<b>53,942</b>	<b>53,942</b>			<b>30,715</b>	

\* The vacated space will be used for waiting areas within the hospital, the existing outpatient cancer center will be used as storage and the leased lab space will be released to the leasing organization.



First Floor Plan

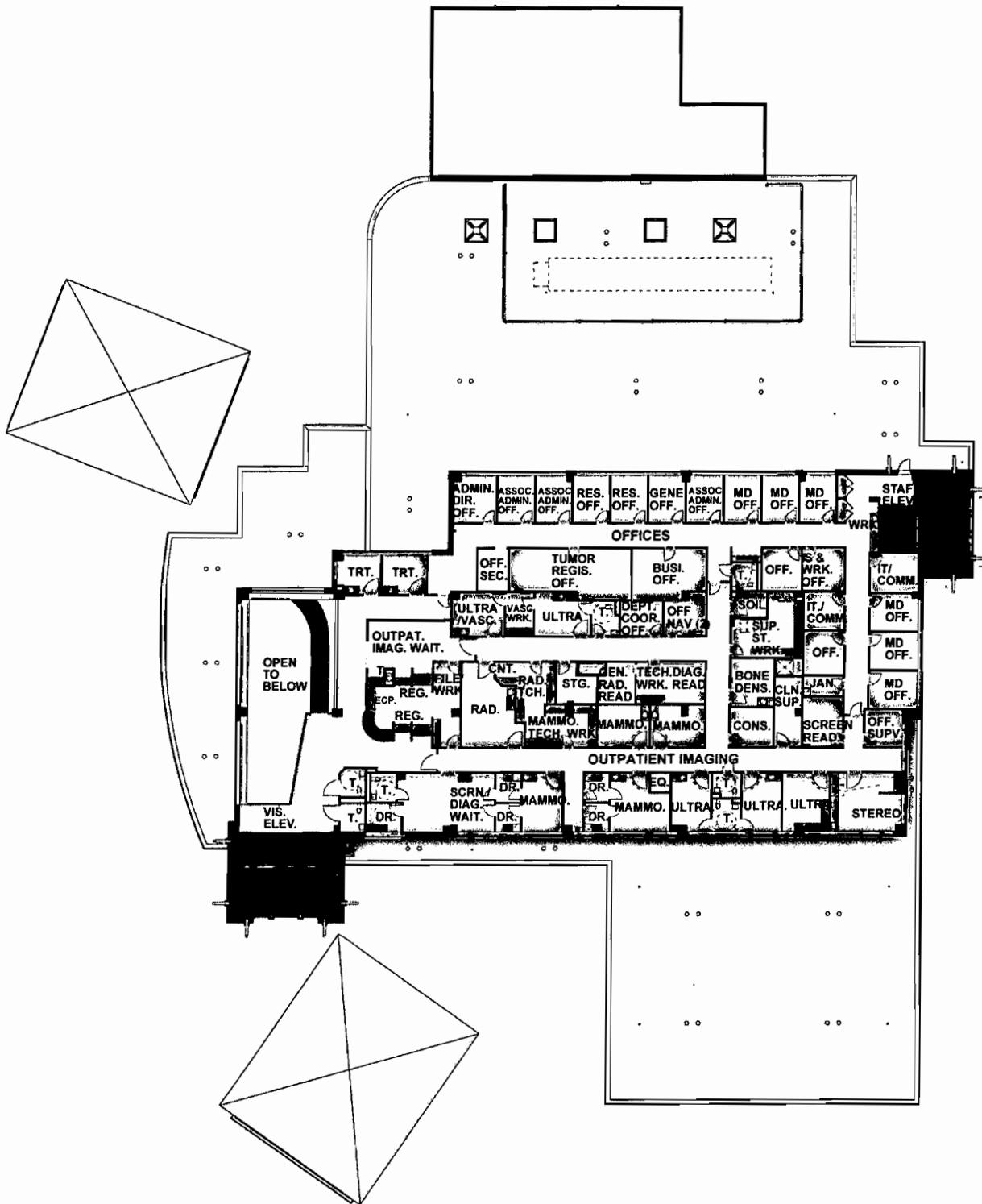


**Adventist Cancer Institute - Ogden Campus Phase 1**

HINSDALE, ILLINOIS

12-13-12





Second Floor Plan



Attachment 13

## Criterion 1110.234 - Project Scope, Utilization and Unfinished/Shell Space

Service	Proposed GSF	State Standard	Difference	Met Standard
Medical Oncology	7,481 GSF	None	N/A	N/A
Radiation Oncology	8,905 GSF	8,400	+505	No
Exam Suite	3,609 GSF	None	N/A	N/A
Diagnostic Imaging	7,417 GSF	11,500	-4,083	Yes
Laboratory	762 GSF	None	N/A	N/A
Pharmacy	1,156 GSF	None	N/A	N/A

### Medical Oncology

The State Board currently does not have utilization standards for this department. It is difficult to determine the number of treatment spaces needed due to the large variation in the amount of time an individual patient undergoes treatment. The treatment time can vary from one hour per visit to eight or more hours depending on the type of treatment being received, the patient's tolerance of the treatment, and its side effects.

The size of this department was determined by 1) working with staff and physicians to determine the future direction of cancer treatment options and by 2) reviewing other area and national programs that offer this type of service. Based upon this information, it was determined that 22 private exam/treatment spaces were needed for patients receiving care requiring isolation and extended treatments. Six infusion stations are needed for patients receiving shorter duration infusion therapy. This is only a slight increase in the number of current exam/treatment rooms.

### Radiation Oncology

The proposed department will have two linear accelerators to replace two existing linear accelerators, which are currently located at separate locations. It will also have one room for High Dose Radiation Therapy (Brachytherapy), CT/Simulator and a PET/CT.

The State Board currently has size requirements for a simulator (1,800 GSF), a PET scanner (1,800 GSF) and a linear accelerator (2,400 GSF per unit or 4,800 GSF for the two proposed). These standards allow the applicant a total of 8,400 GSF, which is 505 GSF less than proposed. However, the High Dose Radiation Therapy area is included in this proposal for which the Board does not have a standard. If this area is considered, the space proposed is justified under the Board's standards.

## **Criterion 1110.234 - Project Scope, Utilization and Unfinished/Shell Space**

### **Exam Suite**

The goal for this space is to have at least 18 cancer-related specialist physicians caring for patients in these exam rooms at various times of the day and on various days of the week. The State Board has not developed a standard for physician office visits. We collaborated with physicians to determine the number of exam rooms needed for this facility. We concluded that our physicians need the 14 exam rooms in order to make the most efficient use of their time and see the maximum number of patients during their hours at the facility. These rooms are smaller than traditional ambulatory care rooms in a hospital. The space amounts to 258 GSF per room compared to the State Norm for Ambulatory care rooms at 800 GSF per room.

### **Diagnostic Imaging**

The department will have: 1) one general X-ray unit, 2) five ultrasound machines, one of which will have vascular imaging capability, 3) four mammography units, 4) one stereotactic biopsy unit, and 5) one bone density unit.

The State Board has developed space standards for each of these pieces of equipment. A general X-ray unit is allowed 1,300 GSF; a mammography unit (including the stereotactic unit) is allowed 900 GSF per unit (5 X 900 = 4,500 GSF); an ultrasound unit is allowed 900 GSF per unit (5 X 900 = 4,500 GSF); and a bone density scanner (Nuclear Medicine) is allowed 1,200 GSF for a total of 11,500 GSF which is well in excess of the 7,417 GSF proposed in the new facility.

### **Laboratory**

The laboratory will be a small satellite lab. It will consist of blood draw stations and a work area for STAT tests and general blood work such as blood counts and drug levels to support the cancer treatment services provided at this facility. This department is necessary in order for the physicians to monitor and adjust the dosages as needed.

The department will have a total of 6.5 FTEs to cover the functions required on site. The total square footage for this department is 762 GSF, which amounts to only 117 GSF/FTE. This is below prior State Board standard of 225 GSF/FTE. The proposed square footage is the minimum amount necessary to perform the blood draws and testing required for this facility.

### **Pharmacy**

This department will prepare the IV infusion packets and dispense the various medications used by medical oncologists for the treatment of their patients. This department will also prepare any prescriptions needed by patients for their home use prior to their leaving the facility, which continues the one-stop goal of the facility. It is essential that the pharmacy be available to prepare the treatment packets for chemotherapy and IV infusion treatments on site in order for the drugs to have their maximum effectiveness. Pharmacists play an important role in the interdisciplinary team of helping to monitor and manage patients' side effects and reactions to the chemotherapy drugs. Also, having an oncology pharmacy on-site facilitates our monitoring of patients' compliance with oral chemotherapy prescriptions.

This department will have 6 FTE's in 1,156 GSF. The State Board has not developed a standard for this department. We developed the proposed floor plan by evaluating existing pharmacies and by collaborating with employees regarding the space needs for this service. The square footage proposed is the minimum amount of space necessary to accommodate the 6 FTE's to be employed in this department and allow them the space necessary to accomplish the tasks they are required to perform.

## **Criterion 1110.234 - Project Scope, Utilization and Unfinished/Shell Space**

### **Project Services Utilization**

To determine the historical utilization for the departments listed above, we combined volume from Adventist Hinsdale Imaging Center, as well as a portion of the outpatient volume at Adventist Hinsdale Hospital and Adventist La Grange Memorial Hospital.

To project future volumes, two sources were utilized: the SG2 study shown on Attachment # 12 of this application and the Thomson Reuters' demand projections for Adventist La Grange Memorial and Adventist Hinsdale Hospitals' service areas. These projections show the per modality growth over the next 5 years based upon the population growth, the aging of the population, and oncology treatment trends nationwide.

The PET/CT is a new modality which will be offered once the equipment is approved by the HFSRB. It is installed as a combination unit which will be used for both PET and CT scans. We currently do not have this type of equipment. To create the projections, we combined a portion of the outpatient I volume for CT AHH and ALMH along with the number of patients that have been referred to other facilities for PET scans. The equipment does not lend itself to evaluation under the Board's standards, which cite only standards for CT or PET, not a combined unit.

In summary, the utilization of all of the modalities will meet or exceed the State Board's utilization targets.

**Criterion 1110.234 - Project Scope, Utilization and Unfinished/Shell Space**

**Project Services Utilization**

Medical Oncology - Utilization			
	Patient Days	State Standard	Standard Met?
2009	11,171	None Stated	N/A
2010	11,397		
2011	10,878		
2012 Projected	10,932		
2013 Projected	10,987		
2014 Projected	11,042		
2015 Projected	11,097		
2016 Projected	11,153		

Linear Accelerator - Utilization			
	Treatments	State Standard	Standard Met?
2010	10,006	7,500 x 2	Yes
2011	9,384		
2012 Projected	9,861		
2013 Projected	9,910		
2014 Projected	9,960		
2015 Projected	10,010		
2016 Projected	10,060		

Simulator - Utilization			
	Treatments	State Standard	Standard Met?
2009	1,101	None Stated	N/A
2010	1,308		
2011	1,205		
2012 Projected	1,315		
2013 Projected	1,321		
2014 Projected	1,328		
2015 Projected	1,334		
2016 Projected	1,341		

**Criterion 1110.234 - Project Scope, Utilization and Unfinished/Shell Space**

**Project Services Utilization**

Ultrasound - Utilization			
	Encounters	State Standard	Standard Met?
2009	14,025	3,100 x 5	Yes
2010	13,511		
2011	13,854		
2012 Projected	13,987		
2013 Projected	14,121		
2014 Projected	14,257		
2015 Projected	14,394		
2016 Projected	14,532		

Mammography - Utilization			
	Encounters	State Standard	Standard Met?
2009	19,923	5,000 x 4	Yes
2010	19,244		
2011	18,942		
2012 Projected	19,037		
2013 Projected	19,132		
2014 Projected	19,228		
2015 Projected	19,324		
2016 Projected	19,420		

PET + CT Volume* - Utilization			
	Encounters	State Standard	Standard Met?
2009	9,610	None stated	N/A
2010	9,824		
2011	9,511		
2012 Projected	9,721		
2013 Projected	9,957		
2014 Projected	10,235		
2015 Projected	10,494		
2016 Projected	10,751		

\* Combined PET and CT volumes and projected volumes

X-ray - Utilization			
	Encounters	State Standard	Standard Met?
2009	3,624	6,500 x 1	Yes
2010	4,019		
2011	4,222		
2012 Projected	4,243		
2013 Projected	4,264		
2014 Projected	4,286		
2015 Projected	4,307		
2016 Projected	4,329		

**Criterion 1110.234 - Project Scope, Utilization and Unfinished/Shell Space****Project Services Utilization**

Brachytherapy - Utilization			
	Encounters	State Standard	Standard Met?
2009	53	None Stated	N/A
2010	93		
2011	95		
2012 Projected	97		
2013 Projected	99		
2014 Projected	102		
2015 Projected	105		
2016 Projected	107		

Stereotactic Biopsy - Utilization			
	Encounters	State Standard	Standard Met?
2009	427	None Stated	N/A
2010	418		
2011	469		
2012 Projected	506		
2013 Projected	509		
2014 Projected	511		
2015 Projected	514		
2016 Projected	516		

Bone Density - Utilization			
	Encounters	State Standard	Standard Met?
2009	2,569	None Stated	N/A
2010	2,337		
2011	2,187		
2012 Projected	2,376		
2013 Projected	2,388		
2014 Projected	2,400		
2015 Projected	2,412		
2016 Projected	2,424		

**Criterion 1110.3030**

Service	Number of Key Rooms - Existing	Number of Key Rooms – Proposed
Medical Oncology	18 Exam/Treatment Rooms 6 Treatment Bays	22 Private Exam/Treatment Rooms 6 Treatment Bays 1 Procedure Room
Radiation Oncology	2 Linear Accelerators 1 Simulator	2 Linear Accelerators 1 Simulator/CT 1 High Dose Radiation Room 1 PET/CT
Exam Suite	Not currently provided	14 Exam Rooms 2 Consultation Rooms
Diagnostic Imaging	1 General X-ray Unit 3 Mammography Units 4 Ultrasound Units 1 Bone Density Unit 1 Stereotactic Breast Unit	1 General X-ray Unit 4 Mammography Units 5 Ultrasound Units 1 Bone Density Unit 1 Stereotactic Breast Unit 2 Treatment Rooms
Laboratory	New	2 Drawing Rooms 1 Testing Area
Pharmacy	New	Tech Work Area Chemotherapy Prep Area IV Prep Area

**Medical Oncology**

The proposed department will replace space currently located at Adventist Hinsdale Hospital, Adventist La Grange Memorial Hospital, and the space for medical oncologists currently onsite at the hospitals.

Bringing caregivers from the various modalities and points on the continuum of cancer care together under one roof will provide an environment conducive to efficiency, consistency and continual improvement in the care rendered to cancer patients. For example, handoffs between modalities can be accomplished more seamlessly and with less delay. When necessary, clarification or confirmation of orders can be accomplished in person. Sharing of information and expertise among physicians and other caregivers will naturally occur and accelerate creation of best practices.

The proposed facility workload is projected to increase from 10,878 patient days in 2011 to 11,153 in 2016 without impacting any other facility in the area. The projected growth in volume is a direct result of the increased demand for oncology, due to population changes and the aging of the population.

The State Board currently does not have utilization standards for this department. It is difficult to determine the number of treatment spaces needed due to the large variation in the amount of time an individual patient undergoes treatment. The treatment time can vary from one hour per visit to eight or more hours depending on the type of treatment being received, the patient's tolerance of the treatment and its side effects.

The size of this department was determined by 1) working with staff and physicians to determine the future direction of cancer treatment options and 2) by reviewing other area and national

## **Criterion 1110.3030**

programs that offer this type of service. Based upon this information, it was determined that 22 private exam/treatment spaces were needed for patients receiving care requiring isolation and extended treatments. Six infusion stations are needed for patients receiving shorter duration infusion therapy. This is only a slight increase in the number of current exam treatment rooms.

Consolidating the medical oncology and radiation oncology services in the same location will facilitate coordination of treatment for patients who require both modalities, allowing the medical and radiation oncologists to work together for optimum care of the patient. The consolidation of programs also affords patients more convenient access to the many physicians and modalities available for cancer treatment, providing a single setting that becomes more quickly familiar to them than the disparate locations they must currently navigate.

### **Radiation Oncology**

The proposed department will have two linear accelerators to replace two existing linear accelerators which are currently located at separate locations. It will also have one room for High Dose Radiation Therapy (Brachytherapy), CT/Simulator, and space for a PET/CT.

We currently operate two Linear Accelerators and a Simulator, and refer PET scanning services to other facilities. CT services are also currently available at both hospitals and will not be impacted by the proposed project.

The existing volume of the two linear accelerators totals 9,384 treatments in 2011 and is projected to increase to 10,060 treatments in 2016 due to the same population factors discussed under the Medical Oncology Departments. Again, it is not projected that the proposed project will negatively impact any of the existing cancer care programs in the area. Our market share is not projected to increase, however the area volume is projected to increase due to the aging of the population and the fact that more patients are surviving cancer and in some cases require further treatments at a later date due to re-occurrence or new primary cancers.

The State Board's standard for Linear Accelerators calls for 7,500 treatments per year per unit. The applicant's historical volume supports the need for 1.25 or 2 units. The projected volume supports the need for 1.45 or 2 units as is proposed. No volume standard has been developed for a simulator. However, with a historical volume of 1,205 simulations and a projected volume of 1,341 simulations, one unit is needed. In regard to the PET/CT this is a new modality and therefore has no historical volume on which to base the need. To create the projections, in attachment 15, we combined a portion of the existing CT volume along with the number of patients that have been referred to other facilities for PET scans. The increased use of this modality across the nation supports the need to have this equipment in any comprehensive cancer treatment center.

The volume for Brachytherapy totaled 95 patients in 2011 and is projected to be 107 patients in 2016. The State Board has not adopted a standard for the number of patients needed to support this modality. We are proposing one room dedicated to this treatment modality and, given its use of high dose radiation, a separate room with appropriate shielding is required.

The consolidation of Radiation Oncology services in one central location affords greater economies of scale in the deployment of staff and equipment, which allows for greater concentration of resources in areas that will improve patient care and experience. It provides convenient access for patients and gives physicians the ability to quickly consult with other oncologists on staff. The net result is to minimize increases in the cost of cancer treatment while providing an environment conducive to continual improvement of patient care.

## **Criterion 1110.3030**

### **Exam Suite**

This department is not currently available in this type of setting at either of the two applicant hospitals. While each hospital provides outpatient services to their patients, this space will allow multiple specialists to be able to see patients at a single location.

We propose to have medical and radiation oncologists as well as other physician specialists sharing exam space at this new facility. The proposal calls for other specialists like dermatologists, ENTs, and specialists in genetic counseling and palliative care to have clinic hours within the facility on a time-share basis. This will allow patients to be examined and treated by multiple specialists in a single location.

The goal is to have 18 physicians seeing patients in these exam rooms at various times of the day and on various days of the week. The State Board has not developed a standard for physician office visits. We collaborated with physicians to determine the number of exam rooms needed in this facility. We concluded that our physicians need the 14 exam rooms in order to make the most efficient use of their time and see the maximum number of patients during their hours at the facility.

### **Diagnostic Imaging**

The proposed project replaces a free-standing diagnostic imaging center we operate in leased space. This combination of imaging and cancer care allows for the diagnosis and treatment functions to be located in one building rather than scattered in multiple locations. The patients have improved access to care and physicians have services they need all in one location.

The department will have 1) one general X-ray unit; 2) five ultrasound machines, one of which will have vascular imaging capability; 3) four mammography units; 4) one stereotactic biopsy unit; and 5) one bone density unit.

The historical utilization of the proposed mammography equipment shows that the four mammography units performed 18,942 exams in 2011. Based upon the State Standard of 5,000 visits per room per year, 3.8 or 4 units are justified.

The 2011 utilization of the ultrasound machines totaled 13,854 procedures. Based upon the State Standard of 3,100 procedures per room per year, 4.5 or 5 units are justified.

The stereotactic biopsy unit performed 469 biopsies in 2011. The State Board does not have a standard for this equipment. One unit is needed to meet the needs of the historical workload.

The bone density unit is a piece of nuclear medicine equipment that had a total 2011 volume of 2,187 visits which compares favorably to the State Standard of 2,000 visits per year per room.

The 2011 utilization of the X-ray unit was 4,222, and is within the State Standard of 6,500 per unit.

The relocation of this department from leased space to space owned and operated by us significantly reduces the cost of providing patient care. The relocation into this cancer center allows us to provide all of the services needed for comprehensive cancer treatment in one location and allows the patient easier access to care. This is especially important to patients undergoing cancer care due to a weakened immune system and fatigue, which often accompanies cancer treatment.

**Criterion 1110.3030****Laboratory**

The laboratory will be a small satellite lab. It will consist of blood draw stations and a work area for STAT tests and general blood work such as blood counts and drug levels to support the cancer treatment services provided at this facility. This department is necessary in order for physicians to monitor and adjust the dosages as needed.

**Pharmacy**

This department will prepare the IV infusion packets and dispense the various medications used by medical oncologists for the treatment of their patients. This department will also prepare any prescriptions needed by patients for their home use prior to their leaving the facility which continues the one-stop goal of the facility. It is essential that the pharmacy be available to prepare treatment packets for chemotherapy and IV infusion treatments onsite in order for the drugs to have their maximum effectiveness.



**Adventist  
Hinsdale Hospital**

Keeping you well

December 18, 2012

Ms. Courtney R. Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson Street, 2<sup>nd</sup> floor  
Springfield, Illinois 62761

Dear Ms. Avery:

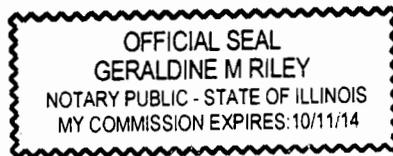
As an authorized representative of both Adventist Hinsdale Hospital and Adventist La Grange Memorial Hospital, I hereby attest that the form of debt financing selected for the project will be at the lowest net cost available, or if a more costly form of financing is selected, that form will be more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional debt, term financing costs, or other factors.

Additionally, the project does not involve the leasing of equipment.

Sincerely,

Rebecca Mathis  
Chief Financial Officer

Notarized:

  
12-19-12

**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.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	Total Cost (G + H)						
<b>CLINICAL</b>																	
Contingencies	\$ -													\$ 4,109,018	\$ -	\$ 1,079,668	
Diagnostic Imaging	\$ 554		7,417	19%									\$ 4,109,018	\$ -	\$ 4,109,018		
Exam Suite	\$ 519		3,609	27%									\$ 1,873,071	\$ -	\$ 1,873,071		
Lab	\$ 466		762	7%									\$ 355,092	\$ -	\$ 355,092		
Medical Oncology	\$ 466		7,481	19%									\$ 3,486,146	\$ -	\$ 3,486,146		
Movable or Other Equipment (not in construction contracts)	\$ -													\$ -	\$ -	\$ 14,766,939	
PET/CT	\$ 660		1,281	0%									\$ 845,460	\$ -	\$ 845,460		
Pharmacy	\$ 413		1,156	0%									\$ 477,428	\$ -	\$ 477,428		
Radiation Oncology	\$ 575		7,624	17%									\$ 4,383,800	\$ -	\$ 4,383,800		
<b>Clinical Subtotal =</b>	<b>\$ 529.49</b>		<b>29,330</b>										<b>\$ 15,530,015</b>	<b>\$ -</b>	<b>\$ 31,376,622</b>		
<b>NON-CLINICAL</b>																	
Admissions/Registration	\$ 220		1,613	6%									\$ 354,860	\$ -	\$ 354,860		
Café	\$ 356		1,085	0%									\$ 386,260	\$ -	\$ 386,260		
Conference/Education	\$ 310		906	0%									\$ 280,860	\$ -	\$ 280,860		
Contingencies	\$ -												\$ -	\$ -	\$ 874,312		
Exterior Walls (First Floor)	\$ 201		1,082	0%									\$ 217,482	\$ -	\$ 217,482		
Exterior Walls (Second Floor)	\$ 201		600	0%									\$ 120,600	\$ -	\$ 120,600		
Horizontal Circulation (First Floor)	\$ 356		2,693	100%									\$ 958,708	\$ -	\$ 958,708		
Horizontal Circulation (Second Floor)	\$ 356		0	0%									\$ -	\$ -	\$ -		
Plant Ops/EVS/Mechanical	\$ 200		2,965	0%									\$ 593,000	\$ -	\$ 593,000		
Movable or Other Equipment (not in construction contracts)	\$ -												\$ -	\$ -	\$ 500,000		
Office Suite	\$ 217		5,501	21%									\$ 1,193,717	\$ -	\$ 1,193,717		
Public Lobby	\$ 217		4,558	28%									\$ 989,086	\$ -	\$ 989,086		
Retail	\$ 220		495	0%									\$ 108,900	\$ -	\$ 108,900		
Staff Area (Locker/lounge)	\$ 356		923	10%									\$ 328,588	\$ -	\$ 328,588		
Vertical Circulation (First Floor)	\$ 356		1,080	100%									\$ 384,480	\$ -	\$ 384,480		
Vertical Circulation (Second Floor)	\$ 356		1,111	100%									\$ 395,516	\$ -	\$ 395,516		
<b>Non-Clinical Subtotal =</b>	<b>\$ 256.46</b>		<b>24,612</b>										<b>\$ 6,312,057</b>	<b>\$ -</b>	<b>\$ 7,686,369</b>		
<b>GRAND TOTALS=</b>	<b>\$ 404.92</b>		<b>53,942</b>										<b>\$ 21,842,072</b>	<b>\$ -</b>	<b>\$ 39,062,991</b>		

**Criterion 1120.31(c), Reasonableness of Project Costs**

Category	Cost	State Standard	% of Cost	Under State Norm
Preplanning	\$45,000	1.8% of construction + modernization + contingency + equipment	0.11%	Yes
Site Survey and Preparation	\$1,234,829	5% of construction + modernization + contingency	5%	Yes
Off Site Work	\$0	None	N/A	N/A
Consulting and Other Fees	\$1,753,535	None	N/A	N/A
Other Costs to be Capitalized	\$3,760,658	None	N/A	N/A
Architectural/Engineering	\$1,327,020	For projects with construction + modernization + contingency between 20 million and 25 million the standard is between 4.93 and 7.4%	5.6%	Yes

The detailed lists of items that do not have State standards are below:

- Moveable or Other Equipment – Equipment not listed below will be moved from Adventist Hinsdale Hospital; Adventist La Grange Memorial Hospital's Cancer Treatment Pavilion and/or the Hinsdale Imaging Center.

Item	Cost
IT/Telecommunications	\$274,887
Major Medical Equipment:	
Linear Accelerator (2)	\$8,500,000
Ultra-sound (2)	\$520,000
General X-Ray (1)	\$427,410
Digital Mammography (2)	\$1,113,240
Stereotactic System (1)	\$6,150
Densitometer (1)	\$53,580
CT Scanner (1)	\$64,500
PET/CT (1)	\$2,500,000
Analyzer (1)	\$28,000
Other Equipment	\$1,779,172
<b>Total Moveable or Other Equipment</b>	<b>\$15,266,939</b>

- Off Site Work – there were no costs identified as off-site work

- Consulting and Other Fees

<b>Item</b>	<b>Cost</b>
CON Application Fees and Services	\$120,000
Village Approvals	\$87,500
Traffic Study	\$5,500
Const. Materials Testing	\$103,277
Water Intrusion Prevention	\$33,000
MEP Commissioning	\$120,000
Transition Planning Services	\$40,000
Environmental Assessment	\$2,000
Private Utility Locates	\$2,500
Bio-Med Grnding & Certific.	\$3,000
Professional Management Services	\$690,000
Plan Review Fees	\$546,758
<b>Total Consulting and Other Fees</b>	<b>\$1,753,535</b>

- Other Costs to be Capitalized

<b>Item</b>	<b>Cost</b>
General Conditions	\$35,000
Surveying	\$23,500
Overtime Allowance	\$8,000
Street Cleaning	\$6,000
Temporary Fencing	\$6,400
Street Barricades and Signage	\$99,440
Temporary Roads	\$15,000
Demolition	\$90,000
Ogden Ave Beautification	\$150,000
Maintenance Shed	\$30,000
Excavation	\$174,500
Landscaping	\$720,000
Sealant	\$8,000
Flag Poles	\$2,700
Parking Controls	\$25,000
Permits	\$5,000
CN Fee	\$51,643
Insurance	\$27,405
Performance and Payment Bond CM	\$19,213
SubGuard (Sub Contractors)	\$40,500
Site Contingency	\$139,357
Electrical Service/ComEd	\$900,000
Misc. Utilities	\$30,000
Site Security	\$10,000
Hazardous Materials Abatement	\$7,500
Final Medical Cleaning	\$3,500
Move Related Costs	\$60,000
Marketing	\$25,000
Furniture	\$705,000
Signage	\$215,000
Artwork	\$128,000
<b>Total Other Costs to be Capitalized</b>	<b>\$3,760,658</b>