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HEALTH FACILITIES & SERVICES REVIEW BOARD

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:	Vista Medical Center-Lindenhurst
Street Address:	Grand Avenue and N. Deep Lake Road (legal description attached)
City and Zip Code:	Lindenhurst, IL 60046
County: Lake	Health Service Area VIII Health Planning Area: A-09

Applicant /Co-Applicant Identification

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

Exact Legal Name:	Lindenhurst Illinois Hospital Company, LLC
Address:	4000 Meridian Blvd. Franklin, TN 37067
Name of Registered Agent:	
Name of Chief Executive Officer:	Martin G. Schweinhart
CEO Address:	4000 Meridian Blvd. Franklin, TN 37067
Telephone Number:	615/465-6000

Type of Ownership of Applicant/Co-Applicant

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

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which 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:	Clare Connor Ranalli
Title:	Partner
Company Name:	Holland + Knight
Address:	131 S. Dearborn Street Chicago, IL 60603
Telephone Number:	312/578-6567
E-mail Address:	clare.ranalli@hklaw.com
Fax Number:	312/578-6666

Additional Contact

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

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

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:	Vista Medical Center-Lindenhurst
Street Address:	Grand Avenue and N. Deep Lake Road (legal description attached)
City and Zip Code:	Lindenhurst, IL 60046
County: Lake	Health Service Area VIII Health Planning Area: A-09

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Community Health Systems, Inc.
Address:	4000 Meridian Blvd. Franklin, TN 37067
Name of Registered Agent:	
Name of Chief Executive Officer:	Wayne Smith
CEO Address:	4000 Meridian Blvd. Franklin, TN 37067
Telephone Number:	615/465-7000

Type of Ownership of Applicant/Co-Applicant

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

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- 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.

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Telephone Number:	312/578-6567
E-mail Address:	clare.ranalli@hklaw.com
Fax Number:	312/578-6666

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

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	

LEGAL DESCRIPTION
LINDENHURST PARCEL
(AMBULATORY SURGERY CENTER AND ADDITIONAL UNDEVELOPED LAND)

POLICY NO.: 1401 008336643 01

5. THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

PARCEL 1: (WEST PARCEL)

PART OF THE NORTH 2276.00 FEET OF THE EAST HALF OF GOVERNMENT LOTS 1 AND 2 OF THE NORTHWEST QUARTER OF SECTION 3, TOWNSHIP 45 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, BEING DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID EAST HALF OF GOVERNMENT LOT 2; THENCE SOUTH 00 DEGREES 40 MINUTES 54 SECONDS WEST ALONG THE EAST LINE THEREOF, 2276.08 FEET TO THE SOUTHEAST CORNER OF THE NORTH 2276.00 FEET OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2; THENCE NORTH 89 DEGREES 48 MINUTES 28 SECONDS WEST ALONG THE SOUTH LINE OF THE NORTH 2276.00 FEET OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2, A DISTANCE OF 598.95 FEET TO THE PLACE OF BEGINNING; THENCE NORTH 00 DEGREES 25 MINUTES 06 SECONDS EAST, 220.48 FEET; THENCE NORTHWESTERLY 74.18 FEET ALONG A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 265.00 FEET, CHORD LENGTH OF 73.94 FEET AND BEARS NORTH 23 DEGREES 07 MINUTES 26 SECONDS WEST; THENCE NORTHWESTERLY 314.28 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 310.00 FEET, CHORD LENGTH OF 300.99 FEET AND BEARS NORTH 44 DEGREES 08 MINUTES 52 SECONDS WEST; THENCE SOUTH 45 DEGREES 06 MINUTES 49 SECONDS WEST, 22.36 FEET; THENCE NORTH 44 DEGREES 53 MINUTES 11 SECONDS WEST, 44.09 FEET; THENCE NORTHEASTERLY 416.69 FEET ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 570.00 FEET, CHORD LENGTH OF 407.47 FEET AND BEARS NORTH 25 DEGREES 09 MINUTES 59 SECONDS EAST; THENCE NORTHWESTERLY 227.63 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 360.00 FEET, CHORD LENGTH OF 223.86 FEET AND BEARS NORTH 13 DEGREES 53 MINUTES 25 SECONDS WEST; THENCE NORTHWESTERLY 221.41 FEET ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 425.00 FEET, CHORD LENGTH OF 218.91 FEET AND BEARS NORTH 17 DEGREES 04 MINUTES 48 SECONDS WEST; THENCE NORTHEASTERLY 154.92 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET, CHORD LENGTH OF 151.08 FEET AND BEARS NORTH 01 DEGREES 03 MINUTES 15 SECONDS EAST; THENCE NORTHEASTERLY 389.34 FEET ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 245.00 FEET, CHORD LENGTH OF 349.65 FEET AND BEARS NORTH 24 DEGREES 23 MINUTES 20 SECONDS EAST; THENCE NORTH 69 DEGREES 54 MINUTES 53 SECONDS EAST, 149.28 FEET; THENCE NORTH 00 DEGREES 25 MINUTES 06 SECONDS EAST, 217.93 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROUTE 132; THENCE NORTH 89 DEGREES 38 MINUTES 59 SECONDS WEST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, 329.79 FEET; THENCE SOUTH 00 DEGREES 02 MINUTES 06 SECONDS WEST ALONG A JOG IN SAID SOUTHERLY RIGHT-OF-WAY LINE, 15.00 FEET; THENCE SOUTH 89 DEGREES 54 MINUTES 13 SECONDS EAST ALONG SAID RIGHT-OF-WAY LINE, 55.55 FEET; THENCE NORTHWESTERLY 343.68 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 49,055.70 FEET, CHORD LENGTH OF 343.68 FEET AND BEARS NORTH 89 DEGREES 53 MINUTES 45 SECONDS WEST TO A LINE 66.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2 OF THE NORTHWEST QUARTER OF SAID SECTION 3; THENCE SOUTH 00 DEGREES 53 MINUTES 19 SECONDS WEST ALONG SAID PARALLEL LINE, 277.07 FEET; THENCE SOUTH 89 DEGREES 48 MINUTES 28 SECONDS EAST PARALLEL WITH THE NORTH LINE OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2, A DISTANCE OF 14.00 FEET TO A LINE 80.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2; THENCE SOUTH 00 DEGREES 53 MINUTES 19 SECONDS WEST ALONG SAID PARALLEL LINE, 426.00 FEET TO A LINE 755.00 FEET SOUTH

CONTINUED ON NEXT PAGE

POLICY NO.: 1401 008336643 01

AND PARALLEL WITH THE NORTH LINE OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2; THENCE NORTH 89 DEGREES 48 MINUTES 28 SECONDS WEST ALONG SAID PARALLEL LINE, 80.00 FEET TO THE WEST LINE OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2; THENCE SOUTH 00 DEGREES 53 MINUTES 19 SECONDS WEST ALONG SAID WEST LINE 1521.17 FEET TO THE SOUTHWEST CORNER OF THE NORTH 2276.00 FEET OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2; THENCE SOUTH 89 DEGREES 48 MINUTES 28 SECONDS EAST ALONG SAID SOUTH LINE, 735.14 FEET TO THE PLACE OF BEGINNING, IN LAKE COUNTY, ILLINOIS.

PARCEL 2:

INGRESS AND EGRESS EASEMENT FOR THE BENEFIT OF PARCEL 1 PURSUANT TO DECLARATION OF EASEMENTS AND COVENANTS DATED AS OF JUNE 27, 2006 AND RECORDED JUNE 29, 2006 AS DOCUMENT 6019319 BY VICTORY HEALTH SERVICES, AN ILLINOIS NOT FOR PROFIT CORPORATION OVER THAT PORTION OF THE LAND DESCRIBED IN EXHIBIT 'D' ATTACHED THERETO.

PARCEL 3:

DRIVEWAY EASEMENT FOR THE BENEFIT OF PARCEL 1 PURSUANT TO EASEMENT AND DEVELOPMENT AGREEMENT DATED NOVEMBER 25, 1997 AND RECORDED JUNE 2, 2006 AS DOCUMENT 6002626 BY AND BETWEEN VICTORY HEALTH SERVICES CORPORATION, AN ILLINOIS NOT-FOR-PROFIT CORPORATION JOHN W. GRIDLEY, AS TRUSTEE FOR THE JOHN W. GRIDLEY TRUST DATED MARCH 8, 1990, THE BOARD OF LIBRARY TRUSTEES OF THE LAKE VILLA PUBLIC LIBRARY DISTRICT.

Post Permit Contact

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

Name:	Barbara Martin
Title:	President & CEO
Company Name:	Vista Medical Center
Address:	1324 N. Sheridan Road Waukegan, IL 60085
Telephone Number:	847/360-4000
E-mail Address:	Barbara_martin@chs.net
Fax Number:	847/360-4109

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Waukegan Illinois Hospital Company, LLC

Address of Site Owner: 4000 Meridian Blvd. Franklin, TN 37067

Street Address or Legal Description of Site: legal description attached

Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.

APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: Lindenhurst Illinois Hospital Company, LLC

Address: 4000 Meridian Blvd. Franklin, TN 37067

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

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

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

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #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:	Part 1120 Applicability or Classification: [Check one only.]
X Substantive	☐ Part 1120 Not Applicable
☐ Non-substantive	☐ Category A Project
	X 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.

NARRATIVE DESCRIPTION

The applicants propose the establishment of a 132-bed hospital in Lindenhurst, Illinois. The hospital's bed complement will include 100 Medical/Surgical beds, 20 obstetrics beds (both being the minimum identified in Review Criterion 1110.430.f) and 12 ICU beds. The IDPH has identified a need for an additional 47 ICU beds in Lake County. Upon the opening of Vista-Lindenhurst, 108 Medical/Surgical/Pediatrics beds at Vista-East will be "discontinued", resulting in a net reduction in this category of beds within the County, and a geographic redistribution of beds within the Planning Area, therein improving accessibility to hospital services. Doing so will not require the filing of an additional Certificate of Need application.

The project, as proposed by the applicants, will result in a re-distribution of beds within the IDPH-designated planning area, and by doing so, will greatly improve the access to hospital services for area residents.

Lindenhurst is located in north central Lake County, and the hospital is intended to provide improved access to hospital services for the residents of north central and northwestern Lake County. The residents of the northwestern half of Lake County suffer from a maldistribution of hospitals (see attached map) with all of the County's hospitals located in the southeastern half of the County, and access is further hindered by insufficient roadways within the County. As a result, travel times to the nearest hospital for many residents of the service area often exceed 30 minutes.

Vista Medical Center-Lindenhurst will operate as a "satellite" hospital of Vista Medical Center-East, which is the closest non-specialty hospital to the proposed site, and located in Waukegan

The site on which the hospital is to be located is owned by Waukegan Illinois Hospital Company, LLC, and houses a variety of health care services, including an IDPH-licensed Freestanding Emergency Center (FEC)*, an IDPH-licensed Ambulatory Surgical Treatment Center (ASTC), a wide range of imaging modalities, a clinical laboratory, therapy services, a medical office building, and a helipad.

The applicants believe the proposed satellite hospital to be the next logical step in improving accessibility to health care services for the residents of the area.

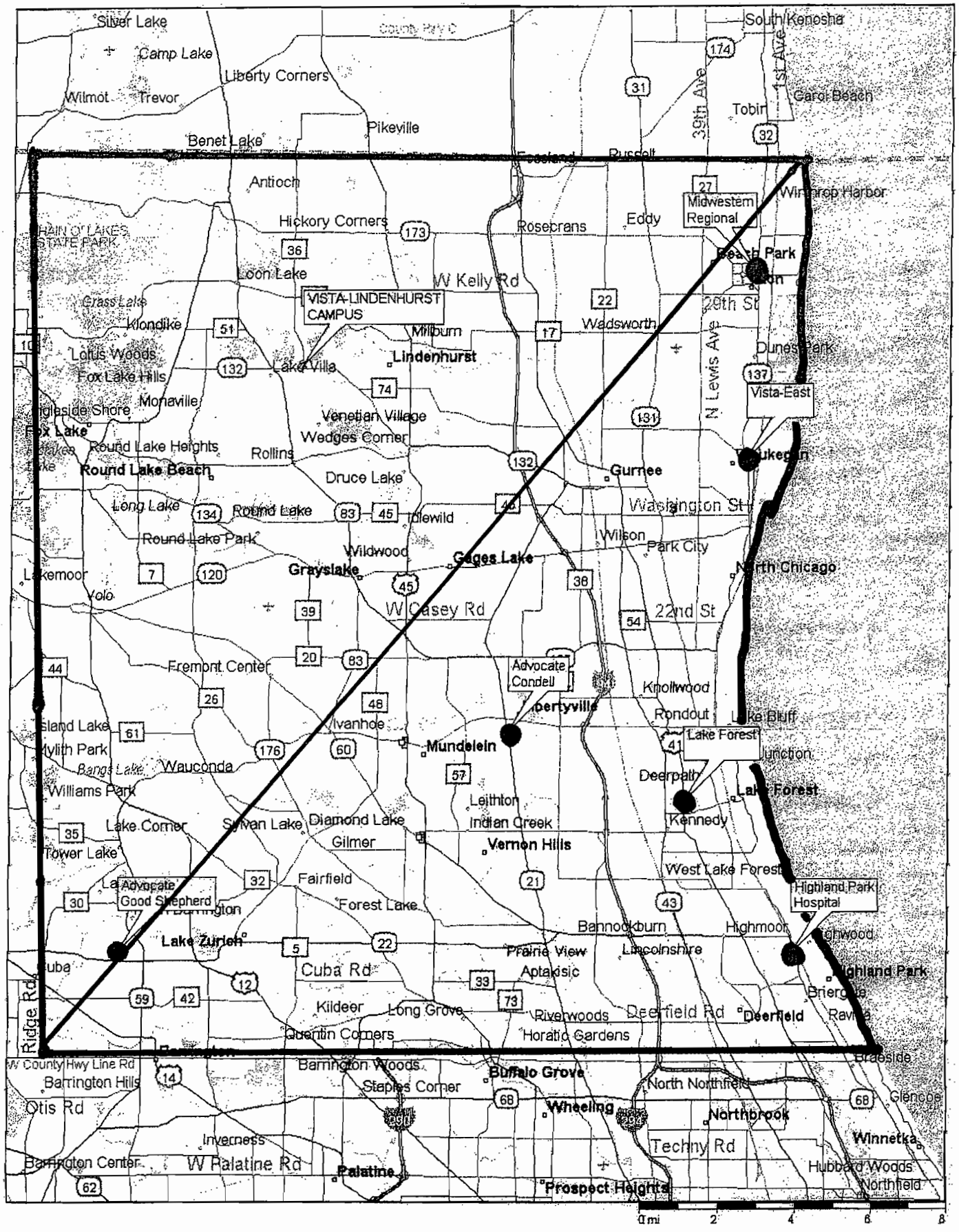
This is a "substantive" project because it proposes the establishment of a new health care facility.

PROJECT OVERVIEW

The applicants are Community Health Systems, Inc. ("CHS") and Lindenhurst Illinois Hospital Company, LLC. CHS subsidiaries or affiliates own, operate or lease 135 hospitals in 29

states, including nine hospitals in Illinois. Two of those Illinois hospitals are Vista Medical Center-East and Vista Medical Center-West, both of which are located in Waukegan. Vista Medical Center-East operates as a general hospital, and Vista Medical Center-West provides comprehensive physical rehabilitation beds and the only remaining adult acute mental illness beds in Lake County. The Vista Medical Center hospitals are primary providers of both charity care and care to Medicaid recipients residing in Lake County. In 2011, 27.0% of the patients admitted to the two Vista hospitals in Waukegan were Medicaid recipients and 2.2% were identified as charity care. In 2011, 39% of the Medicaid recipients admitted to the five "non-specialty" hospitals in Lake County were admitted to Vista-East. Vista Medical Center-Lindenhurst will operate under the same admissions and financial aid policies currently in place at the Waukegan hospitals.

The residents of the northwestern half of Lake County suffer from a maldistribution of hospitals (see attached map) with all of the County's hospitals located in the southeastern half of the County, and access further hindered by insufficient roadways within the County. As a result, travel times to the nearest hospital for many residents of the service area—even by EMS ambulance—exceed 30-40 minutes (please see ATTACHMENT 12).



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In addition, and as evidence of both an unmet need and a desire of area residents for improved accessibility to health care services, the freestanding Emergency Center ("FEC")* opened on the Vista-Lindenhurst campus has been an unqualified success. The FEC initiated operations in July 2011, and during the first quarter of 2012, in excess of 2,300 patients were treated at the FEC. Total emergency department visits to Illinois hospitals from the Antioch (60002) and Lindenhurst/Lake Villa (60046) ZIP Codes increased by 57% and 37%, respectively over the first quarter of 2011, suggesting an un-met need. In contrast, ED visits from the entirety of Lake County increased by only 10.3% over that period (CompDATA). The Lindenhurst FEC attracted 49.0% and 41.7% of those two ZIP Code areas' ED patients, respectively, again demonstrating the desire for and impact of improved accessibility. Last, during calendar 2011 (the FEC was in operation the final six months of the year), admissions to Wisconsin hospitals from the Lindenhurst/Lake Villa ZIP Code dropped by 127.8%, and it is believed that many of those patients remained in Illinois as a result of initially being treated at the Lindenhurst FEC.

Vista Health System, a wholly-owned subsidiary of CHS, operates the two hospitals in Waukegan as well as the services on the Lindenhurst campus. Vista was acquired by CHS on July 1, 2006, following a nation-wide search by the prior owner. At the time of that acquisition, no Illinois hospital or health system indicated an interest in acquiring Vista, which had suffered from years of operating losses, a need for capital to be infused for facility improvements, and a high Medicaid patient load. In 2006, the year of CHS' acquisition, 24.7% of Vista-East's inpatients were Medicaid recipients, and in 2011 the rate was 25.9%. By any definition, Vista-East is Lake County's safety net hospital.

CHS has had a presence in Illinois since 1994, and currently operates hospitals in Waukegan, Blue Island, Galesburg, Mt. Vernon, Granite City, Marion, Red Bud, and Anna. Within the past two years the IHFSRB has granted CON Permits for major modernization projects at both the Mt. Vernon and Marion hospitals.

The site is owned by Waukegan Illinois Hospital Company, LLC. Following the receipt of the requested CON Permit, ownership of the property will be transferred to Lindenhurst Illinois Hospital Company, LLC on a quit claim basis without consideration. Vista Medical Center-Lindenhurst will operate as a satellite hospital of Vista Medical Center-East, in Waukegan to reduce the unnecessary duplication of administrative functions.

Vista-Lindenhurst will have its ICU, Emergency Department, surgery, imaging, and other ancillary and support functions on the first floor, the second floor will house one Medical/Surgical unit, the obstetrics-related functions, and a number of ancillary services; and third floor will house two Medical/Surgical units and support functions. All patient rooms will be private, consistent with contemporary design standards. A mechanical penthouse will be located above the third floor.

* Note: A Certificate of Need application will be filed with the IHFSRB to "discontinue" the FEC upon the licensure of Vista Medical Center-Lindenhurst. That application will be filed approximately six months prior to the anticipated opening of Vista Medical Center-Lindenhurst.

PROJECT COSTS AND SOURCES OF FUNDS

Project Costs:	Clinical/ Reviewable	Non-Clinical/ Non-Reviewable	Total
Preplanning Costs	$897,000	$392,000	$1,289,000
Site Survey and Soil Investigation	$ 34,850	$ 15,150	$ 50,000
Site Preparation	$ 2,439,500	$ 1,060,500	$ 3,500,000
Off Site Work	$ 4,042,600	$ 1,757,400	$ 5,800,000
New Construction Contracts	$ 49,106,206	$ 21,370,840	$ 70,477,046
Modernization Contracts	$ 212,121		$ 212,121
Contingencies	$ 3,447,136	$ 1,709,667	$ 5,156,803
Architectural/Engineering Fees	$ 3,712,000	$ 1,846,400	$ 5,558,400
Consulting and Other Fees	$ 4,530,500	$ 1,969,500	$ 6,500,000
Movable and Other Equipment	$ 21,790,020	$ 10,729,054	$ 32,519,074
Bond Issuance Expense			
Net Interest Expense During Construction			
Fair Mkt Value of Leased Space or Equip			
Other Costs to be Capitalized			
Acqusition of Building or Other Property			
TOTAL COSTS	**$ 90,211,933**	**$ 40,850,511**	**$ 131,062,444**
Sources of Funds:			
Cash and Securities	$ 90,211,933	$ 40,850,511	$ 131,062,444
Pledges			
Gifts and Bequests			
Bond Issues			
Mortgages			
Leases (fair market value)			
Government Appropriations			
Grants			
Other Funds and Sources			
TOTAL FUNDS	**$ 90,211,933**	**$ 40,850,511**	**$ 131,062,444**

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 X No
Purchase Price: $_____
Fair Market Value: $_____

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

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

Estimated start-up costs and operating deficit cost is $ 7,600,000.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary
X Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): August 31, 2016
Anticipated project midpoint: November 2014

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
X 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:

X Cancer Registry
X APORS
X All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
X All reports regarding outstanding permits

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

Cost Space Requirements

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

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

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

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert 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: Vista Medical Center-Lindenhurst		**CITY:** Lindenhurst			
REPORTING PERIOD DATES:		**From:**		**to:**	
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical					100
Obstetrics					20
Pediatrics					
Intensive Care					12
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					132

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 manger 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 Lindenhurst Illinois Hospital Company, LLC* **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.**

SIGNATURE

Martin G. Schweinhart
PRINTED NAME

President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13th day of September, 2012

Signature of Notary

Seal

MARY ANN ECKMAN
STATE OF TENNESSEE NOTARY PUBLIC
WILLIAMSON COUNTY, TN
My Comm. Expires September 27, 2015

SIGNATURE

Rachel A. Seifert
PRINTED NAME

Executive Vice President and Secretary
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13 day of September, 2012

Signature of Notary

Seal

CARYN A. COLLIER
STATE OF TENNESSEE NOTARY PUBLIC
COUNTY OF WILLIAMSON

My Commission Expires Oct. 17, 2015

*Insert EXACT legal name of the applicant

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 manger 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 Community Health Systems, Inc.* **in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application 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.**

SIGNATURE

Martin G. Schweinhart
PRINTED NAME

Senior Vice President, Operations
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13th day of September, 2012

Signature of Notary

Seal

MARY ANN ECKMAN
STATE OF TENNESSEE NOTARY PUBLIC
WILLIAMSON COUNTY, TN
My Comm. Expires September 27, 2015

SIGNATURE

Rachel A. Seifert
PRINTED NAME

Executive Vice President and Secretary
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13 day of September, 2012

Signature of Notary

Seal

CARYN A. COLLIER
STATE OF TENNESSEE NOTARY PUBLIC
COUNTY OF WILLIAMSON
My Commission Expires Oct. 17, 2015

*Insert EXACT legal name of the applicant

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

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

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

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

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

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

PURPOSE OF PROJECT

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

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

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

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

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

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

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

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

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

ALTERNATIVES

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

Alternative options **must** include:

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

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

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

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

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

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

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

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

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

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**

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

    a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;

    b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;

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

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

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

UNFINISHED OR SHELL SPACE: **not applicable, no shell space included in project**

Provide the following information:

1. Total gross square footage of the proposed shell space;

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

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

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

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

ASSURANCES:

Submit the following:

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

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

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

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

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

A. Criterion 1110.530 - Medical/Surgical, Obstetric, Pediatric and Intensive Care

1. Applicants proposing to establish, expand and/or modernize Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:

2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
X Medical/Surgical	**0**	**100**
X Obstetric	**0**	**20**
☐ **Pediatric**		
X Intensive Care	**0**	**12**

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.530(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.530(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.530(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.530(b)(5) - Planning Area Need - Service Accessibility	X		
1110.530(c)(1) - Unnecessary Duplication of Services	X		
1110.530(c)(2) - Maldistribution	X	X	
1110.530(c)(3) - Impact of Project on Other Area Providers	X		
1110.530(d)(1) - Deteriorated Facilities			X
1110.530(d)(2) - Documentation			X

APPLICABLE REVIEW CRITERIA		Establish	Expand	Modernize
1110.530(d)(3) -	Documentation Related to Cited Problems			X
1110.530(d)(4) -	Occupancy			X
110.530(e) -	Staffing Availability	X	X	
1110.530(f) -	Performance Requirements	X	X	X
1110.530(g) -	Assurances	X	X	X

APPEND DOCUMENTATION AS ATTACHMENT-20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

F. Criterion 1110.1330 - Cardiac Catheterization

This section is applicable to all projects proposing to establish or modernize a cardiac catheterization category of service or to replace existing cardiac catheterization equipment.

1. **Criterion 1110.1330(a), Peer Review**

   Read the criterion and submit a detailed explanation of your peer review program.

2. **Criterion 1110.1330(b), Establishment or Expansion of Cardiac Catheterization Service**

   Read the criterion and, if applicable, submit the following information:

   a. A map (8 1/2" x 11") showing the location of the other hospitals providing cardiac catheterization service within the planning area.

   b. The number of cardiac catheterizations performed for the last l2 months at each of the hospitals shown on the map.

   c. Provide the number of patients transferred directly from the applicant's hospital to another facility for cardiac catheterization services in each of the last three years.

3. **Criterion 1110.1330(c), Unnecessary Duplication of Services**

   Read the criterion and, if applicable, submit the following information.

   a. Copies of the letter sent to all facilities within 90 minutes travel time which currently provide cardiac catheterization. This letter must contain a description of the proposed project and a request that the other facility quantify the impact of the proposal on its program.

   b. Copies of the responses received from the facilities to which the letter was sent.

4. **Criterion 1110.1330(d), Modernization of Existing Cardiac Catheterization Laboratories**

   Read the criterion and, if applicable, submit the number of cardiac catheterization procedures performed for the latest 12 months.

5. **Criterion 1110.1330(e), Support Services**

   Read the criterion and indicate on a service by service basis which of the listed services are available on a 24 hour basis and explain how any services not available on a 24 hour basis will be available when needed.

6. **Criterion 1110.1330(f), Laboratory Location**

   Read the criterion and, if applicable, submit line drawings showing the location of the proposed laboratories. If the laboratories are not in close proximity explain why.

7. **Criterion 1110.1330(g), Staffing**

   Read the criterion and submit a list of names and qualifications of those who will fill the positions detailed in this criterion. Also provide staffing schedules to show the coverage required by this criterion.

8. **Criterion 1110.1330(h), Continuity of Care**

Read the criterion and submit a copy of the fully executed written referral agreement(s).

9. Criterion 1110.1330(i), Multi-institutional Variance

Read the criterion and, if applicable, submit the following information:

a. A copy of a fully executed affiliation agreement between the two facilities involved.

b. Names and positions of the shared staff at the two facilities.

c. The volume of open heart surgeries performed for the latest 12-month period at the existing operating program.

d. A cost comparison between the proposed project and expansion at the existing operating program.

e. The number of cardiac catheterization procedures performed in the last 12 months at the operating program.

f. The number of catheterization laboratories at the operating program.

g. The projected cardiac catheterization volume at the proposed facility annually for the next 2 years.

h. The basis for the above projection.

APPEND DOCUMENTATION AS ATTACHMENT-25 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than Categories of Service must submit the following information:
2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
☐		
☐		
☐		

IDENTIFIED IN ATTACHMENT 37 NARRATIVE

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

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
New Services or Facility or Equipment	(b) –	Need Determination – Establishment
Service Modernization	(c)(1) –	Deteriorated Facilities
		and/or
	(c)(2) –	Necessary Expansion
		PLUS
	(c)(3)(A) –	Utilization – Major Medical Equipment
		Or
	(c)(3)(B) –	Utilization – Service or Facility

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

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

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

VIII. - **1120.120 - Availability of Funds**

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:**

131,062,444	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 governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
131,062,444	**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

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 **n/a project funded through internal sources**

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

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 **n/a project funded through internal sources**

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

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

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

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

C. **Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

APPEND DOCUMENTATION AS ATTACHMENT -42, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement — Vista Medical Center-East & Vista Medical Center-West

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

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

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

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

Safety Net Impact Statements shall also include all of the following:

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

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

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

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**2011**	**2010**	**2009**
Inpatient	293	361	368
Outpatient	1294	2116	1906
Total	**1557**	**2477**	**2274**
Charity (cost in dollars)			
Inpatient	$2,750,600	$2,680,782	$2,056,211
Outpatient	$1,489,216	$1,798,562	$1,433,228
Total	**$4,239,816**	**$4,479,344**	**$3,489,439**
MEDICAID			
Medicaid (# of patients)	**2011**	**2010**	**2009**
Inpatient	3596	3718	3822
Outpatient	45466	38632	36374
Total	49062	42350	40196
Medicaid (revenue)			
Inpatient	$34,700,853	$31,654,744	$30,044,484
Outpatient	$9,790,368	$8,321,737	$7,952,024
Total	$44,491,221	$39,976,481	$37,996,508

APPEND DOCUMENTATION AS ATTACHMENT-43, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information Vista Medical Center-East & Vista Medical Center-West

Charity Care information MUST be furnished for ALL projects.

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

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

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

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

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	2011	**2010**	**2009**
Net Patient Revenue	**$202,384,783**	**$184,587,794**	**$185,539,439**
Amount of Charity Care (charges)	$20,932,043	$26,621,217	$20,747,135
Cost of Charity Care	$4,239,816	$4,479,344	$3,489,439

APPEND DOCUMENTATION AS ATTACHMENT 44, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

File Number 0196028-8

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

LINDENHURST ILLINOIS HOSPITAL COMPANY, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON SEPTEMBER 06, 2006, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 10TH *day of* SEPTEMBER *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

Authentication #: 1225401768

Authenticate at: http://www.cyberdriveillinois.com

ATTACHMENT 1

File Number 6483-188-7

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

COMMUNITY HEALTH SYSTEMS, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 31, 2006, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

Authentication #: 1221201940

Authenticate at: http://www.cyberdriveillinois.com

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 30TH *day of* JULY *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 1

EXHIBIT A
LEGAL DESCRIPTION

PARCEL 1: (WEST PARCEL)

PART OF THE NORTH 2276.00 FEET OF THE EAST HALF OF GOVERNMENT LOTS 1 AND 2 OF THE NORTHWEST QUARTER OF SECTION 3, TOWNSHIP 45 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, BEING DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID EAST HALF OF GOVERNMENT LOT 2; THENCE SOUTH 00 DEGREES 40 MINUTES 54 SECONDS WEST ALONG THE EAST LINE THEREOF, 2276.08 FEET TO THE SOUTHEAST CORNER OF THE NORTH 2276.00 FEET OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2; THENCE NORTH 89 DEGREES 48 MINUTES 28 SECONDS WEST ALONG THE SOUTH LINE OF THE NORTH 2276.00 FEET OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2, A DISTANCE OF 598.95 FEET TO THE PLACE OF BEGINNING; THENCE NORTH 00 DEGREES 25 MINUTES 06 SECONDS EAST, 220.48 FEET; THENCE NORTHWESTERLY 74.18 FEET ALONG A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 265.00 FEET, CHORD LENGTH OF 73.94 FEET AND BEARS NORTH 23 DEGREES 07 MINUTES 26 SECONDS WEST; THENCE NORTHWESTERLY 314.28 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 310.00 FEET, CHORD LENGTH OF 300.89 FEET AND BEARS NORTH 44 DEGREES 08 MINUTES 52 SECONDS WEST; THENCE SOUTH 45 DEGREES 06 MINUTES 49 SECONDS WEST, 22.36 FEET; THENCE NORTH 44 DEGREES 53 MINUTES 11 SECONDS WEST, 44.09 FEET; THENCE NORTHEASTERLY 416.69 FEET ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 570.00 FEET, CHORD LENGTH OF 407.47 FEET AND BEARS NORTH 25 DEGREES 09 MINUTES 59 SECONDS EAST; THENCE NORTHWESTERLY 227.63 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 360.00 FEET, CHORD LENGTH OF 223.86 FEET AND BEARS NORTH 13 DEGREES 53 MINUTES 25 SECONDS WEST; THENCE NORTHWESTERLY 221.41 FEET ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 426.00 FEET, CHORD LENGTH OF 218.91 FEET AND BEARS NORTH 17 DEGREES 04 MINUTES 48 SECONDS WEST; THENCE NORTHEASTERLY 154.92 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET, CHORD LENGTH OF 151.08 FEET AND BEARS NORTH 01 DEGREES 03 MINUTES 15 SECONDS EAST; THENCE NORTHEASTERLY 389.34 FEET ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 245.00 FEET, CHORD LENGTH OF 349.65 FEET AND BEARS NORTH 24 DEGREES 23 MINUTES 20 SECONDS EAST; THENCE NORTH 69 DEGREES 54 MINUTES 53 SECONDS EAST, 149.28 FEET; THENCE NORTH 00 DEGREES 25 MINUTES 06 SECONDS EAST, 217.93 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROUTE 132; THENCE NORTH 89 DEGREES 38 MINUTES 59 SECONDS WEST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, 329.79 FEET; THENCE SOUTH 00 DEGREES 02 MINUTES 06 SECONDS WEST ALONG A JOG IN SAID SOUTHERLY RIGHT-OF-WAY LINE, 15.00 FEET; THENCE SOUTH 89 DEGREES 54 MINUTES 13 SECONDS EAST ALONG SAID RIGHT-OF-WAY LINE, 55.55 FEET; THENCE NORTHWESTERLY 343.68 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 49,055.70 FEET, CHORD LENGTH OF 343.68 FEET AND BEARS NORTH 89 DEGREES 53 MINUTES 45 SECONDS WEST TO A LINE 66.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2 OF THE NORTHWEST QUARTER OF SAID SECTION 3; THENCE SOUTH 00 DEGREES 53 MINUTES 19 SECONDS WEST ALONG SAID PARALLEL LINE, 277.07 FEET; THENCE SOUTH 89 DEGREES 48 MINUTES 28 SECONDS EAST PARALLEL WITH THE NORTH LINE OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2, A DISTANCE OF 14.00 FEET TO A LINE 80.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2; THENCE SOUTH 00 DEGREES 53 MINUTES 19 SECONDS WEST ALONG SAID PARALLEL LINE, 425.00 FEET TO A LINE 755.00 FEET SOUTH

CONTINUED ON NEXT PAGE

AND PARALLEL WITH THE NORTH LINE OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2; THENCE NORTH 89 DEGREES 48 MINUTES 28 SECONDS WEST ALONG SAID PARALLEL LINE, 80.00 FEET TO THE WEST LINE OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2; THENCE SOUTH 00 DEGREES 53 MINUTES 18 SECONDS WEST ALONG SAID WEST LINE 1521.17 FEET TO THE SOUTHWEST CORNER OF THE NORTH 2276.00 FEET OF SAID EAST HALF OF GOVERNMENT LOTS 1 AND 2; THENCE SOUTH 89 DEGREES 48 MINUTES 28 SECONDS EAST ALONG SAID SOUTH LINE, 735.14 FEET TO THE PLACE OF BEGINNING, IN LAKE COUNTY, ILLINOIS.

PARCEL 2:

INGRESS AND EGRESS EASEMENT FOR THE BENEFIT OF PARCEL 1 PURSUANT TO DECLARATION OF EASEMENTS AND COVENANTS DATED AS OF JUNE 27, 2006 AND RECORDED JUNE 29, 2006 AS DOCUMENT 6019319 BY VICTORY HEALTH SERVICES, AN ILLINOIS NOT FOR PROFIT CORPORATION OVER THAT PORTION OF THE LAND DESCRIBED IN EXHIBIT 'D' ATTACHED THERETO.

PARCEL 3:

DRIVEWAY EASEMENT FOR THE BENEFIT OF PARCEL 1 PURSUANT TO EASEMENT AND DEVELOPMENT AGREEMENT DATED NOVEMBER 25, 1997 AND RECORDED JUNE 2, 2006 AS DOCUMENT 6002626 BY AND BETWEEN VICTORY HEALTH SERVICES CORPORATION, AN ILLINOIS NOT-FOR-PROFIT CORPORATION JOHN W. GRIDLEY, AS TRUSTEE FOR THE JOHN W. GRIDLEY TRUST DATED MARCH 8, 1990, THE BOARD OF LIBRARY TRUSTEES OF THE LAKE VILLA PUBLIC LIBRARY DISTRICT.

Permanent Index Number: 06-03-100-044; 06-03-100-045; 06-03-100-046; 06-03-100-049; and 06-03-100-050

Commonly known as: 1050 Red Oak Lane, Lindenhurst, Illinois

LakeCounty

FROM THE OFFICE OF: ROBERT SKIDMORE, LAKE COUNTY COLLECTOR

Make Checks Payable to: LAKE COUNTY COLLECTOR

Please Remit to: 18 N. COUNTY ST., SUITE 102, WAUKEGAN, IL. 60085-4361

To avoid duplicate payment, ask your lender if they are responsible.

1ST INSTALLMENT PAYMENT COUPON RETURN WITH PAYMENT

1

Tax Year 2011

06-03-100-049

06-03-100-049

COMMUNITY HEALTH SYSTEMS INC
% PROPERTY VALUATION SERVICES
14400 METCALF AVE
OVERLAND PARK KS 66223-2989

Taxes Due on or before **6/6/2012**

$48,113.55 DUE

06031000490000000481135520111 2

00003090

YOUR CANCELLED CHECK IS YOUR RECEIPT ↓ TEAR HERE ↓

LakeCounty

FROM THE OFFICE OF: ROBERT SKIDMORE, LAKE COUNTY COLLECTOR

Make Checks Payable to: LAKE COUNTY COLLECTOR

Please Remit to: 18 N. COUNTY ST., SUITE 102, WAUKEGAN, IL. 60085-4361

To avoid duplicate payment, ask your lender if they are responsible.

2ND INSTALLMENT PAYMENT COUPON RETURN WITH PAYMENT

2

Tax Year 2011

06-03-100-049

06-03-100-049

COMMUNITY HEALTH SYSTEMS INC
% PROPERTY VALUATION SERVICES
14400 METCALF AVE
OVERLAND PARK KS 66223-2989

Taxes Due on or before **9/6/2012**

$48,113.55 DUE

06031000490000000481135520112 1

YOUR CANCELLED CHECK IS YOUR RECEIPT ↓ TEAR HERE ↓

Property Location: 1050 RED OAK LN
LINDENHURST

Legal Description: PT E1/2 GOVT LOT 2 NW1/4; BEG 40' S & 531.24' W O F NE COR NW1/4, S00D03'55 W 216.78', S 69D33'42 W

Pin Number	Tax Year	Tax Code	Acres
06-03-100-049	2011	05018	3.3128

Taxing Body	Rate	Current Amount	Change From Prior Year
COUNTY OF LAKE	0.4420	$4 432 76	437.88
COUNTY OF LAKE PENSION	0.1120	$1.123.23	49 23
VIL OF LINDENHURST	0.1700	$1,704.91	98.93
VIL OF LINDENHURST PENSION	0.1120	$1,123.24	189.76
ROAD AND BRIDGE-LAKE VILLA	0.0360	$361 04	39.84
ROAD AND BRIDGE-LAKE VILLA PENSION	0.0120	$120 34	-0 10
LAKE VILLA TOWNSHIP FIRE PROT DIST	0.6740	$6.759 46	506 16
LAKE VILLA TOWNSHIP FIRE PROT DIST PENSION	0.0010	$10.03	-0 01
LAKE VILLA PUBLIC LIBRARY DIST	0 4250	$4.262.28	56.61
LAKE VILLA PUBLIC LIBRARY DIST PENSION	0 0390	$391 12	79 96
LINDENHURST PARK DISTRICT	0.2840	$2 848.21	228 45
LINDENHURST PARK DISTRICT PENSION	0 0280	$280 80	49 94
LAKE VILLA SCHOOL DISTRICT #41	3 3160	$33.275 85	2952 87
LAKE VILLA SCHOOL DISTRICT #41 PENSION	0 1130	$1.133.26	69 30
COLLEGE OF LAKE COUNTY #532	0 2400	$2.406.93	218.79
ANTIOCH COMM HIGH SCHOOL DISTRICT #117	2.9040	$29.123.66	2946.35
ANTIOCH COMM HIGH SCHOOL DISTRICT #117 PENSION	0.0500	$501.44	190.28
SPECIAL ROAD IMPROVEMENT LAKE VILLA GRAVEL	0 2270	$2.276 56	203.86
LINDENHURST SAN DIST	0 0390	$391.13	39 82
FOREST PRESERVE	0.1910	$1,915 51	8.41
FOREST PRESERVE PENSION	0.0100	$100.29	19 99
TOWNSHIP OF LAKE VILLA	0.1540	$1 544.45	99.07
TOWNSHIP OF LAKE VILLA PENSION	0 0140	$140.40	19.96
TOTALS	9.5950	$96,227.10	$8,510.35

Land Value	$223,876
+ Building Value	$751,601
x State Multiplier	1.0281
= Equalized Value	$1,002,888
+ Farm Land and Bldg Value	
+ State Assessed Pollution Ctrl	
+ State Assessed Railroads	
= Total Assessed Value	$1,002,888
- Fully Exempt	
- Senior Freeze	
- Home Improvement	
- General Homestead	
- Senior Homestead	
- Disabled / Veterans	
- Returning Veterans	
= Taxable Valuation	$1,002,888
x Tax Rate	9.5950
= Real Estate Tax	$96,227.10
+ Special Service Area	
+ Drainage	
= Total Current Year Tax	$96,227.10
+ Omitted Tax	
+ Forfeited Tax	
=TOTAL TAX BILLED	**$96,227.10**
Fair Market Value	$3,008,664
1st Installment Due 6/6/2012	$48,113.55
2nd Installment Due 9/6/2012	$48,113.55

ATTACHMENT 2

As an agent of the applicants, I hereby certify the owner of the site for the proposed Vista Medical Center - Lindenhurst is Waukegan Illinois Hospital Company, LLC.

Clare Connor Ranalli

Subscribed and sworn to before me this
17th day of September, 2012

Notary Public

"OFFICIAL SEAL"
OFELIA BROSNAN
Notary Public, State of Illinois
My Commission Expires 04/19/14

File Number 0196028-8

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

LINDENHURST ILLINOIS HOSPITAL COMPANY, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON SEPTEMBER 06, 2006, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 10TH *day of* SEPTEMBER *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

Authentication #: 1225401768

Authenticate at: http://www.cyberdriveillinois.com

ATTACHMENT 3

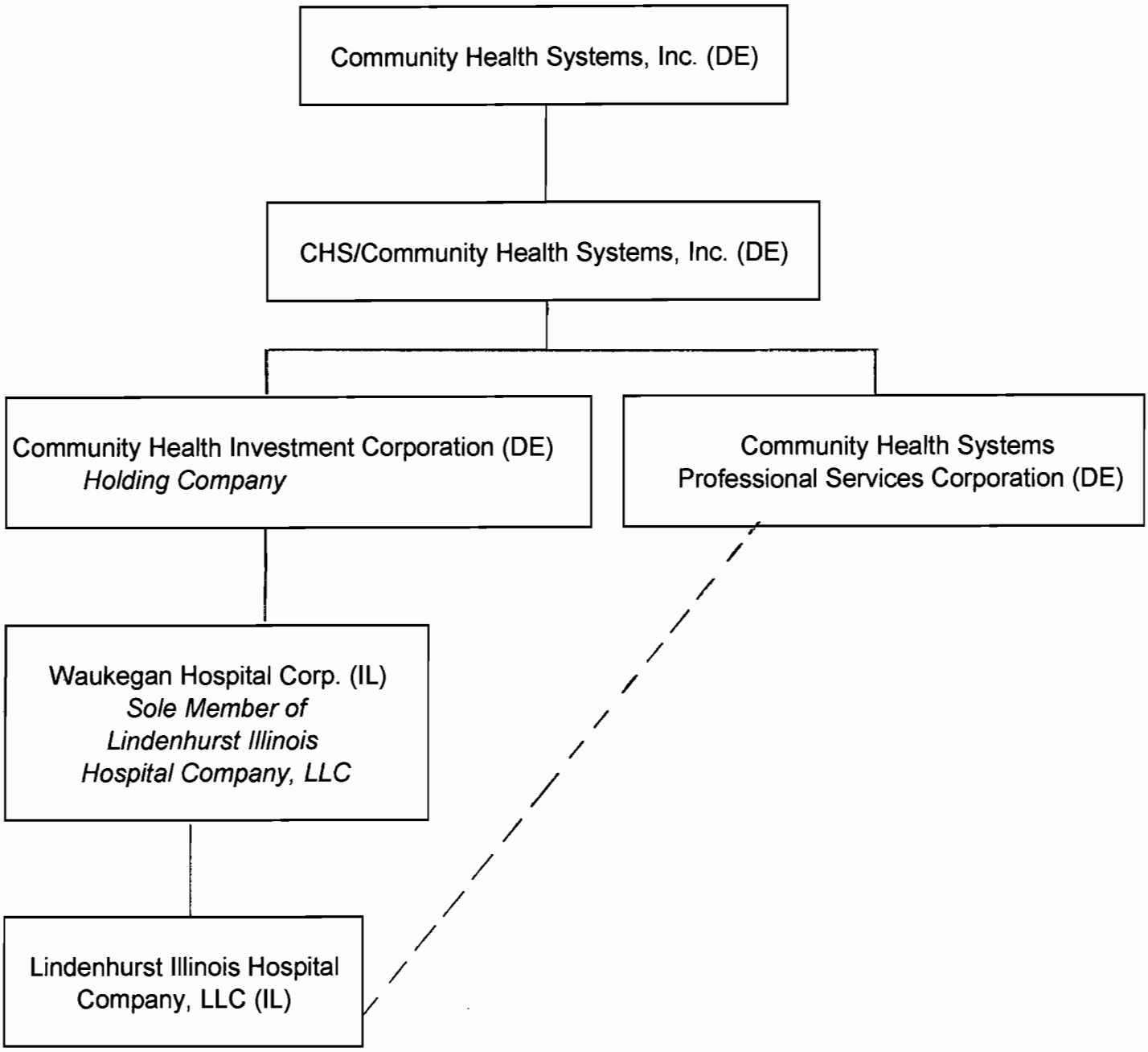
ORGANIZATION and IDENTIFICATION OF APPLICANTS

Vista Medical Center-Lindenhurst's license holder will be Lindenhurst Illinois Hospital Company, LLC; which has been named as an applicant. Funding for the project will be provided by Community Health Systems, Inc.; which has been named as an applicant. Community Health Systems, Inc. will have ultimate control over Lindenhurst Illinois Hospital Company, LLC; which will be directly responsible for the operation of the hospital. No other entity, other than the two applicants identified above meet any of the thresholds as "necessary parties" identified in Section 1130.220.

Attached is an organizational chart, identifying the relationship between the two applicants.

ATTACHMENT 4

ORGANIZATIONAL CHART



ATTACHMENT 4

FLOOD PLAIN MAP REQUIREMENTS

Attached is a flood plain map evidencing that the proposed project is not in a flood plain, and an additional map to help in identifying the proposed project location.

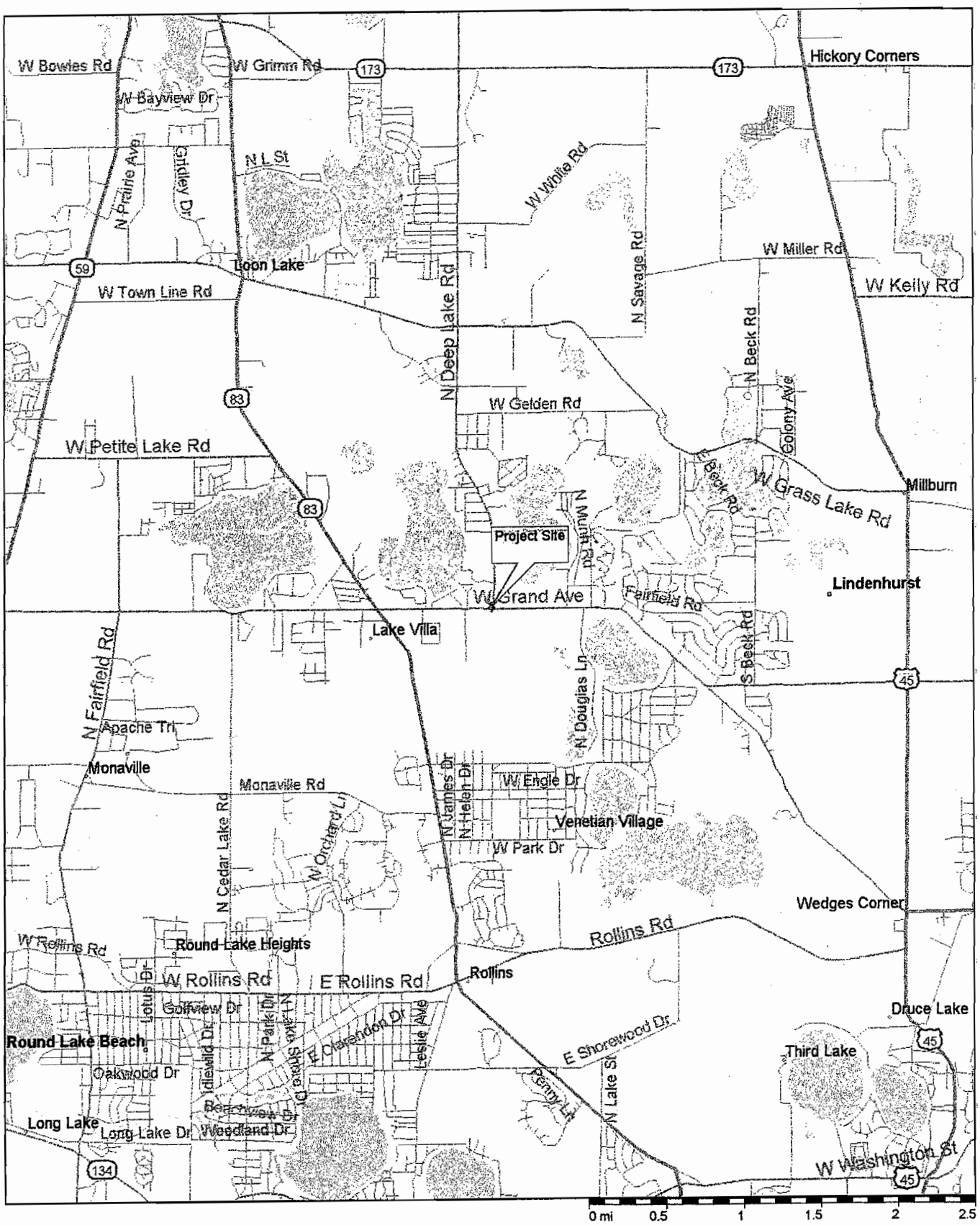
I Barbara J. Martin, President and Chief Executive Officer of Vista Health System, certify that this project is not located in a flood plain.

Notwithstanding the above, and in accordance with the Flood Plain Rule under executive Order #5 of 2006, there is no prohibition on the construction of a medical facility in a flood plain if it does not involve public funds, and this project will not involve public funds.

Barbara J. Martin
President & CEO

ATTACHMENT 5

Vista Lindenhurst Campus



ATTACHMENT 5

Holland & Knight

131 South Dearborn Street | Chicago, IL 60603 | T 312.263.3600 | F 312.578.6666
Holland & Knight LLP | www.hklaw.com

Joseph Hylak-Reinholtz
(312) 715-5885
jreinholtz@hklaw.com

August 21, 2012

VIA FAX AND OVERNIGHT DELIVERY

Illinois Historic Preservation Agency
1 Old State Capitol Plaza
Springfield, Illinois 62701-1512
Attention: Director Amy Martin

Re: Illinois Certificate of Need Review & Letter Request

Dear Director Martin:

The Illinois State Agency Historic Resources Preservation Act, 20 ILCS 3420/1 et seq. (the "Act"), provides that written notice of a proposed undertaking shall be given to the Director of the Illinois Historic Preservation Agency (the "HPA") either by a State agency or a recipient of its funds, licenses or permits when the proposed undertaking might affect historic, architectural or archaeological resources. This letter hereby provides notice of an undertaking proposed by Vista Health Systems ("Vista") through its affiliate Lindenhurst Illinois Hospital Company, LLC d/b/a Vista Medical Center Lindenhurst (collectively, the "Applicants"). Specifically, the Applicants are planning to establish a new, 132-bed, acute care hospital on Vista's Lindenhurst campus, which is located in Lindenhurst, Illinois (the "Project"). The Project will be built around several existing structures; however, none of these structures have significant historical value or architectural significance. The Applicants are seeking State approval for the undertaking.

In accordance with the requirements of the Illinois Health Facilities and Services Review Board (the "State Board"), a certificate of need ("CON") permit applicant must submit the following information to the HPA:

1. General project description and address;
2. Topographic or metropolitan map showing the general location of the project;
3. Photographs of any standing buildings/structure within the project area; and
4. Addresses for buildings/structures, if present.

The Applicants provide in this letter and attached exhibits all information necessary for the HPA to conduct a review of the Project. Upon conclusion of this review, the Applicants ask the HPA to issue a written summary of its findings in a letter. The State Board requires applicants to submit a written summary of the HPA's determination along with the CON permit application.

The information regarding the project follows.

1. Project Description

The Applicants are proposing the establishment of a new acute care hospital in Lindenhurst, Illinois.

2. General Location of the Project

The Project will be located in Lindenhurst, Illinois, a village located in Lake County. The Project will be constructed on a site located at the corner of Grand Avenue and North Deep Lake Road. This intersection is the site of Vista's Lindenhurst campus. A map showing the general location of the Project is attached hereto as Exhibit A.

There are no state historical sites located within Lake County.

3. Buildings/Structures Within the Project Area

A few buildings/structures are within the vicinity of the Project site; however, none of these structures have historical or architectural significance. The Project will be built around several existing structures, including a freestanding emergency center ("FEC"), an ambulatory surgical treatment center ("ASTC") and a medical office building ("MOB"). Photographs of the surrounding structures are attached hereto as Exhibit B.

4. Addresses for Buildings/Structures Within the Project Area

The Project will be located on Vista's existing Lindenhurst campus where the existing FEC, ASTC and MOB are present. The address of the FEC and ASTC is 1050 Red Oak Lane, Lindenhurst, Illinois 60046. The address of the MOB is 1025 Red Oak Lane, Lindenhurst, Illinois 60046.

* * * *

Upon review of the information provided in this letter and its exhibits, and the information on historic sites maintained by the HPA, it is clear that the Project will not have an adverse effect on any State historic, architectural or archaeological resource. First, the Project will only involve construction on Vista's Lindenhurst campus, and none of the existing structures will be adversely affected by the Project. Second, the existing buildings (where the surgery center, medical office space and free standing emergency center are located) have no historic or architectural significance. Moreover, no historic resource is located near the site of the Project. For these reasons, the Project should not have an adverse effect on a State historic resource.

Thank you for your consideration. If you have questions, please contact me at (312) 715-5885.

Respectfully Submitted,

HOLLAND & KNIGHT LLP

Joseph Hylak-Reinholtz, Esq.

JHR/mjy

ATTACHMENT 6

ITEMIZATION OF PROJECT COSTS

Preplanning Costs ($1,289,000)
Evaluation of alternatives and confirmation of prior planning activities.

Site Survey and Soil Investigation ($50,000)
Surveying of site and evaluation of the ground's ability to support the proposed construction.

Site Preparation ($3,500,000)
Site grading and earth movement, development of surface level parking, installation of exterior signage and lighting, and landscaping

Off Site Costs ($5,800,000)
Costs associated with sewer and utility services, and roadway, driveway and walkway construction.

New Construction Contracts ($70,477,046)
Construction, consistent with ATTACHMENT 76c.

Modernization Contracts ($212,121)
Modernization, consistent with ATTCHMENT 76C.

Contingencies ($5,156,803)
New construction and modernization-related contingencies.

Architectural and Engineering Fees ($5,558,400)
Professional fees associated with the project design, preparation of all documents, and interface with IDPH and local authorities, through the project's completion.

Consulting and Other Fees ($6,500,000)
CON-related consulting and review fees, IDPH and municipal review fees, environmental impact assessment, project management services, reimbursables, IT consulting services, site security, permits, insurance, materials testing, interior design consultant, landscape architect, dietary consultant, pre-construction activities, and miscellaneous costs.

Moveable and Other Equipment ($32,519,074)
Furnishing, fixtures and all non-fixed clinical and non-clinical equipment, including IT.

EQUIPMENT BUDGET

Qty	Description	Manufacturer	Model	N/E	F/I	AC	Unit Cost	Ext. Cost
2	X, Ray System, Cath Lab, Digital	GE Healthcare - Imaging Systems	TBD	N	O/V	1	$1,500,000.00	$3,000,000.00
7	Allowance, Video System, Surgical	Olympus America Inc - Scientific	TBD	N	O/V	2	$120,000.00	$840,000.00
2	X-Ray Unit, General Radiography, Digital	GE Healthcare - Imaging Systems		N	O/V	2	$350,000.00	$700,000.00
1	X-Ray Unit, Rad/Fluoro, Digital	GE Healthcare - Imaging Systems		N	O/V	1	$550,269.00	$550,269.00
100	BED, ELECTRIC	Stryker Medical	Go-Bed	N	O/V	2	$5,400.00	$540,000.00
2	Ultrasound, Imaging, Cardiac / Echo	GE Healthcare - Imaging Systems		N	O/O	2	$260,000.00	$520,000.00
1	CT Scanner, Allowance	GE Healthcare - Imaging Systems		N	O/V	2	$500,000.00	$500,000.00
5	Allowance, Surgical Instruments	Specialty Surgical Instrumentation	Budget	N	O/O	2	$100,000.00	$500,000.00
31	Warmer, Infant, Care System	GE Healthcare - Maternal/Infant Care	Panda iRES 3500 (Elevating Base)	N	O/V	2	$14,210.00	$440,510.00
2	Computer Workstation, Cardiac Cath-Lab, Hemodynamic	GE Healthcare - Cardiology	Prucka Mac-Lab 7000 Advanced	N	O/V	2	$210,000.00	$420,000.00
36	MONITOR, PHYSIOLOGIC	Mindray North America	Passport 2	N	O/V	3	$11,000.00	$396,000.00
6	UPS System	TBD - To Be Determined	To Be Determined	N	O/V	1	$60,000.00	$360,000.00
1	Camera, Gamma, Dual Head	GE Healthcare - Imaging Systems		N	O/V	2	$350,000.00	$350,000.00
20	Bed, Birthing	Hill-Rom - Bed & Stretcher Group	Affinity 4 [AF650]	N	O/V	2	$17,100.00	$342,000.00
20	Monitor, O.B., Intrapartum, Maternal/Fetal	GE Healthcare - Monitoring Systems	Corometrics 259	N	O/V	2	$16,900.00	$338,000.00
10	Ventilator, Adult / Pediatric / Neonatal	Covidien - Puritan Bennett Division	840 Ventilator System	N	O/O	2	$31,490.00	$314,900.00
1	Computer Workstation, Data Mgt, Obstetric	GE Healthcare - Monitoring Systems	Centricity Perinatal	N	O/V	2	$300,000.00	$300,000.00
2	Ultrasound, Imaging, Vascular Access	Volcano Corp.	s5 IVUS Imaging System (Tower)	N	O/O	2	$150,000.00	$300,000.00
1	X-Ray Unit, Mobile, Digital	GE Healthcare - Imaging Systems		N	O/V	2	$290,000.00	$290,000.00
3	Telemetry, Wireless, 13-16 Patient Channels	MindRay - Datascope	TBD	N	O/V	2	$92,000.00	$276,000.00

ATTACHMENT 7

EQUIPMENT BUDGET

5	Anesthesia Machine, General	GE Healthcare - Datex-Ohmeda	Aestiva/5 7900 3 Vaporizer	N	O/V	2	$52,544.69	$262,723.45
20	Light, Exam/Procedure, Dual, Ceiling, Recessed	Skytron	Argos II	N	O/V	1	$12,950.00	$259,000.00
15	Defibrillator, Monitor, Automatic	Philips Healthcare - Cardiology	HeartStart MRx (SpO2, NBP, EtCO2, IBP & Temp)	N	O/O	2	$16,824.00	$252,360.00
1	Allowance, Waste Disposal System	Dornoch	All	N	O/V	2	$250,000.00	$250,000.00
2	Video System, Endoscopic	Olympus America Inc - Endoscope Div.		N	O/V	2	$120,000.00	$240,000.00
7	Boom, Equipment, Single Arm	STERIS Corporation	Harmony EMS Supply	N	O/V	1	$32,000.00	$224,000.00
12	MONITOR, PHYSIOLOGIC (ICU)	Mindray North America	SPECTRUM	N	O/V	3	$18,133.85	$217,606.20
4	Sterilizer, Steam, Cabinet	STERIS Corporation	Century Prevac 16x16x26 [FS12]	N	O/C	1	$54,398.00	$217,592.00
9	Electrosurgical Unit, Bipolar	Covidien - Valleylab Div	ForceTriad Energy Platform (w/Cart)	N	O/O	2	$24,000.00	$216,000.00
7	Allowance, Surgical, Integration System	STERIS Corporation	TBD	N	O/V	2	$30,000.00	$210,000.00
5	Table, Surgical, Major	STERIS Corporation	Amsco 3085 SP Electric	N	O/O	2	$40,415.00	$202,075.00
63	Pump, Infusion, Controller, Modular	CareFusion - Alaris	Alaris PC Unit (8015)	N	O/O	3	$3,178.00	$200,214.00
10	Allowance, GI Endoscope	Olympus America Inc - Endoscope Div.	TBD	N	O/O	2	$20,000.00	$200,000.00
134	Pump, Infusion, Single	CareFusion - Alaris	Alaris Pump Module (8100)	N	O/O	2	$1,421.00	$190,414.00
1	X-Ray Unit, C-Arm, Mobile	GE Healthcare Surgery OEC	OEC 9900 Elite ESP	N	O/V	2	$179,600.00	$179,600.00
1	Ultrasound, Imaging, Multipurpose	GE Healthcare - Imaging Systems		N	O/V	2	$175,000.00	$175,000.00
3	Sterilizer, Hydrogen Peroxide	Johnson & Johnson - Advanced Sterilization Products	STERRAD NX System	N	O/O	2	$57,503.00	$172,509.00
2	Washer / Disinfector, Steam	STERIS Corporation	Reliance Synergy 480V Non-Vented	N	O/V	1	$80,334.00	$160,668.00
7	Light, Surgical, Dual, W/Flat Panel Monitor Arm	STERIS Corporation	Harmony LA Dual 500 lights	N	O/V	1	$22,792.92	$159,550.44
2	Sterilizer, Steam, Recessed	STERIS Corporation	Century Prevac 26x37x48 1dr (LH hinge) 480V	N	O/V	1	$79,621.08	$159,242.16
35	Stretcher, Transport	Stryker Medical	M-Series w/5th Wheel SM104 (30" Litter)	N	O/V	3	$4,500.00	$157,500.00

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ATTACHMENT 7

EQUIPMENT BUDGET

1	Microscope, Operating, General	Carl Zeiss Surgical Products Division		N	O/O	2	$150,000.00	$150,000.00
30	Cart, Case, Medium (40-49in wide)	LogiQuip LLC	CC244839 Closed	N	O/O	3	$5,000.00	$150,000.00
7	Allowance, surgical scope	Olympus America Inc - Endoscope Div.	TBD	N	O/O	3	$20,000.00	$140,000.00
7	MONITOR, ANESTHETIC GAS & PHYSIOLOGIC	Mindray North America	SPECTRUM W/	N	O/V	2	$19,999.00	$139,993.00
100	Mattress, Pressure Reduction	Stryker Medical	Impression w/Gore Cover	N	O/O	2	$1,350.00	$135,000.00
12	BED, ELECTRIC, CRITICAL CARE W/SCALE	Stryker Medical	Epic II	N	O/V	2	$10,991.00	$131,892.00
1	Computer Workstation, Cardiac Cath-Lab, Electrophysiology (EP)	GE Healthcare - Cardiology	CardioLab IT	N	O/V	2	$130,000.00	$130,000.00
336	Regulator, Suction, Intermittent/Continuous	Amvex Corporation		N	O/O	3	$386.73	$129,941.28
1	Allowance, Installation, Monitors, Telemetry	Mindray North America	TBD	N	O/V	2	$126,000.00	$126,000.00
1	Computed Radiography, Plate Reader, Single	Carestream Health	DirectView Elite CR (Basic Bundle)	N	O/V	2	$125,000.00	$125,000.00
14	Monitor, Video, 21 - 24 Inch, Medical Grade	STERIS Corporation	RLM21HD 21.3" HD Surgical Grade	N	O/V	2	$8,000.00	$112,000.00
2	Anesthesia Machine, General	GE Healthcare - Datex-Ohmeda	Aestiva/5 7900 3 Vaporizer	N	O/O	2	$55,000.00	$110,000.00
1	Ultrasound, Diagnostic, OB/GYN, Mobile	GE Healthcare - Imaging Systems	TBD	N	O/V	2	$108,785.00	$108,785.00
2	Pump, Balloon, Intra-Aortic	MAQUET Cardiovascular	Datascope CS100 w/ IntelliSync (full function)	N	O/V	2	$50,000.00	$100,000.00
1	Ultrasound, Imaging, OB/GYN	GE Healthcare - Imaging Systems		N	O/V	2	$100,000.00	$100,000.00
1	Laser, Ophthalmic, Diode	Lumenis Inc.		N	O/O	2	$100,000.00	$100,000.00
2	Allowance, Surgical Instruments	Specialty Surgical Instrumentation	Budget	N	O/O	2	$50,000.00	$100,000.00
19	Stretcher, Procedure / Recovery	Stryker Medical	M-Series w/5th Wheel (CHS Standard ED Stretcher)	N	O/V	2	$4,875.00	$92,625.00
13	Cabinet, Warming, Dual, Freestanding	STERIS Corporation	AMSCO 18" Solid Doors	N	O/C	2	$7,073.40	$91,954.20
4	Light, Surgical, Single, Ceiling	STERIS Corporation	Harmony LA w/500 Pkg [LA12]	N	O/V	1	$21,136.00	$84,544.00
1	Densitometer, Bone, Whole Body	GE Healthcare - Imaging Systems		N	O/V	2	$80,000.00	$80,000.00

ATTACHMENT 7

EQUIPMENT BUDGET

1	Allowance, Casework, Laboratory, Modular	TBD	TBD	N	O/V	1	$80,000.00	$80,000.00
26	Monitor, Physiologic, CO2, End Tidal	CareFusion - Alaris	Alaris EtCO2 Module (8300)	N	O/O	2	$2,807.00	$72,982.00
26	Pump, Infusion, PCA	CareFusion - Alaris	Alaris PCA Pump Module (8120)	N	O/O	2	$2,728.00	$70,928.00
4	Defibrillator, Monitor, w/Pacing	Physio-Control Inc.	LIFEPAK 15 (w/SpO2, NIBP)	N	O/O	2	$17,595.00	$70,380.00
7	Allowance, Accessories, Surgical Table	TBD	TBD	N	O/O	2	$10,000.00	$70,000.00
21	Monitor, Physiologic, Blood Pressure, Non-Invasive	Mindray North America	Accutorr Plus (w/Stand, Temp)	N	O/O	2	$3,325.00	$69,825.00
1	Allowance, Casework, Pharmacy, Modular	TBD	TBD	N	O/V	1	$65,000.00	$65,000.00
1	Allowance, Shelving, Medical Records, Movable (High Density)	Storage Systems Unilimited	TBD	N	O/V	1	$65,000.00	$65,000.00
12	Sink, Scrub, 2-Bay, Stainless Steel	STERIS Corporation	Flexmatic w/o Timer [CE12]	N	O/V	1	$5,250.00	$63,000.00
2	Injector, Contrast Media, Mobile	Medrad Inc	Mark V ProVis Pedestal (150 ml)	N	O/V	2	$31,000.00	$62,000.00
159	TABLE, OVERBED	Stryker Medical	Tru-Fit Single Top w/o Vanity	N	O/V	3	$373.75	$59,426.25
2	Table, Surgical, Major	STERIS Corporation	Amsco 3085 SP Electric	N	O/O	2	$29,000.00	$58,000.00
1	Sterilizer, Hydrogen Peroxide	Johnson & Johnson - Advanced Sterilization Products	STERRAD NX System	N	O/V	2	$56,375.00	$56,375.00
4	Electrocardiograph (ECG), Interpretive	GE Healthcare - Cardiology	MAC 5500 w/Cart	N	O/V	2	$14,033.50	$56,134.00
1	PACS, Cardiac Archive System	Epiphany	TBD	N	O/V	2	$55,000.00	$55,000.00
12	Oximeter, Pulse	Covidien - Nellcor Division	OxiMax N-600x w/Max Pak Sensor	N	O/O	2	$4,500.00	$54,000.00
1	Imager, Laser, X-Ray Film, Dry	Carestream Health		N	O/V	2	$51,000.00	$51,000.00
12	Mattress, Pressure Reduction	Stryker Medical	PositionPRO w/ Dartex Cover	N	O/O	3	$4,250.00	$51,000.00
1	Monitor, Central Station, Fetal	GE Healthcare - Monitoring Systems	QS Perinatal System	N	O/V	2	$50,500.00	$50,500.00
1	Installation, Waste Management System	Dornoch	TBD	N	O/O	2	$50,000.00	$50,000.00
1	MONITOR, CENTRAL STATION, 8 BED	Mindray North America	Panorama	N	O/V	3	$47,500.00	$47,500.00

ATTACHMENT 7

EQUIPMENT BUDGET

100	Cabinet, Patient Room, Bedside	Stryker Medical	Legend MedSurg - 3 Drawer	N	O/O	3	$461.00	$46,100.00
26	Oximeter, Pulse	CareFusion - Alaris	Alaris SPO2 Module w/Nellcor OxiMax (8210)	N	O/O	2	$1,748.00	$45,448.00
6	Lift, Patient, Bariatric	ArjoHuntleigh	Tenor	N	O/O	2	$7,458.00	$44,748.00
1	MONITOR, CENTRAL STATION, 8 BED	Mindray North America	Panorama - See Vendor Drawings	N	O/V	2	$44,418.00	$44,418.00
1	Installation New OF/OI	TBD	TDB	N	O/V	3	$40,000.00	$40,000.00
1	Relocation, Existing OF/OI	TBD	TBD	N	O/V	3	$40,000.00	$40,000.00
10	Stretcher, Transport	Stryker Medical	Transport 738 (30" Litter) ST104	N	O/V	3	$3,900.00	$39,000.00
11	Ice Machine, Dispenser, Nugget, Countertop	Follett Corporation	25CI400A	N	O/C	1	$3,537.40	$38,911.40
2	Monitor, Physiologic, Critical Care	Mindray North America	Spectrum	N	O/V	2	$18,900.00	$37,800.00
2	Hood, Isolation Chamber, Mobile	Germfree Laboratories, Inc	LFGI-4USP Vented	N	O/V	2	$18,000.00	$36,000.00
4	MONITOR, PHYSIOLOGIC W/STAND	Mindray North America	PASSPORT 2, PASSPORT 2LT MOBILE OPTION	N	O/V	3	$9,000.00	$36,000.00
5	MONITOR, PHYSIOLOGIC	Mindray North America	PASSPORT 2, PASSPORT 2LT MT OPTION	N	O/V	3	$7,087.00	$35,435.00
20	Cart, Case, LDRP	Hill-Rom - Room & Furniture	Contemporary Perinatal Case Cart	N	O/O	3	$1,724.00	$34,480.00
10	Dispenser, Medication, Lock Module	CareFusion - Pyxis	Remote Manager	N	O/V	2	$3,400.00	$34,000.00
14	Bins, storage, Wall Mount, Point of Issue System	Storage Systems Unlimited, Inc.	4 louver panel config	N	O/V	1	$2,400.00	$33,600.00
1	Injector, Contrast Media, Mobile	Medrad Inc	Stellant DX w/ Mobile Pedestal	N	O/V	2	$31,000.00	$31,000.00
100	ALLOWANCE FOR HEADWALL ACCESSORIES	TBD - To Be Determined	TO BE DETERMINED	N	O/O	3	$300.00	$30,000.00
4	Refrigerator, Laboratory, 2 door	Fisher Scientific Company	Isotemp 45 cu. ft. (13-986-245G)	N	O/C	2	$7,453.00	$29,812.00
2	Electrosurgical Unit, Argon Beam	ERBE Incorporated	VIO System 300D/APC2 w/VIO Cart	N	O/O	2	$14,350.00	$28,700.00
2	Warmer, Infant, Freestanding	GE Healthcare - Maternal/Infant Care	Panda IWS 3400 (Elevating Base)	N	O/O	2	$14,210.00	$28,420.00
73	Stand, I.V., S/S, 4 Hook, 5 Leg	Kerma Medical	4956P15764	N	O/O	3	$379.80	$27,725.40

5c

ATTACHMENT 7

EQUIPMENT BUDGET

2	Generator, Steam 100KW	STERIS Corporation	Century	N	O/V	2	$12,683.00	$25,366.00
1	Analyzer, Lab, Blood Gas / pH / Electrolyte / Metabolite / Oximetry	Siemens Healthcare Diagnostics	RapidLab 1245	N	O/O	2	$25,000.00	$25,000.00
1	Washer, Pasteurization	Natus Medical - Olympic	Pasteurmatic 3000	N	O/C	1	$25,000.00	$25,000.00
5	Installation, Video Equipment	TBD	TBD	N	O/V	2	$5,000.00	$25,000.00
5	Installation, Video Integration	STERIS Corporation	Video Integration	N	O/V	2	$5,000.00	$25,000.00
2	Laryngoscope, Difficult Airway w/ Pole	Karl Storz Endoscopy - America, Inc.	C-MAC Video Laryngoscope	N	O/O	3	$12,124.40	$24,248.80
2	Electrocardiograph (ECG), Interpretive	GE Healthcare - Cardiology	MAC 5500 w/Cart	N	O/V	2	$12,000.00	$24,000.00
3	Analyzer, Lab, Blood Gas, Point-of-Care	Abbott Point of Care Inc	I-STAT 1	N	O/O	3	$8,000.00	$24,000.00
1	Stress Test System, w/ Treadmill	GE Healthcare - Cardiology	CASE + T2000	N	O/V	2	$22,500.00	$22,500.00
1	Microtome, Cryostat	Thermo Fisher Scientific - Anatomical Pathology	Microm HM 525	N	O/O	2	$21,524.00	$21,524.00
24	WHEELCHAIR, ADULT, 24" SEAT	Kerma Medical	INVACARE TRACER IV T424/19/T94AA/HD/450	N	O/O	2	$871.73	$20,921.52
41	ALLOWANCE FOR HEADWALL ACCESSORIES	TBD - To Be Determined	TO BE DETERMINED	N	O/O	3	$500.00	$20,500.00
6	Bilirubinometer, Handheld	Philips Children's Medical Ventures	BiliChek System	N	O/O	2	$3,334.50	$20,007.00
1	Shelving, Allowance, X-ray Film, Stationary	TBD	TBD	N	O/V	3	$20,000.00	$20,000.00
2	Shelving, Allowance	InterMetro Industries Corporation	TBD	N	O/V	3	$10,000.00	$20,000.00
1	Allowance, Kitchen Smallwares 86-135 Beds	TBD	TBD	N	O/O	2	$20,000.00	$20,000.00
	Other, < $20,000						$12,094,891.00	$12,094,891.00
	TOTAL							**$32,519,074.10**

ATTACHMENT 7

Cost Space Requirements

				Amount of Proposed Total Square Feet			
		Gross Square Feet			That is:		
Dept./Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Non-Reviewable							
Administration	$ 841,601	0	2,035	2,035	0	0	0
Info. Systems	$ 2,898,538	0	3,464	3,464	0	0	0
Human Resources	$ 577,682	0	1,307	1,307	0	0	0
Business Office	$ 879,637	0	1,188	1,188	0	0	0
Pastoral Care	$ 471,840	0	921	921	0	0	0
Admitting/Reg.	$ 1,177,876	0	2,323	2,323	0	0	0
Accounting	$ 475,968	0	634	634	0	0	0
Case Mgt.	$ 263,172	0	528	528	0	0	0
Education	$ 975,726	0	1,426	1,426	0	0	0
Employee Health	$ 204,227	0	382	382	0	0	0
Marketing	$ 186,586	0	264	264	0	0	0
Medical Records	$ 1,488,343	0	2,448	2,448	0	0	0
Nursing Admin.	$ 227,643	0	440	440	0	0	0
Medical Staff	$ 594,172	0	1,224	1,224	0	0	0
QA/Risk Mgt.	$ 162,332	0	303	303	0	0	0
Materials Mgt.	$ 1,682,010	0	2,680	2,680	0	0	0
Maintenance	$ 842,279	0	1,467	1,467	0	0	0
Housekeeping	$ 466,251	0	1,031	1,031	0	0	0
Dietary/Food Serv	$ 4,136,969	0	5,293	5,293	0	0	0
Gift Shop/Vols	$ 582,274	0	823	823	0	0	0
Public/Gen'l Circ	$ 8,455,038	0	13,811	13,811	0	0	0
Connector	$ 302,801	0	750	750			
Mechanical	$ 10,561,379	0	23,930	23,930	0	0	0
Exterior Walls	$ 2,396,167	0	5,935	5,935	0	0	0
Non-Rev. Total	$ 40,850,511	0	74,607	74,607	0	0	0
PROJECT TOTAL	$ 131,062,444	0	204,519	197,719	750	6,050	0

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ATTACHMENT 9

Cost Space Requirements

				Amount of Proposed Total Square Feet			
		Gross Square Feet			That is:		
Dept./Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Reviewable							
Med/Surg/Peds	$ 28,143,648	0	48,530	48,530			0
LDRP	$ 10,110,632	0	15,654	15,654			0
C-Section Suite	$ 1,806,612	0	3,194	3,194			0
Nursery	$ 2,140,385	0	3,163	3,163			0
ICU	$ 4,828,243	0	7,277	7,277			0
Diag. Imaging	$ 9,751,920	0	8,723	8,723			0
Cardiology	$ 6,090,831	0	4,664	4,664			0
Surgery Suite*	$ 10,142,331	0	11,737	11,737			0
Prep/Recov/PACU	$ 2,624,717	0	3,584	3,584			0
Lab	$ 1,975,747	0	3,274	3,274			0
Emergency	$ 7,007,574	0	11,435	4,635	750	6,050	0
Pharmacy	$ 1,030,581	0	1,716	1,716			0
PT/Wound Care	$ 1,946,637	0	3,521	3,521			0
Resp. Therapy	$ 967,008	0	1,196	1,196			0
Central Supply	$ 1,645,068	0	2,244	2,244			0
		0	129,912	123,112	750	6,050	0
Reviewable Tot	$ 90,211,933	0	129,912	123,112	750	6,050	0
*includes endoscopy							

BACKGROUND

The table below identifies the CHS Hospital Affiliates' licensed health care facilities in Illinois.

Community Health Systems Illinois Hospitals

Facility Name	Location	IDPH License Number
Crossroads Community Hospital	Mt. Vernon	0003947
Galesburg Cottage Hospital	Galesburg	0005330
Gateway Regional Medical Center	Granite City	0005223
Heartland Regional Medical Center	Marion	0005298
Red Bud Regional Hospital	Red Bud	0005199
Union County Hospital	Anna	0005421
Vista Medical Center-East	Waukegan	0005397
Vista Medical Center-West	Waukegan	0005405
MetroSouth Medical Center	Blue Island	0005546

All of the above hospitals hold Joint Commission accreditation.

CHS

September 12, 2012

Ms. Courtney Avery
Executive Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson
Springfield, Illinois 62761

Re: Community Health Systems, Inc.

Dear Ms. Avery:

Please be advised that no adverse actions have been taken by IDPH or CMS against provider entities related to Community Health Systems, Inc. in Illinois, as referenced in the attached.

Further, the Illinois Health Facilities and Services Review Board, IDPH and their respective staffs are hereby granted authorization to access any records or documents necessary to verify the information submitted.

Sincerely,

Martin G. Schweinhart
Senior Vice President, Operations

Attachment

Subscribed and sworn to before me this
13th day of September, 2012

Notary Public

MARY ANN ECKMAN
STATE OF TENNESSEE NOTARY PUBLIC
WILLIAMSON COUNTY, TN
My Comm. Expires September 27, 2015

COMMUNITY
HEALTH
SYSTEMS

4000 Meridian Boulevard
Franklin, TN 37067
Tel: (615) 465-7000

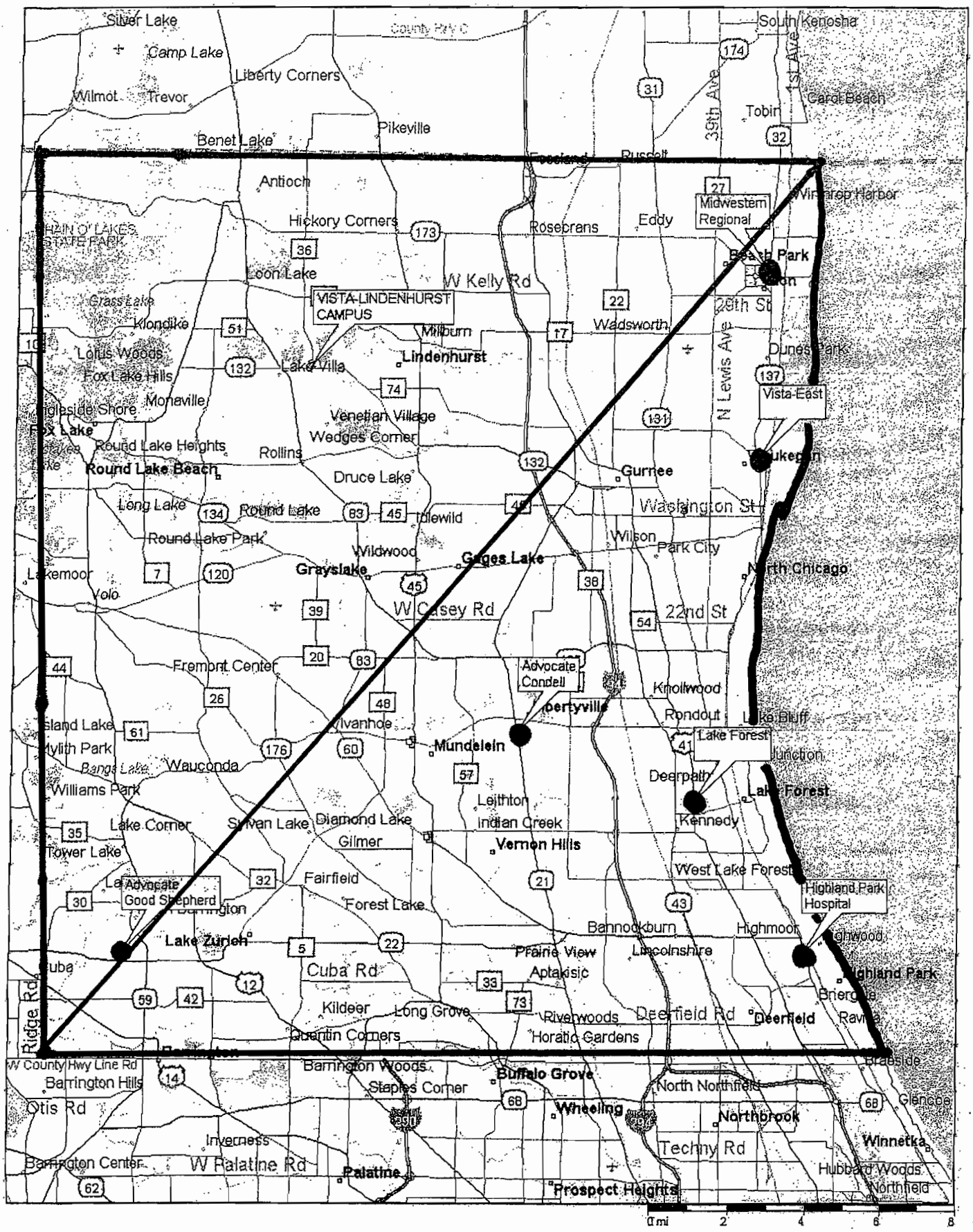
P.O. Box 689020
Franklin, TN 37068-9020

"Community Health Systems" is a registered trade name of Community Health Systems Professional Services Corporation.

PURPOSE OF THE PROJECT

The applicants are proposing to establish a 132-bed hospital in Lindenhurst, Illinois, and the primary purpose of the project is to improve the accessibility to hospital services for the residents of the identified service area, which consists primarily of north central and northwestern Lake County. The improved accessibility will result in an improved well-being for service area residents.

As discussed in other parts of this application, many residents of the anticipated service area are required to travel in excess of 30 minutes to the nearest hospital, due to a maldistribution of hospitals within Lake County, and as depicted by the following map, which demonstrates that every hospital located in Lake County is located in the southeastern half of the county. The closest non-specialty Planning Area hospital (providing medical/surgical services) to the proposed Vista Medical Center-Lindenhurst site is Vista Medical Center-East, located 30 minutes away (MapQuest, adjusted), on the east side of Waukegan; with individuals living to the north of the proposed site having to travel even further to the proposed site.



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ATTACHMENT 12

While the map on the previous page identifies the maldistribution of hospitals in Lake County, the table that follows documents how that maldistribution impacts those patients requiring the greatest access to hospital services—those transported to hospitals by EMS ambulances.

Specifically, an analysis was done of EMS patient transport times during two two-month periods in 2010 and 2011, using MapQuest (adjusted by the IHFSRB standard). Both the Antioch and Lake Villa EMS districts were used, and both of those districts are fully included in the anticipated primary service area of Vista-Lindenhurst. The study not only confirmed extraordinarily long transport times (30-43 minutes to Illinois hospitals), but that transport times of the Antioch EMS program to a hospital could be expected to be reduced by 15.7 to 30.2 minutes per patient, if Vista-Lindenhurst Medical Center is developed. Similarly, the transport time of the Lake Villa EMS service could be reduced by an average of nine minutes (if transported to Wisconsin), or by 24.6-29.2 minutes to an Illinois hospital, with the establishment of Vista Medical Center-Lindenhurst. It should be noted that during the 2011 sample period, nearly one in five patients transported to a hospital by the Antioch EMS system were taken to Aurora Memorial Medical Center of Burlington (WI).

Among the data presented in the table that follows are the following:

- The Antioch EMS service transports between 1,050 and 1,146 patients to hospitals, annually, based on the two-month samples.
- Approximately 30% of the Antioch EMS hospital transports during the four-month sample period were taken to Advocate Condell Medical Center, and

approximately 14% were taken to Centegra-McHenry Hospital/ Northern Illinois Medical Center (NIMC).

- The average Antioch EMS transport time to Condell in 2011 was 43 minutes and the average transport time to NIMC was 31 minutes.
- Patients taken by the Antioch EMS district to Condell during the 2011 sample period could have been transported to the Vista-Lindenhurst in 13 minutes, saving half an hour in transport time per patient.
- Patients taken by the Antioch EMS district to NIMC during the 2011 sample period could be transported to the Vista-Lindenhurst in, on average, 15-16 minutes, half the time required to transport a patient to NIMC.
- The Lake Villa EMS service transports nearly 1,400 patients to hospitals, annually, based on the two-month samples.
- Approximately 62% of the Lake Villa EMS transports to hospitals were taken to Advocate Condell Medical Center during the 2011 sample period.
- The average Lake Villa EMS transport time to Condell during the 2011 sample period was in excess of 30 minutes.
- Patients from the Lake Villa EMS district taken to Condell could have been transported to the Vista-Lindenhurst in approximately 6 minutes, saving a 24 minutes per patient in transport time.
- Patients transported from the Lake Villa EMS to Vista-Lindenhurst would have their transport times reduced by 80% with the establishment of Vista-Lindenhurst.

COMPARISON OF EMS TRANSPORT TIMES

	Aug-Sept 2010	Aug-Sept 2011
ANTIOCH EMS DISTRICT:		
Total EMS Transports	191	175
Patient Transports to Condell	65	43
Ave. Transpt. Time to Condell (minutes)*	42.4	43.3
Ave. Transpt. Time to Vista-Lindenhurst campus (minutes)*	16.7	13.1
Ave. Transport Time Saved (minutes)	25.7	30.2
Patient Transports to NIMC	30	21
Ave. Transpt. Time to NIMC (minutes)*	33.9	30.9
Ave. Transpt. Time to Vista-Lindenhurst campus (minutes)*	15.3	15.2
Ave. Transport Time Saved (minutes)	18.6	15.7
LAKE VILLA EMS DISTRICT:		
Total EMS Transports	224	238
Patient Transports to Condell	165	147
Ave. Transpt. Time to Condell (minutes)*	34.9	30.3
Ave. Transpt. Time to Vista-Lindenhurst campus (minutes)*	5.7	5.7
Ave. Transport Time Saved (minutes)	29.2	24.6

*MapQuest, adjusted per IHFSRB standard

The anticipated Primary Service Area (PSA) consists of the following ZIP Code areas: 60046/Lindenhurst, 60073/Round Lake, 6083/Wadsworth, 60002/Antioch,

60030/Grayslake, and 60031/Gurnee. The anticipated Secondary Service Area (SSA) consists of the following ZIP Code Areas: 60020/Fox Lake, 60041/Ingleside, 60071/Richmond, 60072/Ringwood, 60081/Spring Grove, 53104/Bristol, Wisconsin, 53179/Trevor, Wisconsin, 53128/Genoa City, Wisconsin, and 53181/Twin lakes, Wisconsin.

The goal of the proposed project is to provide a hospital in northern Lake County that allows access to 90%+ of its patients within a fifteen minute drive of their home, and the success in reaching that goal will be determinable shortly after the opening of the hospital, through a patient origin analysis.

ALTERNATIVES

The goal of the proposed project is to improve the accessibility to hospital services for the residents of north central and northwestern Lake County. As a result, the scope of alternatives available to the applicants are relatively limited, if the goal is to be met. (The alternative of "doing nothing" would not address the goal.)

The first alternative considered was the replacement of the concept of developing a "satellite" hospital, with the decision to establish an absolutely "freestanding" hospital. This alternative would not have any impact on either the quality of services provided or accessibility to those services. The alternative of establishing a "freestanding" hospital was dismissed because of the unnecessary duplication of non-patient care functions such as accounting, purchasing, and numerous other administrative services, both in terms of the one-time costs associated with the including of the space and equipment needed to provide those functions in the project, as well as the ongoing personnel-related costs. The one-time capital costs associated with this alternative would increase the project cost by $5-6M, and the on-going costs, primarily duplicated non-patient care personnel, would add approximately $2M, annually, in on-going operating costs.

The second alternative considered involved the programmatic expansion of the proposed hospital to include secondary services, such as, but not limited to any

combination of the following services: a Level III nursery, open heart surgery, comprehensive physical rehabilitation beds, or acute mental illness beds. Because of the availability of these services in Lake County, the relatively low anticipated utilization, and the cost (both capital and operating) associated with these services; and because the applicant's focus for the project has always been on basic hospital services, this alternative has been dismissed. While the adoption of this alternative would improve access to the secondary services included in the project, access to basic hospital services would not be improved, nor would the quality of services be improved. Because the costs of increasing the scope of services to be provided is so dependent on the number and type of services considered for inclusion in the project, the incremental costs associated with this alternative could cover a very broad range, and therefore were not estimated.

The last alternative considered involved the increasing of the physical size of the hospital, without increasing services or the number of beds provided. The proposed project addressed in this application is both modest and efficient in design, with Medical/Surgical units consisting of all private rooms planned at 485 square feet per bed, compared to many other projects approaching or exceeding 650 square feet per bed, and public areas (lobbies, waiting rooms, general circulation) planned at only 105 square feet per bed. With the project cost for hospitals often exceeding $500-600 per square foot, the inclusion of functionally unnecessary space that does not improve the quality of services being provided, was viewed by the applicants as an unjustified expenditure, that had no impact on either accessibility or the quality of services to be provided.

SIZE OF THE PROJECT

The amount of physical space proposed is necessary and not excessive, and as identified in the table below is consistent with the State norms in every area for which the IDPH has norms. In addition, and because Vista Medical Center-Lindenhurst is intended to operate as a satellite to Vista Medical Center-East, many of the administrative and support areas are smaller than those typically found in a 132-bed hospital. Last, care was taken when designing the public areas, with the focus being on function, rather than unnecessary building features for aesthetic purposes.

DEPARTMENT/SERVICE	PROPOSED DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Medical/Surgical (100)	48,530	66,000	17,470	yes
ICU (12)	7,277	8,220	943	yes
LDRP (20)	15,654	32,000	16,346	yes
Surgery*	11,737	15,950	4,213	yes
Prep/Recov/PACU**	3,584	7,980	4,396	yes
Nursery	3,163	3,200	37	yes
Diagnostic Imaging***	8,723	10,900	2,177	yes
Emergency Dept. (17)	11,435	15,300	3,865	yes

* 5 Class C rooms and 2 Class B/endoscopy rooms
**11 Phase I and 15 Phase II stations
**3 R/F rooms, 1 ultrasound room, 1 CT room, 1 interventional room, 1 dexascan, and 1 nuclear medicine room

ATTACHMENT 14

PROJECT SERVICES UTILIZATION

Utilization of each clinical service for which the IDPH has established standards, as identified in Appendix B to Section 1110, will be met consistent with the practice of the IHFSRB. The table below identifies the projected utilization of each of those services.

Dept./ Service	Historical Utilization (Patient Days) (TREATMENTS) ETC.	PROJECTED UTILIZATION		STATE STANDARD	MET STANDARD?
		YEAR 1	YEAR 2		
Medical/Surgical	n/a	60%	85%	85%	yes
ICU	n/a	55%	60%	60%	yes
LDRP & Obstetrics	n/a	73%	75%	75%	yes
Emergency Dept.	n/a	28,500	35,800	2000/station	yes
Cardiac Cath.	n/a	498	695	200/year	yes
Surgery	n/a	4,200	6,111	1,500 hrs/OR	yes
General R & F	n/a	37,815	52,841	8,000/unit	yes
Interventional Rad.	n/a	626	875	2,000/unit	yes*
Nuclear Medicine	n/a	1,487	1,739	2,000/unit	yes*
CT	n/a	9,251	12,927	7,000/unit	yes
Ultrasound	n/a	4,435	6,197	3,100/unit	yes
Nuclear Medicine	n/a	2,679	3,743	2,000/unit	yes

*one unit

Vista Medical Center-Lindenhurst is being designed to provide needed services in the most efficient manner possible, and as a result, only the minimum numbers of

Medical/Surgical (100) and obstetrics (20) beds identified in Section 1110.530.f for hospitals located in Metropolitan Statistical Areas are included in the project.

As noted in Section I.2 of the application, central to the proposed project is a voluntary geographic re-distribution of Medical/Surgical/Pediatrics beds, moving beds from Vista-East in Waukegan to Vista-Lindenhurst, which will result in not only a more equitable geographic distribution of beds within the IDPH-designated planning area, but will improve accessibility and result in a net reduction of Medical/Surgical/Pediatrics beds in the planning area. The redistribution will not reduce accessibility for those area residents that have historically and will continue to use Vista-East.

Twelve ICU beds are being included in the project as a result of the relationship between Medical/Surgical and ICU days of care provided at Vista Medical Center-East. In 2011, ICU patient days at VMC-E equaled 17% of the Medical/Surgical days of care provided. Because Vista-Lindenhurst will operate as a satellite hospital, without the scope of secondary and tertiary services provided through Vista-East, ICU patient days at Vista-Lindenhurst are projected to be provided at a rate of only 8-10% of Medical/Surgical patient days (31,025 at 85% utilization), supporting a "need" for 12-15 ICU beds, based on the IDPH's 60% target occupancy rate. Twelve beds are being provided, consistent with the applicants' conservative approach to the project.

Vista Medical Center-Lindenhurst is being proposed to improve the accessibility to hospital services for the residents of northwestern half of Lake County. The

reasonableness and basis for doing so comes directly from the Illinois Health Care Facilities Plan, the relevant section of which is below (underlining added):

Joint Committee on Administrative Rules

ADMINISTRATIVE CODE

TITLE 77: PUBLIC HEALTH
CHAPTER II: HEALTH FACILITIES AND SERVICES REVIEW BOARD
SUBCHAPTER a: ILLINOIS HEALTH CARE FACILITIES PLAN
PART 1100 NARRATIVE AND PLANNING POLICIES
SECTION 1100.400 LOCATION

Section 1100.400 Location

Health care services should be appropriately located to best meet the needs of the population. Illinois residents needing services should not be forced to travel excessive distances. Where feasible, underutilized services should be consolidated to promote efficiency of operation and quality when such consolidation does not create access problems.

Utilization of the services to be provided through Vista-Lindenhurst, and particularly the inpatient services, will be a function of numerous factors, each of which are discussed in other portions of this application, and outlined below:

- excessive travel times, including via EMS transport, to existing hospitals,
- projected population growth within the anticipated service area,
- rapid growth in the 65+ age group service area population, which uses hospital services at a rate 12.4 times higher than that of the county, as a whole,

- dramatic increases in the use of Illinois emergency departments since the opening of Vista's freestanding emergency center in Lindenhurst,
- 2,300 visits to Vista's Lindenhurst freestanding emergency center (FEC) during its initial three months of operation,
- the FEC's high market share of emergency department visits from the surrounding communities,
- a significant reduction in out-migration to Wisconsin hospitals by service area residents, and
- well documented travel difficulties in northwestern Lake County due to inadequate highways, railway crossings and lakes.

Please refer to ATTACHMENT 37 for a discussion of the projected utilization of the hospital's ancillary services having IHFSRB-developed utilization targets.

PLANNING AREA NEED
(formula calculation)

Vista Medical Center-Lindenhurst will provide 100 medical/surgical, 20 obstetrics and 12 ICU beds. The July 25, 2012 update to the IDPH's *Inventory* identifies an "excess" of 86 medical/surgical/pediatrics beds and 127 obstetrics beds, and a shortage or need for 47 additional ICU beds in Planning Area A-09, Lake County.

The applicants, as discussed elsewhere in this application, will "discontinue" 108 medical/surgical/pediatrics beds at Vista Medical Center-East, which is also located in Planning Area A-09, upon the opening of Vista-Lindenhurst, resulting in a net reduction of eight medical/surgical/pediatrics beds in the planning area. As noted in ATTACHMENT 20b3, Vista Medical Center-East is the closest Planning Area A-09 hospital to the proposed site.

Also of note is the fact that 73 of the planning area's medical/surgical beds are located at Midwestern Regional Medical Center in Zion, a specialty provider, rendering those beds not accessible to the vast majority of medical/surgical patients. Midwestern Regional Medical Center is operated by Cancer Treatment Centers of America, and markets its services nation-wide. As a result, while the hospital's beds and utilization are incorporated into the IDPH's Planning Area A-09 bed need determinations, its beds are programmatically accessible only to a small segment (oncology patients) of the Lake

County population, and a high percentage of its patients come from outside of the planning area and outside of Illinois. This specialty hospital (see Application 12-042) has identified 79.1% of its admissions as coming from outside of Illinois. Last, because this specialty hospital operates with a low occupancy rate, its beds further distort accessibility to services and medical/surgical bed need in Lake County.

With the net medical/surgical/pediatrics bed reduction resulting from Vista-East's discontinuation of 108 beds and the minimal accessibility to Midwestern Regional for the general population, the excess of medical/surgical/pediatrics beds in all of Lake County that are accessible to the general population—though not necessarily reasonably accessible to the residents of north central and northwestern Lake County—will be only 5 (86+100-108-73).

The applicants believe that the location of the hospitals in Lake County result in a maldistribution of beds. Specifically, because of the location of the existing hospitals, the residents of the northern and northwestern portions of Lake County, due both to proximity and driving difficulties caused by an inadequate highway systems and the many lakes in the county, do not have reasonable access to hospital services. The proposed location of Vista-Lindenhurst will provide the access that it needed by residents of those parts of the county, in major part through a re-distribution of existing beds.

SERVICE TO PLANNING AREA RESIDENTS

The IDPH-designated planning area for Medical/Surgical, obstetrics and ICU services is Planning Area A-09/Lake County. With the proposed site of Vista Medical Center-Lindenhurst in the north central part of Lake County, with 100% of the anticipated Primary Service Area (PSA) being located in the surrounding Lake County communities, and with approximately 57% of the Secondary Service Area's (SSA's) population residing in Lake County, it is anticipated that nearly 90% of the anticipated service area's population will be Lake County residents. In addition, the proposed services to be provided are "necessary" as a result of the lack of reasonable accessibility to Medical/Surgical, obstetrics and ICU services by area residents.

The following table identifies each Illinois ZIP code area, located in total or in part within 30 minutes of the proposed sites.

ZIP Code	Population
60002	23,200
60020	8,804
60030	41,386
60031	38,297
60041	12,276
60042	8,266
60044	9,604
60046	35,170
60048	32,157
60050	31,348
60060	40,161
60064	18,770
60071	3,680
60072	2,283
60073	52,863
60081	8,953
60083	10,316
60084	17,986
60085	81,339
60087	28,655
60088	16,548
60099	34,009
	556,071

Sources: MapQuest
Geolytics, Inc.

As noted in ATTACHMENT 20b3, Vista Medical Center-East in Waukegan is the only hospital located within 30 minutes (MapQuest, adjusted per IHFSRB guideline)

of the proposed Vista Medical Center-Lindenhurst site. The IDPH-designated categories of service proposed to be provided at Vista Lindenhurst are: Medical/Surgical beds, obstetrics beds, ICU beds, and cardiac catheterization. Vista Medical Center-East provides each of the four categories of service.

PLANNING AREA NEED
SERVICE DEMAND

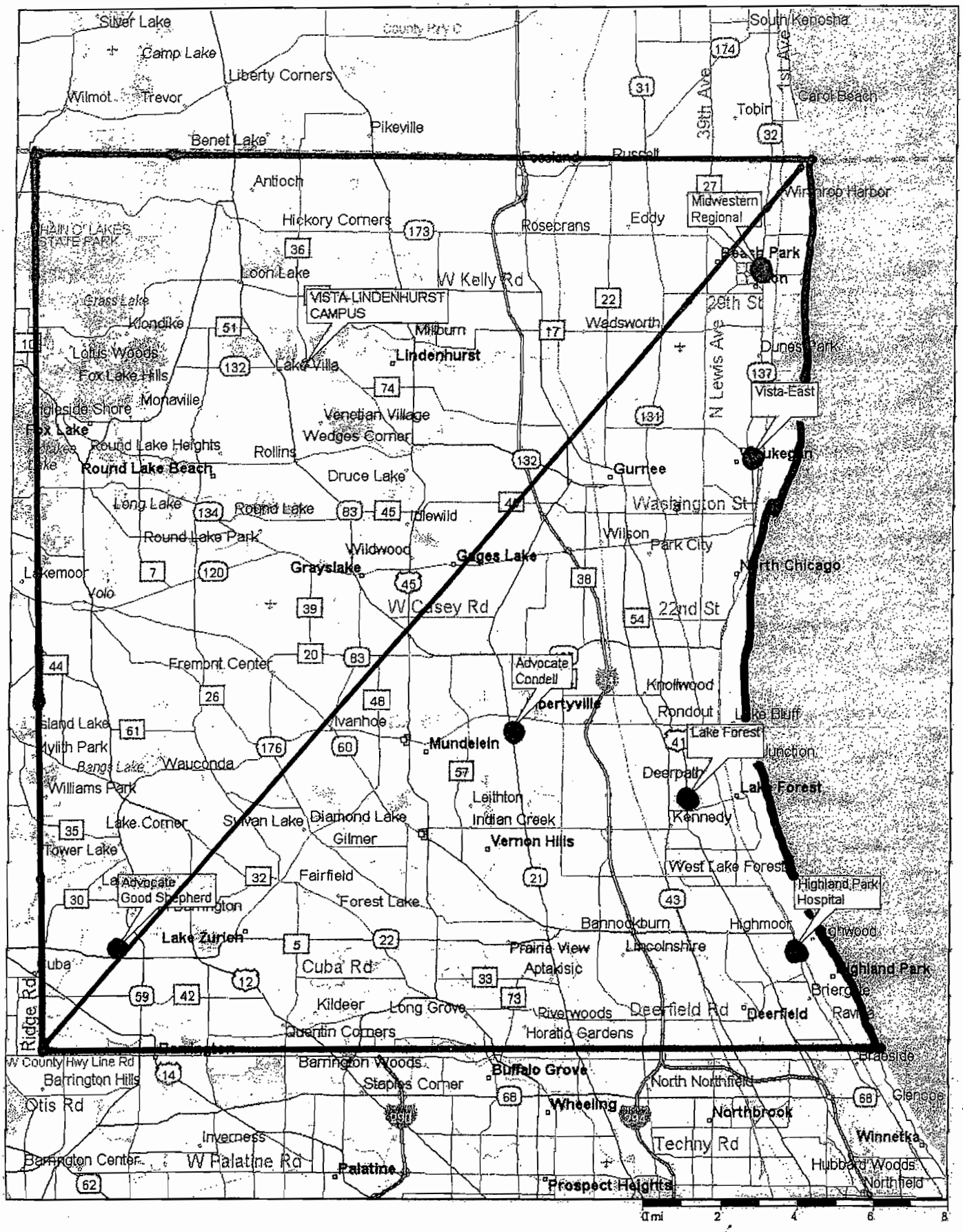
Vista Medical Center-Lindenhurst is being proposed to address the geographic maldistribution of beds in Lake County, and more specifically the lack of reasonable accessibility to hospital services afforded to the residents of the north central and northwestern parts of Lake County.

The table below identifies the driving time from Vista's Lindenhurst site to hospitals providing Medical/Surgical services and located with 45 minutes. As documented in the table, no hospitals are less than 30 minutes from the site.

		(minutes) per MapQuest Time Travel	(minutes) per IDPH Adjustment Time Travel
Vista Medical Center-East	Waukegan	27	30
Midwestern Reg. Med. Ctr.	Zion	28	31
Lake Forest Hospital	Lake Forest	29	32
Northern Illinois Med. Ctr.	McHenry	30	33
Advocate Condell Med. Ctr.	Libertyville	31	34
Advocate Good Shepherd	Barrington	35	39
Highland Park Hospital	Highland Park	35	39

The map on the following page confirms the maldistribution of hospital services within Lake County, with no hospitals being located in the northwestern half of the county.

ATTACHMENT 20 b3



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ATTACHMENT 20 b3

The proposed project includes the minimum number of Medical/Surgical and obstetrics beds that can be provided, consistent with Review Criterion 1110.530.f; and with the proposed 12 ICU beds addresses, in part, the IDPH's determination that 47 additional ICU beds are needed in Planning Area A-09/Lake County.

In addition to the primary purpose of the project—to address the issue of a lack of reasonable accessibility—for the residents of north central and northwestern Lake County, an area consisting of eleven Illinois ZIP Code areas and four in adjacent southern Wisconsin, the project will also address the increased demand for hospital services resulting from anticipated demographic changes, including "rapid population growth" as noted in Review Criterion 1110.530.b.3.C.

ZIP Code specific population projections developed by Geolytics, Inc. (neither the IDPH or the U.S. Census Bureau estimate the ZIP Code-specific populations necessary to evaluate the growth in the anticipated service area) for the anticipated service area reveals that the Illinois portion of the service area population is projected to grow by 1.9% between 2012 and 2017, an increase of 4,555 people, and the Wisconsin portion of the service area is projected to grow by 7.0%, an increase of 1,905 people. More importantly, the 65+ component of the service area population is projected to increase by 19.8%, an increase of 6,526 people during that period. In contrast, and as confirmation of the "rapid population growth" in the anticipated service area, between 2010 and 2015 the 65+ component of the population of Illinois is projected (Illinois Department of

Commerce and Economic Opportunity) to increase by only 13.9%. IDCEO does not have 2017 projections.

The significance of the 19.8% increase in the older age group is that the historical 65+ utilization rate within Lake County/Planning Area A-09, using the most recent IDPH's *Inventory of Health Care Facilities and Services and Need Determinations* data, is 12.4 times higher than the Lake County /Planning Area A-09 medical/surgical use rate of the under 65 component of the population,. Stated another way, not only is the service area population growing, but the 65+ age group, which uses hospital services at a rate much higher than the service population as a whole, is by far the fastest growing segment of the population. The result of this population growth and the shift toward an older service area population will be not only a continued lack of access without this project, but a lack of access for area residents that utilize hospital services at the highest rate.

The following table identifies the ZIP Code areas included in the project's anticipated primary and secondary service areas, and summarizes the 2012 and 2017 population estimates determined by Geolytics, Inc. Age-group specific population estimates, as developed by Geolytics, Inc. follow the summary table.

SERVICE AREA POPULATION PROJECTION

PSA		2012 Total	2017 Total	Increase	% Increase	2012 65+	2017 65+	Increase	% Increase
60046	Lindenhurst	35,170	35,033			4,511	5,251		
60073	Round Lake	52,863	56,823			4,550	5,778		
60083	Wadsworth	10,316	10,231			1,542	1,867		
60002	Antioch	23,200	22,980			3,574	4,151		
60030	Grayslake	41,386	41,426			5,405	6,260		
60031	Gurnee	38,297	38,938			3,866	5,010		
		201,232	205,431	4,199	2.1%	23,448	28,317	4,869	20.8%
SSA-IL									
60020	Fox Lake	8,804	8,485			1,871	1,839		
60041	Ingleside	12,276	12,256			1,855	2,127		
60071	Richmond	3,680	3,930			674	809		
60072	Ringwood	2,283	2,403			300	390		
60081	Spring Grove	8,953	9,278			1,243	1,502		
		35,996	36,352	356	1.0%	5,943	6,667	724	12.2%
	Illinois	237,228	241,783	4,555	1.9%	29,391	34,984	5,593	19.0%
SSA-WI									
53104	Bristol	4,612	5,146			695	909		
53179	Trevor	9,412	9,955			1,082	1,326		
53128	Genoa City	6,704	7,191			799	1,062		
53181	Twin Lakes	6,493	6,834			964	1,176		
	Wisconsin	27,221	29,126	1,905	7.0%	3,540	4,473	933	26.4%
	Total Service Area	264,449	270,909	6,460	2.4%	32,931	39,457	6,526	19.8%

2012																					
ZIP	Town Name	State	2012 Total Population	Population 0-4	Population 5-9	Population 10-14	Population 15-19	Population 20-24	Population 25-29	Population 30-34	Population 35-39	Population 40-44	Population 45-49	Population 50-54	Population 55-59	Population 60-64	Population 65-69	Population 70-74	Population 75-79	Population 80-84	Population 85 plus
60046	LINDENHURST/LAKE VILLA	Illinois	35170	1859	2681	2922	2950	2450	1978	1790	2050	2513	2710	2628	2279	1848	1420	994	769	552	776
60073	ROUND LAKE	Illinois	52863	3733	4693	4682	4488	4068	3656	3520	3720	3820	3672	3263	2799	2198	1618	1107	698	449	678
60083	WADSWORTH	Illinois	10316	516	768	830	823	672	508	451	492	627	769	845	786	685	527	379	240	157	239
60002	ANTIOCH	Illinois	23200	1135	1533	1638	1806	1616	1443	1279	1263	1423	1656	1716	1658	1460	1172	853	621	402	526
60030	GRAYSLAKE	Illinois	41386	2146	3130	3449	3459	2917	2328	2081	2372	2909	3236	3110	2676	2168	1638	1165	873	657	1072
60031	GURNEE	Illinois	38297	2085	2917	3124	3134	2759	2336	2120	2339	2836	3101	3018	2627	2033	1438	952	586	379	511
53104	BRISTOL	Wisconsin	4612	209	298	334	359	320	282	264	270	308	337	338	321	278	235	174	111	82	93
53128	GENOA CITY	Wisconsin	9412	437	680	761	827	722	595	555	580	674	715	686	617	480	337	238	165	123	219
53179	TREVOR	Wisconsin	6704	320	452	502	540	503	429	382	412	482	532	520	459	372	296	213	128	74	88
53181	TWIN LAKES	Wisconsin	6493	282	393	444	494	471	445	397	385	416	469	483	461	388	314	237	173	110	130
2017																					
ZIP	Town Name	State	2017 Total Population	Population 0-4	Population 5-9	Population 10-14	Population 15-19	Population 20-24	Population 25-29	Population 30-34	Population 35-39	Population 40-44	Population 45-49	Population 50-54	Population 55-59	Population 60-64	Population 65-69	Population 70-74	Population 75-79	Population 80-84	Population 85 plus
60046	LINDENHURST/LAKE VILLA	Illinois	35033	1723	2356	2586	2780	2692	2322	1995	1888	2085	2394	2494	2383	2079	1687	1262	847	566	889
60073	ROUND LAKE	Illinois	56823	3940	4850	4726	4579	4414	4110	3787	3720	3764	3791	3542	3172	2650	2053	1474	917	506	828
60083	WADSWORTH	Illinois	10231	478	658	737	791	737	634	526	480	517	612	718	759	716	614	460	318	194	281
60002	ANTIOCH	Illinois	22980	1069	1420	1489	1616	1663	1567	1397	1282	1289	1421	1543	1595	1477	1289	1030	714	465	653
60030	GRAYSLAKE	Illinois	41426	2051	2781	3064	3259	3169	2779	2364	2208	2430	2793	2978	2834	2455	1969	1454	1010	681	1146
60031	GURNEE	Illinois	38938	2066	2725	2860	2980	2918	2636	2339	2219	2394	2735	2890	2781	2384	1847	1282	801	446	634
53104	BRISTOL	Wisconsin	5146	227	307	330	365	370	344	316	296	307	336	354	354	330	287	234	160	99	129
53128	GENOA CITY	Wisconsin	9955	421	622	704	790	805	729	655	610	631	693	717	664	590	465	315	200	121	225
53179	TREVOR	Wisconsin	7191	326	431	477	524	536	510	452	424	449	500	531	513	455	368	280	186	98	130
53181	TWIN LAKES	Wisconsin	6834	290	397	429	467	496	483	452	423	421	440	466	458	438	376	289	209	126	176

ATTACHMENT 20 b3

SERVICE ACCESSIBILITY

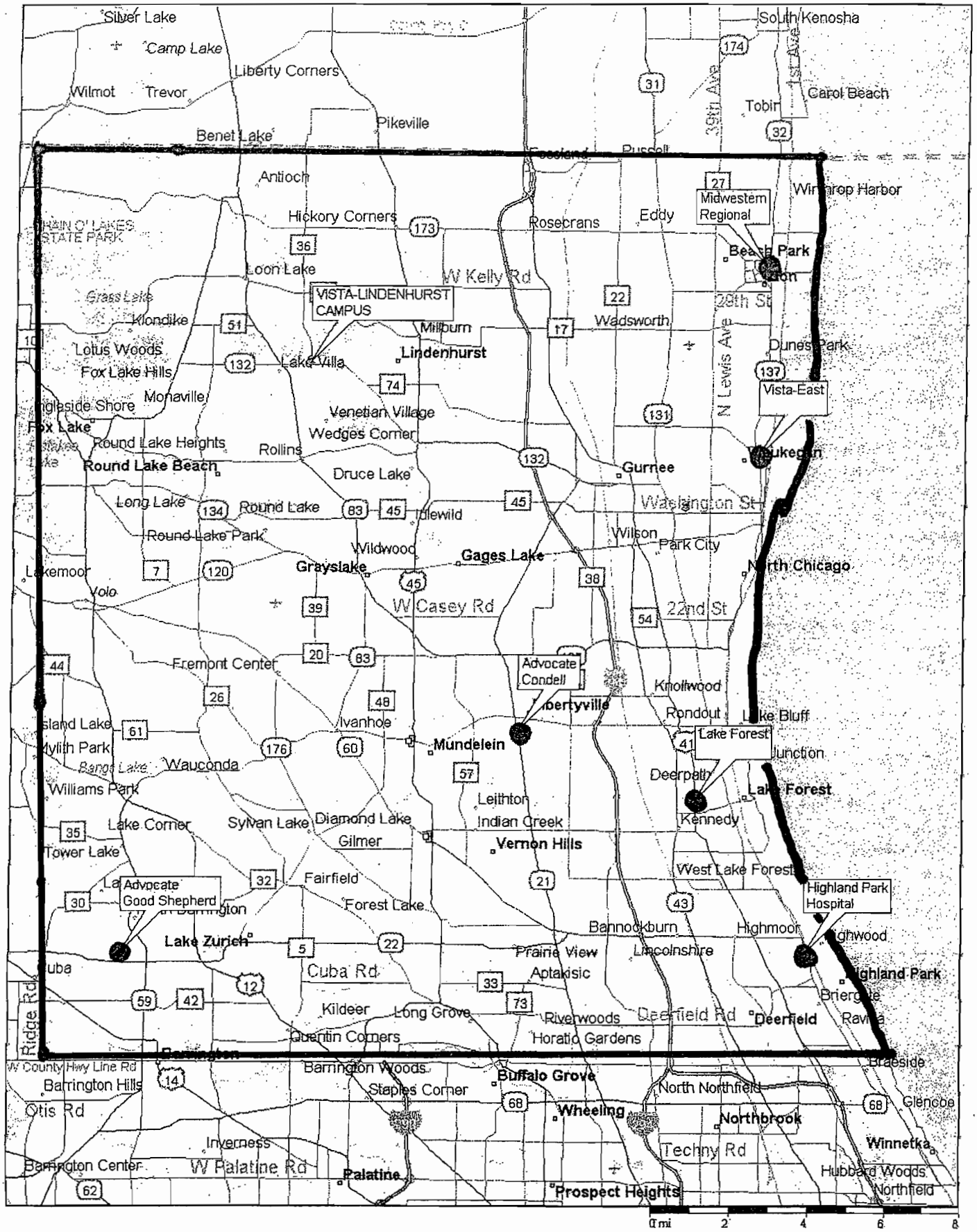
The primary purpose of this project is to improve the accessibility to hospital services for the residents of north central and northwestern Lake County; and both the number of Medical/Surgical beds and obstetrics beds being proposed (100 and 20, respectively) represent the minimum bed complements to allow compliance with Section 1110.530.f. The twelve proposed ICU beds respond to the IDPH's identification of a "need" for 47 additional ICU beds in Lake County.

To demonstrate the lack of reasonable accessibility afforded to residents of the anticipated service area, the table below identifies the driving time from the Vista-Lindenhurst site to other area hospitals, with no hospitals being closer than a 30-minute drive.

		(minutes) per MapQuest Time Travel	(minutes) per IDPH Adjustment Time Travel
Vista Medical Center-East	Waukegan	27	30
Cancer Treatment Center	Zion	28	31
Lake Forest Hospital	Lake Forest	29	32
Northern Illinois Med. Ctr.	McHenry	30	33
Advocate Condell Med. Ctr.	Libertyville	31	34
Advocate Good Shepherd	Barrington	35	39
Highland Park Hospital	Highland Park	35	39

It should be noted that: 1) The proposed site is approximately six miles south of the Wisconsin border, resulting in longer driving times to Illinois hospitals than those identified in the table above for residents of communities such as Antioch, located to the north of the site. 2) The MapQuest drive times are based on "normal" driving conditions. Lake County is notorious for delays in east-west travel due to freight trains on north-south routes, circuitous routes resulting from the county's many lakes, and weather-related travel delays, particularly during the winter months.

The map on the following page identifies the location of Vista's Lindenhurst campus, as well as the location of the hospitals identified in the table on the previous page.



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ATTACHMENT 20b5

A E Grand Ave & N Deep Lake Rd Edit

Lindenhurst, IL 60046

START	1. Start out going **east** on **IL-132/Grand Ave** toward **Victory Dr**. Continue to follow **Grand Ave**.	11.5 mi
	2. Turn **left** onto **Lewis Ave**.	0.5 mi
	3. Turn **right** onto **Glen Flora Ave**.	1.3 mi
	4. Turn **left** onto **N Sheridan Rd**.	0.1 mi
END	5. **1324 N SHERIDAN RD** is on the **left**.	

B Vista Medical Center East Edit

1324 N Sheridan Rd, Waukegan, IL 60085 - (847) 360-3000

Total Travel Estimate: **27 minutes / 13.33 miles**

ATTACHMENT 20b5

83

A E Grand Ave & N Deep Lake Rd Edit

Lindenhurst, IL 60046

START	1.	Start out going **north** on **Deep Lake Rd** toward **Crooked Lake Ln**.	3.6 mi
173	2.	Turn **right** onto **W Il Route 173/IL-173**. Continue to follow **IL-173**.	12.3 mi
137	3.	Turn **right** onto **Sheridan Rd/IL-137**.	0.5 mi
	4.	Turn **right** onto **Shiloh Blvd**.	0.1 mi
	5.	Turn **left** onto **Elisha Ave**.	0.0 mi
END	6.	**2520 ELISHA AVE** is on the **right**.	

B Cancer Treatment Centers of America Edit

2520 Elisha Ave, Zion, IL 60099 - (888) 755-5573

Total Travel Estimate: **28 minutes / 16.48 miles**

ATTACHMENT 20b5

84

A E Grand Ave & N Deep Lake Rd Edit

Lindenhurst, IL 60046

1.	Start out going **east** on **IL-132/Grand Ave** toward **Victory Dr**.	6.4 mi
2.	Merge onto **I-94 E** toward **Chicago** (Portions toll).	5.2 mi
3.	Merge onto **IL-137 E/Buckley Rd**.	1.1 mi
4.	Turn **right** onto **Waukegan Rd/IL-43 S**.	3.8 mi
5.	Turn **left** onto **N Westmoreland Rd**.	0.8 mi
6.	Turn **right** to stay on **N Westmoreland Rd**.	0.1 mi
7.	**660 N WESTMORELAND RD**.	

B Northwestern Lake Forest Hosp-ER Edit

660 N Westmoreland Rd, Lake Forest, IL 60045 - (847) 535-6150

Total Travel Estimate: **29 minutes** / **17.23 miles** Fuel Cost: **Calculate**

ATTACHMENT 20b5

A E Grand Ave & N Deep Lake Rd, Lindenhurst, IL 60046

START	1. Start out going **east** on **IL-132 / Grand Ave** toward **Victory Dr**.	go 6.4 mi
EAST 94	2. Merge onto **I-94 E** toward **Chicago** (Portions toll).	go 10.5 mi
EXIT	3. Take the **IL-60 / Town Line Rd** exit.	go 0.3 mi
60	4. Turn **right** onto **IL-60 / Townline Rd**.	go 2.1 mi
21	5. Turn **left** onto **N Milwaukee Ave / IL-21**.	go 2.1 mi
END	6. **755 S MILWAUKEE AVE STE 101** is on the **left**.	go 0.0 mi

B Advocate Condell Medical Center - (847) 362-2900
755 S Milwaukee Ave Ste 101, Libertyville, IL 60048

Total Travel Estimate : 21.33 miles - about 31 minutes

ATTACHMENT 20b5

A E Grand Ave & N Deep Lake Rd Edit

Lindenhurst, IL 60046

START	1.	Start out going **west** on **IL-132/Grand Ave** toward **Woodhead Dr**. Continue to follow **IL-132**.	3.4 mi
SOUTH 59	2.	Turn **left** onto **IL-59/Grand Ave**. Continue to follow **IL-59 S**.	13.0 mi
RAMP	3.	Take the **IL-59 S** ramp.	0.3 mi
59	4.	Turn **slight right** onto **N Barrington Rd/IL-59**. Continue to follow **IL-59**.	1.5 mi
	5.	Turn **right** onto **Kelsey Rd**.	1.6 mi
	6.	Turn **left** onto **N Kelsey Rd**.	2.0 mi
22	7.	Turn **left** onto **IL-22**.	0.4 mi
	8.	Turn **left**.	0.0 mi
END	9.	**450 W HIGHWAY 22**.	

B Advocate Good Shepherd Hosp Edit

450 W Highway 22, Barrington, IL 60010 - (847) 381-9600

Total Travel Estimate: **35 minutes / 22.10 miles**

ATTACHMENT 20b5

27

A E Grand Ave & N Deep Lake Rd Edit

Lindenhurst, IL 60046

START	1.	Start out going **east** on **IL-132/Grand Ave** toward **Victory Dr**.	6.4 mi
EAST 94	2.	Merge onto **I-94 E** toward **Chicago** (Portions toll).	5.2 mi
EAST 137	3.	Merge onto **IL-137 E/Buckley Rd**.	1.9 mi
SOUTH 41	4.	Turn **right** onto **N Skokie Hwy/US-41 S**.	9.0 mi
	5.	Turn **left** onto **Park Ave W**.	0.9 mi
END	6.	**777 PARK AVE W** is on the **left**.	

B Highland Park Hospital Edit

777 Park Ave W, Highland Park, IL 60035 - (847) 432-8000

Total Travel Estimate: **35 minutes / 23.29 miles**

ATTACHMENT 20b5

88

UNNECESSARY DUPLICATION OF SERVICES

The proposed project will not result in an unnecessary duplication of services. Rather, the project will provide reasonable access to basic hospital services for a growing population that lacks that access.

The table on the following page identifies each ZIP Code that is located entirely or partially within 30 minutes of the Vista-Lindenhurst site, and the 2012 population of the ZIP Code areas.

ZIP Code	Population
60002	23,200
60020	8,804
60030	41,386
60031	38,297
60041	12,276
60042	8,266
60044	9,604
60046	35,170
60048	32,157
60050	31,348
60060	40,161
60064	18,770
60071	3,680
60072	2,283
60073	52,863
60081	8,953
60083	10,316
60084	17,986
60085	81,339
60087	28,655
60088	16,548
60099	34,009
	556,071

Sources: MapQuest
Geolytics, Inc.

Vista Medical Center-Lindenhurst will provide three IDPH-designated bed categories of service: Medical/Surgical beds, obstetrics beds, and ICU beds. As noted in ATTACHMENT 20b5, only one hospital, Vista Medical Center-East, is located within 30

minutes (adjusted, per IHFSRB guideline) of the Vista-Lindenhurst site; and Vista Medical Center-East provides each of the three categories of service.

MALDISTRIBUTION

The proposed project involves the establishment for four IDPH-designated categories of service: medical/surgical beds, obstetrics beds, ICU and cardiac catheterization.

A single cardiac catheterization procedure room will be provided, consistent with contemporary hospital practices, and will not cause a maldistribution.

The definition of "maldistribution" contained in Section 1110.530c1 quantifies "maldistribution" of beds as "A ratio of beds to population that exceeds one and one-half times the State average."

Lake County/Planning Area A-09 currently has 893 medical/surgical beds, 127 obstetrics beds and 77 ICU beds. The resultant ratios of beds per 1,000 compared to the comparable ratios for the State as a whole are displayed below.

	PA A-09	State of Illinois
medical/surgical	1.19	2.04
obstetrics*	0.80	1.03
ICU	0.11	0.32

*women, ages 15-44

ATATCHMENT 20c2

As can be seen from the table above, the medical/surgical bed : population ratio in Lake County is 42% below that of Illinois as a whole, the obstetrics ratio is 22% below that of the State, and the ICU ratio is 69% below that of the State.

The proposed project will result in a net reduction of eight medical/surgical/pediatrics beds, and net increases of 20 obstetrics and 12 ICU beds. As a result, the "gap" between the availability of medical/surgical beds in Lake County and the State as a whole will widen by 2017, while the variance for obstetrics and ICU beds will narrow, though well below the State average.

The table below uses 2017 population estimates, and incorporates the beds included in the proposed project.

	PA A-09 (2017)	State of Illinois (August 2012)
medical/surgical/peds	1.10	2.04
obstetrics*	0.87	1.03
ICU	0.11	0.32

*women, ages 15-44

As demonstrated by the table above, even with the proposed project, the bed:population ratios in Lake County for each of the proposed services will continue to be far below those for the State as a whole, and therefore do not approach the "one and one-half times" standard for maldistribution resulting from "over-bedding". Rather, a maldistribution in terms of a lack of beds exists and will continue to exist in Lake County/Planning Area A-09.

ATATCHMENT 20c2

IMPACT OF THE PROJECT ON OTHER AREA PROVIDERS

Review Criterion 1110.530.c3 directs the applicant to document that the proposed project will not lower the utilization rates of any existing provider below the target occupancy standard, nor will the project lower the utilization of any hospital not operating at the target occupancy standard. This review criterion, quite obviously cannot be met for a project proposing the establishment of a new hospital, let alone a project being developed consistent with the performance requirements (Review Criterion 1110.530 .f) of a minimum of 100 Medical/Surgical, 20 obstetrics and 4 ICU beds.

Rather, the purpose of the project is to improve the access to hospital services for residents of the north central and northwestern portions of Lake County, and to do so largely through a redistribution of Vista Medical Center-East's beds from Waukegan, where excess beds exist, to Vista's Lindenhurst campus in the north central part of the county. The project, as proposed, and as discussed in other portions of this application, will actually result in a net reduction of eight Medical/Surgical/Pediatrics beds in the Planning Area, as a result of the applicant's willingness to "discontinue" 108 Medical/Surgical/Pediatrics beds at Vista Medical Center-East.

STAFFING AVAILABILITY

Clinical and professional staffing needs were considered by the applicants during the planning of this project, and the applicants are confident that all licensure and accreditation-related staffing requirements will be met or surpassed, and that no unusual difficulties will be experienced in the recruitment of qualified staff.

As discussed in other parts of this application, Vista Medical Center-Lindenhurst will operate in many ways as a satellite of Vista Medical Center-East. Much of the management staff of the clinical areas will have responsibility for their respective areas in the two facilities. In addition, and particularly in selected clinical areas such as imaging, ED, and surgery, it is anticipated that designated employees will "float" between the two hospitals on a shift-by-shift or week-by-week basis, depending on a variety of factors including patient census, in-service training requirements, and vacation scheduling.

Staff recruitment will begin in earnest 4-5 months prior to the opening of Vista-Lindenhurst.

Vista-East and Vista-West have traditionally attracted employees from the central part of Lake County, and those employees will be given the first option to re-locate to Vista-Lindenhurst, should they desire to do so. In addition to the "transfer" of staff from

Vista-East and Vista-West to Vista-Lindenhurst, normal recruitment avenues, such as newspaper advertisements and professional publications will be used to recruit staff. The current Vista facilities have a minimal number of staffing vacancies in the clinical areas, and that appears to be the case with the other hospitals in Lake County. In fact, and as discussed in the attached article from the January 3, 2011 issue of *Modern Healthcare*, the demand for nursing positions in hospitals currently exceeds availability, and as a result, Vista does not anticipate any difficulty in the recruitment of well qualified clinical personnel.

ATTACHMENT 20e

Special Report

Nurses: A tougher sell

Not that long ago, the national nursing shortage was so critical that even serial killer Charles Cullen didn't have much trouble landing nursing jobs, hopping between 10 hospitals in New Jersey and Pennsylvania before he was finally nabbed in 2003.

But about three years ago, forces in the marketplace shifted, and Internet message boards for nurses started lighting up with complaints from the newly graduated saying they couldn't find the high-paying hospital nurse jobs that they were promised would be waiting once they graduated.

Experts chalk it up to yet another of the unforeseeable consequences of a high-flying bubble economy, which famously burst in 2007 and sent job seekers the nation over scrambling for any position that delivered a regular paycheck, as unemployment hit levels not seen in three decades.

As a result, hospitals saw an almost unprecedented surge in nurse hiring, increasing employment by 243,000 following the Great Recession, according to research by Vanderbilt University School of Nursing professor Peter Buerhaus.

The recession has since ended, but high levels of unemployment remain stubborn. Experts say that means nursing schools could be facing at least another year of arguing an awkward public message: Students ought to continue training for nursing careers, even though it's likely they'll have a tough time landing the entry-level hospital jobs they want right after they graduate.

Employment trends in nursing tend to run opposite the unemployment rate: As joblessness remains high, older nurses return to the workforce or delay planned retirements as their household income pictures remain cloudy. About 103,000 of the nurses hired in 2007 and 2008 were at least 50 years old, Buerhaus' research shows. That took place as the national unemployment rate peaked at just over 10% in October 2009 and then hovered just below 10% for all of 2010. In December 2010, the Federal Reserve Bank of Chicago reported that a survey of leading economists predicts unemployment will average 9.2% in 2011.

However, the nursing schools have at least one major talking point on their side: No matter what happens in the economy, it won't stop the baby-boom generation from hitting retirement age. The only question is how fast they'll convert from suppliers to consumers of healthcare.

—Joe Carlson

Docs: More ACO, less SGR

After an initial two-month freeze on Medicare physician reimbursement was passed Dec. 19, 2009, Congress spent 2010 passing a series of short-term "fixes" in March, April, June and November that forestalled slashing physician payments by more than 20% under the sustainable growth rate used to calculate their payment.

On Dec. 15, 2010, President Barack Obama signed legislation freezing Medicare reimbursement rates for 12 months. So, according to theory, doctors will not have the reoccurring threat of their income being slashed in 2011 and will be able to concentrate on something else.

Some experts think physicians may feel it's time to think about becoming part of an accountable care organization, so ACO may replace SGR as the buzz acronym of the year.

"A year ago, we couldn't even spell it," says William Jessee, president and CEO of the Medical Group Management Association, while talking about ACOs. "We've always been a pretty trendy industry, but this is the hottest thing since sliced bread."

The American Medical Group Association takes credit for getting the language that created ACOs into the healthcare reform bill, and Donald Fisher, AMGA's president and CEO, thinks support for the concept is strong enough to withstand any challenges brought on by those seeking to weaken or repeal healthcare reform.

"I'm hopeful that, whatever else happens, this whole notion of ACOs will remain intact," Fisher says.

Fisher and Jessee see the trend for physicians to seek employment with hospitals and move away from independent practice continuing.

"I think there's a growing trend toward alignment with larger entities," Fisher says.

Stephen Moore, senior vice president and chief medical officer at Catholic Healthcare Initiatives, agrees.

He says his organization, based in Englewood, Colo., has about 1,500 employed physicians and will likely double that in the next three to five years.

Last year, however, there was a shift away from hospitals acquiring primary-care practices as they appeared to focus more on "high-dollar specialists" such as cardiologists, oncologists and orthopedic surgeons, Jessee says.

"I suspect that will continue in 2011," he adds.

Jessee describes the new hunt for practice acquisitions as "more strategic, less panic-stricken," as hospitals are done thinking that "if I don't buy them, my competitor will."

—Anais Rabeznieks

ATTACHMENT 20e

PERFORMANCE REQUIREMENTS

The proposed project is located within a MSA, and is being developed consistent with the performance requirements for the Medical/Surgical, Obstetrics and ICU categories of service.

ATTACHMENT 20f

CHS

September 12, 2012

Illinois Health Facilities
and Services Review Board
Springfield, Illinois

To Whom It May Concern:

A Certificate of Need Application has been filed for the establishment of a 132-bed hospital in Lindenhurst, Illinois. Please be advised that it is the applicants' expectation and understanding that by the second year following the project's completion, the hospital's inpatient units and the ancillary and support services intended to be provided at the hospital will achieve the IHFSRB's utilization standards and will remain consistent with those standards, thereafter.

Sincerely,

Martin G. Schweinhart
Senior Vice President, Operations

Date: 9-14-2012

Notarized:

Subscribed and sworn to before me this 14th day of September, 2012

Notary Public

MARY ANN ECKMAN
STATE OF TENNESSEE NOTARY PUBLIC
WILLIAMSON COUNTY, TN
My Comm. Expires September 27, 2015

COMMUNITY
HEALTH
SYSTEMS

4000 Meridian Boulevard
Franklin, TN 37067
Tel: (615) 465-7000

P.O. Box 689020
Franklin, TN 37068-9020

ATTACHMENT 20g

"Community Health Systems" is a registered trade name of Community Health Systems Professional Services Corporation.

PEER REVIEW

The peer review program at Vista Medical Center-Lindenhurst will be a component of the hospital-wide peer review program and will be modeled after the program currently in place at Vista Medical Center-East, at which approximately 1,100 cardiac catheterization procedures were performed in 2011. As is the case with Vista-East, the program will use the guidelines of the American College of Cardiology (ACC), and incorporate "best practices" adopted at Vista-East. Once operational, the cardiac cath lab will participate in a national registry, such the National Cardiovascular Data Registry, operated by the ACC.

As with all aspects of the hospital, the ultimate responsibility for all quality measurement programs will rest with the Board of Directors. More direct responsibility for the peer review function will be delegated to the medical staff, which will report on a regular basis to the Board of Directors through the Medical Executive Committee.

Attached are peer review policies from Vista-East, which as noted above, will be adopted by Vista-Lindenhurst.

ATTACHMENT 25a

VISTA HEALTH SYSTEM

MEDICAL STAFF

Rules and Regulations

APPENDIX "D"

Peer Review Policy
Ongoing Professional Practice Evaluation (OPPE) Policy
Focused Professional Practice Evaluation (FPPE) Policy

STATEMENT OF POLICY: A Vista Health System Medical Staff Policy which includes all credentialing/privileged practitioners related to the inclusion of Quality and Other Clinical Data in the Medical Staff Reappointment Process and in the Practitoner's Ongoing Professional Practice Evaluation. This policy is implemented in compliance with Medical Staff Bylaws, regulatory agency standards and confidentiality according to the Medical Studies Act. This process allows for continuous evaluation of a practitioners performance for providing safe, quality patient care through:

- Consistency of information
- Evidence-based data
- Selected comparative data
- Selected reporting intervals

Integrating the following concepts allows the Medical Staff to provide a more comprehensive evaluation of a practitioner's professional practice. The data elements selected by the Medical Staff will provide information related to the following six areas of General Competencies:

- Patient care
- Medical/Clincal Knowledge
- Practice-based Learning and Improvement
- Interpersonal and Communication Skills
- Professionalism
- System-based Practice

The purpose of this policy is to define the Quality and Other Clinical Data utilized in the Reappointment of Medical staff and for Ongoing Professional Practice Evaluation.

ATTACHMENT 25a

Action Steps:

1) The Quality and Other Clinical Data is requested by the Vista Medical Staff Office. The information is obtained from various sources, but is coordinated by the Chief Quality Officer.

2) The Quality and Other Clinical Data included in the Reappointment and Ongoing Professional Practice Evaluation is selected and approved by the respective Medical Staff Committees.

3) The Re-appointment information is provided bi-annually with internal reporting of information as identified in the Medical Staff Bylaws.

4) The Practitioner's Ongoing Professional Practice Evaluation is done every nine months, unless otherwise determined by the Medical Staff. (attachment A) This information is also provided to the Individual Practitioners if requested. The internal reporting process is supported by the Practitioner's OPPE being shared with the respective department chair and the committee. If concerns are identified regarding the practitioner's clinical practice and/or competence, then it will be forwarded to the Credential's Committee and Medical Executive Committee.

5) The data elements used for Reappointment and OPPE have been endorsed by the Medical Staff and include:

   a) Clinical Activity-discharges, (inpatient, outpatient or diagnostic procedures, consults, mortality, ICU admissions).
   b) Peer Review Outcomes
   c) Complications
   d) Core Measures
   e) Length of Stay
   f) Risk Reporting (cases with previous communication to practitioner)
   g) Committee Attendance
   h) Medical Records Completions
   i) Disciplinary Action
   j) Department Specific Core Competencies (see attachment B)

6) This process allows for any potential concerns with a practitioner's performance to be identified and resolved as soon as possible. Additionally, it fosters an efficient, evidence-based process. If a need for corrective action is identified the process will be performed as outlined in the Medical Staff Bylaws.

7) Aggregate data regarding all practitioners will be reviewed and presented to the medical staff for pattern and trend analysis every six months. Outliers identified by this analysis will be assigned for Focused Peer Review (Attachment C) by the respective committee chairperson if the analysis indicates an issued with an individual's performance.

8) The respective Department Committee Chair shall determine the individual physician(s) to perform the focused review and report back to the Committee. The respective Department Committee Chair shall designate a deadline within which the individual physician reviewers shall complete the focus review which shall not be greater than 60 days. Should the focused review involve periods of evaluation and monitoring of the practitioner delivering patient care services, the time to complete the focused review may be extended by the respective Department Chair for a single additional 30-day period.

9) The individual physician reviewer(s) shall report written findings and recommendations to the respective Department Committee at its next regularly scheduled meeting following the completion of the focus review period. The practitioner under review will be provided with a copy of these written findings and recommendations in advance of the Department Committee meeting, and shall be offered the opportunity to address the respective Department Committee and respond to the findings and conclusions.

10) The respective Department Committee shall make a written report and recommendations to the MEC concerning the focused review.

11) If a determination is reached that no physician on the staff is qualified to conduct the review, the MEC or the Board of Trustees may request external peer review consistent with the hospital's External Peer Review Policy by a physician who is Board Certified within the same specialty.

EXCEPTION:

No volume providers with medical staff membership and without clinical privileges per Joint Commission clarification are exempt from the Ongoing Professional Performance Evaluation and Focused Professional Practice Evaluation requirements contained within this document.

Vista Health System

NAME:_____ DATE:_____

PATIENT CARE/ MEDICAL/CLINICAL KNOWLEDGE			
	Meets Expectations	**Needs Improvement**	**Comments**
Risk adjusted mortality			
PI Committee reviews			
Transfusion utilization			
Readmission before 30-days			
Adequacy of chart documentation			

PRACTICE-BASED LEARNING AND IMPROVEMENT/SYSTEM-BASED PRACTICE			
	Meets Expectations	**Needs Improvement**	**Comments**
Core measure failures			
Abbreviation fallouts			
Procedure-based documentation			
Core Competencies:			
- Non-Surgical Invasive Procedure Complication			
- Unplanned transfer to ICU			
- Patient complaint			
- Perioperative hypoglycemia			
LOS			
Avoidable days			

PROFESSIONALISM/ COMMUNICATION/ INTERPERSONAL SKILLS	**Meets Expectations**	**Needs Improvement**	**Comments**
Ethics Committee reviews			
Conduct Committee reviews			
Colleague comments			
Nursing comments			
CME			
Participation in mandated call schedules			
Discharge summaries			
Availability for pages			
Tardiness			
Complaints			
Compliments			

_____ _____

Chairman Signature Date

ATTACHMENT 25a

_____

Chairman Name

OPPE Indicators

Committee	OPPE Indicators
Anesthesiology	1. Absence of anesthesiology consent 2. Reintubation/laryngospasm 3. Difficult airway/intubation 4. Narcotic documentation 5. Fire safety
Cardiology	1. Code Blue Review of patients coding in cath lab or specialties 2. Readmissions within 7 days of hospital discharge related to previous admission 3. Complications- review of hematomas related to procedure requiring intervention
Emergency	1. Unplanned return within 72 hours 2. Aspirin on arrival for AMI/chest pain patients 3. X-ray/ EKG discrepancies
Medicine	1. Non-Surgical Invasive Procedure Complication 2. Unplanned transfer to ICU 3. Patient complaint 4. Perioperative hypoglycemia
OB/ GYN	1. Adult mortality 2. Unplanned return to OR
Pathology	1. Frozen section/histology correlation 2. Cytology/histology correlation 3. Peer congruence/internal review
Pediatrics	1. Morbidity/Mortality 2. Unplanned readmission within 7 days of hospital discharge related to previous admission 3. Transfers
Podiatry	1. New physician review 2. Review of bunion/hammertoe procedures 3. Documentation- post op note
Psych	1. Restraint usage 2. Orders signed and dated 3. H&P present on chart with in 24 hours
Radiology	1. Procedure correlation review 2. Unexpected complications during a procedure 3. Deaths related to a procedure 4. Aspiration causing injury/ complication during a procedure
Surgery	1. Unplanned return to OR within 30 days 2. Appropriate use of antibiotics 3. Appropriate VTE prophylaxis

From: To:

Departmental Review – FPPE

1. Demonstrates current clinical competence, and appropriate medical/clinical skills?	☐ Yes ☐ No	If "No", explain:
2. Demonstrates clinical judgement?	☐ Yes ☐ No	If "No", explain:
3. Demonstrates professionalism?	☐ Yes ☐ No	If "No", explain:
4. Demonstrates effective interpersonal skills	☐ Yes ☐ No	If "No", explain:
5. Any evidence of breach of ethics or related matters?	☐ Yes ☐ No	If "Yes", explain:
6. Any evidence of non-compliance with medical staff bylaws, departmental policies, rules and regulations or any other than above?	☐ Yes ☐ No	If "Yes", explain:
7. Any evidence of general uncooperativeness and/or inability to communicate with patients and/or staff?	☐ Yes ☐ No	If "Yes", explain:
8. Have you observed or been informed of any physical or mental conditions, including any alcohol or drug dependency, that have affected or reasonably may affect the practitioner's ability to perform professional and medical staff duties and obligations appropriately?	☐ Yes ☐ No	If "Yes", explain:
9. Does your review of this information indicate that the physician possesses the necessary experience and qualifications to perform the privileges requested?	☐ Yes ☐ No	If "No", explain:
Comments from Department Chairperson:		
Based on personal knowledge, observation, and review of quality assessment and improvement findings, I believe this physician to be a competent staff member of Vista Health System with the privileges he/she has requested. If no, provide recommendation:	☐ Yes ☐ No	

_____ _____

Department Chairperson Date

ATTACHMENT 25a

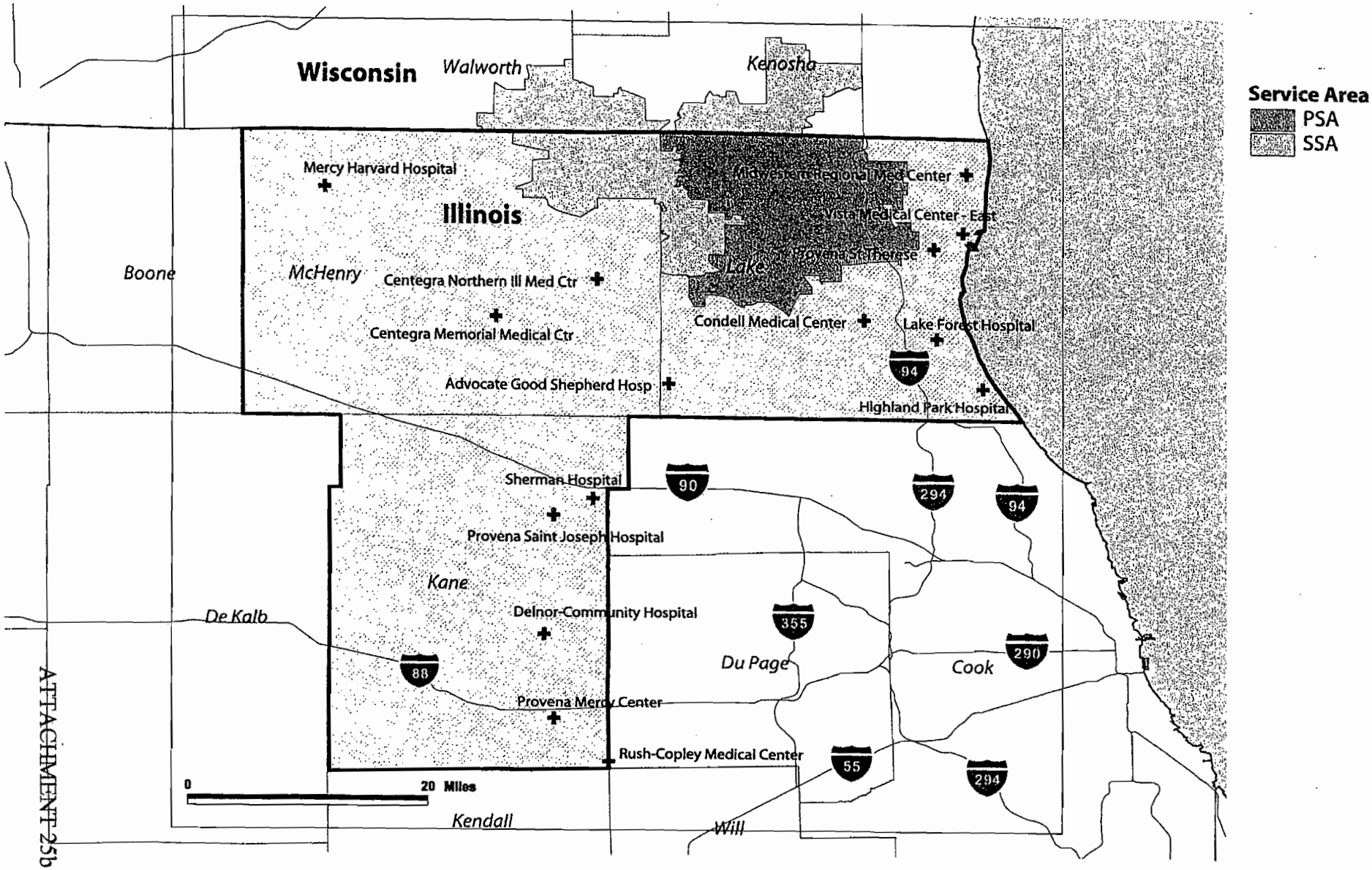
ESTABLISHMENT OR EXPANSION OF CARDIAC CATHETERIZATION SERVICE

The IDPH-Designated planning area for cardiac catheterization services is Health Services Area VIII, which consists of Lake, McHenry and Kane Counties. There are ten hospitals in HSA VIII. Those hospitals, and their respective 2011 catheterization volumes as reported to the IDPH, are identified in the table below, and their proximity to the anticipated service area is presented on the map that follows.

Hospital	Location	2,009 Caths
Advocate Condell Medical Center	Libertyville	2,214
Advocate Good Shepherd Hospital	Barrington	1,532
Delnor Hospital	Geneva	426
Highland Park Hospital	Highland Park	1,252
Centegra Hospital-McHenry	McHenry	1,921
Provena Mercy Center	Aurora	1,416
Provena St. Joseph Medical Center	Elgin	1,086
Rush-Copley Medical Center	Aurora	1,459
Sherman Hospital	Elgin	2,624
Vista Medical Center-East	Waukegan	1,096

Source: IDPH Hospital *Profiles*

ATTACHMENT 25b



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ATTACHMENT 25b

SUPPORT

Each of the support services identified in Section 1110.1330.e will be available to cardiac catheterization recipients at Vista Medical Center-Lindenhurst. With the exception of the three services identified below, all of the designated support services will be available 24 hours a day, seven days a week by on-site staff.

1. Nuclear medicine services will be available through on-site staff 7AM-6PM, Monday-Friday, and on an "on-call" basis at all other times.
2. Cardiographics, including exercise stress testing, continuous ECG monitoring and phonocardiography) will be available through on-site staff 7AM-3PM, Monday-Friday, and on an "on-call" basis at all other times.
3. Echocardiography services will be available through on-site staff 7AM-6:30PM, Monday-Friday and 7AM-Noon on Saturday, and on an "on-call" basis at all other times.

STAFFING

The cardiac catheterization program will meet all staffing requirements identified in Section 1110.1330.g; and all required staff will be in place upon the opening of the hospital. Pre-opening training for the staff, as appropriate, will be provided at Vista-East, and the cardiac catheterization laboratory at Vista Medical Center-Lindenhurst will operate with the same policies and procedures in place at Vista-East, allowing staff to easily "float" between the two sites, as staffing requires.

The staff recruitment process, in terms of employees, will commence 4-5 months prior to the opening of the hospital. Initial employment opportunities will be afforded to Vista employees, with additional staff being recruited through normal means, including notices of position availability in local and professional publications. No unusual difficulties in the recruitment of qualified personnel are anticipated.

Dr. Fahd Jajeh will serve as the director of the cardiac catheterization laboratory. Dr. Jajeh (Curriculum Vitae attached) is a board-certified interventional cardiologist.

It is anticipated that many of the cardiologists currently on staff at Vista-East will seek privileges at Vista-Lindenhurst. That process will commence approximately 12 months prior to the hospital's opening. The interventional cardiologists currently on staff

at Vista-East include: Ahmed Hashim, Fahd Jajeh, Wajahat Mirza, and Maher Nahlawi. In addition, Vista-east's Medical staff includes ten non-invasive cardiologists, three cardiologists specializing in electrophysiology, and one specializing in nuclear cardiology.

Registered nurses, cardiology technicians, radiology technologists, cardiopulmonary technicians and monitoring and recording technicians, all with appropriate training and clinical credentials, will be employed by the hospital on a full-time basis, and assigned to the cardiac catheterization laboratory. Staff will be on site or available on an "on call" basis 24/7.

In addition, electronic radiologic repair technician and darkroom technician services will be available at all times to the cardiac catheterization laboratory.

RECEIVED
NOV 28 2006
By

FAHD JAJEH, M.D.

CURRICULUM VITAE

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Lake Forest, IL 60045

Phone: (847) 482-9838
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Office: 35 Tower Court ~ Ste F
Gurnee, IL 60031

Phone: (847) 360-8440
Fax: (847) 360-8468

Date Of Birth: 04 - 08 - 1957

Birth Place: Hama, Syria

Licensure: Illinois
036-064762

DEGREE

1977 – 1980	Doctor of Medicine Damascus University School of Medicine
1974 – 1977	Bachelor of Science, Biologic Science Damascus University, Damascus

EDUCATION

1986 – 1987	Angioplasty Fellowship St. Francis Hospital Galvin Heart Center Evanston, Illinois
1984 – 1986	Cardiology Fellowship Cook County Hospital Heart Station Chicago, Illinois
1981 – 1984	Internship and Residency Cook County Hospital 1835 W. Harrison Chicago, Illinois
1980 – 1981	Rotating Internship Damascus University Hospital

ATTACHMENT 25g

BOARD CERTIFICATION

1999	Diplomate, Interventional Cardiology
1989	Diplomate, Critical Care Medicine
1987	Diplomate, Cardiovascular Disease
1984	Diplomate, American Board of Internal Medicine

PROFESSIONAL EXPERIENCE

1986 – Present	Lake Heart Specialists 35 Tower Court ~ Ste F Gurnee, Illinois 60031
1983 – 1986	Emergency Room Physician Cermak Health Hospital Chicago, Illinois
1982 – 1984	Adult Emergency Room Cook County Hospital Chicago, Illinois

AFFILIATIONS

Illinois Medical Society

American Medical Society

Lake County Medical Society

American College of Cardiology

ATTACHMENT 25g

HOSPITAL AFFILIATIONS

Condell Medical Center
900 Garfield
Libertyville, Illinois 60048

Lake Forest Hospital
660 North Westmoreland
Lake Forest, Illinois 60045

Saint Therese Medical Center
2615 Washington
Waukegan, Illinois 60085

Victory Memorial Hospital
1324 Sheridan
Waukegan, Illinois 60085

RESEARCH

1984 – 1985 Cardiomyopathy, Natural History
Hypertrophic Heart Disease and Angina

LETTERS

1980 Graduation letter in
"Congenital Malformations in Children"

OPEN HEART SERVICES TRANSFER AGREEMENT

This **OPEN HEART SERVICES TRANSFER AGREEMENT** (the "Agreement") is made and entered into as of the 4th day of Sept, 2012, by and between Waukegan Illinois Hospital Company, LLC doing business as Vista Medical Center East ("Vista East") and Lindenhurst Illinois Hospital Company, LLC ("Vista Lindenhurst").

WHEREAS, Vista East is an acute care hospital licensed by the Illinois Department of Public Health ("IDPH") and provides open heart surgery services for patients when indicated;

WHEREAS, Vista Lindenhurst proposes to operate a hospital to be licensed by IDPH and desires provide adult diagnostic and interventional cardiac catheterization services and, from time to time, its patients will be in need of open heart surgery services which it will not provide directly;

WHEREAS, Vista East desires to enter into this Agreement with Vista Lindenhurst to provide for the orderly and efficient evaluation and transfer as indicated of those Vista Lindenhurst patients who may need open heart surgery for definitive evaluation and treatment as provided by Vista East.

NOW THEREFORE, Vista East and Vista Lindenhurst agree as follows:

1. **Availability of Hospital Services**: When a physician member of the Vista Lindenhurst Medical Staff determines that, in his or her best medical judgment, a Vista Lindenhurst patient would be appropriately treated with cardiac care services unavailable at Vista Lindenhurst including open heart surgery services, Vista East will provide such services and make arrangements for the provision of definitive evaluation and treatment for the benefit of such patients. To the extent that Vista East does not have the capacity for care of a particular Vista Lindenhurst patient in need of open heart surgery services, Vista East will assist Vista Lindenhurst in identifying an appropriate hospital to which the patient can be transferred.

2. **Patient Transfer**: Vista East shall designate a person or persons to serve as the Vista East Liaison for purposes of facilitating transfers and the continuity of care under this Agreement. Vista Lindenhurst staff shall notify the Vista East Liaison as far in advance as reasonably practicable of a request for transfer of a Vista Lindenhurst patient in need of advanced cardiac care services or related treatment or services. Vista East shall accept the Vista Lindenhurst patient for admission to Vista East provided that Vista East has the capacity to treat the Vista Lindenhurst patient. When any patient is transferred to Vista East pursuant to this Agreement, Vista Lindenhurst shall ensure that its staff includes all appropriate transfer forms, consents, a copy of the applicable medical records and other appropriate and/or legally required documentation with the patient transferred. Vista Lindenhurst will arrange for the transportation of the patient to Vista East by the most

appropriate means. All such transfers shall be in accordance with EMTALA and other applicable statutes and regulations. Vista Lindenhurst shall be responsible for the security, accountability and appropriate disposition of the personal effects of the patient prior to and during transfer to Vista East.

3. **Cooperative Efforts**: Each party agrees to devote its best efforts to promoting cooperation and effective communication between the parties in the performance of services hereunder, to foster the prompt and effective evaluation, treatment and continuing care of the recipients of these services. The appropriate physicians of each institution shall be reasonably available to the physicians of the other institution for consultation with respect to the care and treatment of any patient transferred pursuant to this Agreement.

4. **Standards of Care**: The parties shall agree on protocols addressing indications, contraindications and other criteria for emergency transfer of patients in a timely manner. The Medical Director of the Cardiac Catheterization Lab at Vista Lindenhurst will be responsible for monitoring and tracking patients who are being considered for cardiac catheterization.

5. **Confidentiality**: Each party agrees to maintain the confidentiality of patient medical records and any identifiable health information. Each party agrees to comply with the requirements of federal and state laws governing privacy of patient medical records and individually identifiable health information including but not limited to the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

6. **Payment for Services**: Payment for services performed by Vista Lindenhurst and Vista East shall be billed and collected by the provider rendering such services but neither shall bill for services provided by the other. Services shall be billed either to the patient, third party payor or other source normally billed for such services. Neither facility shall have any liability to the other for such charges except to the extent that such liabilities exist separate and apart from this Agreement.

7. **Term and Termination**: This Agreement shall be effective upon the Effective Date as described in Section 20 of this Agreement and shall continue for a period of one year. Thereafter, this Agreement shall automatically renew for successive one-year periods, unless either party provides the other party with at least ninety (90) days prior written notice of termination. Either party may terminate this Agreement at any time, with or without cause, by providing ninety (90) days prior written notice to the other party. This Agreement shall automatically terminate should ether party fail to maintain the licensure or certification necessary to carry out the provisions of this Agreement.

8. **Independent Contractors**: In performing their respective obligations under this Agreement, Vista East and Vista Lindenhurst shall be independent contractors and not agents or employees of the other party. The relationship established herein shall not be that of a partnership or joint venture or any other type of legal

relationship. Further, nothing in this Agreement shall be construed as limiting the right of either party to affiliate or contract with any other entity.

9. **Nondiscrimination**: Vista East and Vista Lindenhurst shall maintain compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990 and all related regulations and other applicable laws, to ensure that neither party shall discriminate against any recipient of services hereunder on the basis of race, color, sex, creed, national origin, age, sexual orientation, marital status or handicap, or under any program or activity receiving Federal financial assistance.

10. **Liability**: Each party shall be responsible for its own acts and omissions and agrees to indemnify and hold the other party harmless from any actual or threatened harm caused by or arising out of any claimed improper, negligent or wrongful act or omission of the indemnifying party, its officers, directors, agents, or employees.

11. **Notice**: Any notice, demand or communications to be given pursuant to this Agreement, shall be deemed effectively given when personally delivered, sent by Federal Express, other overnight delivery service, or prepaid certified mail return receipt requested and addressed as follows:

Lindenhurst Illinois Hospital Company, LLC c/o Community Health Systems 4000 Meridian Blvd. Franklin, Tennessee 37067 Attn: Legal Department	Waukegan Illinois Hospital Company, LLC 1324 North Sheridan Road Waukegan, IL 60085 Attn: CEO

12. **Governing Law and Assignment**: This Agreement shall be interpreted and construed in accordance with the laws of the State of Illinois and may not be assigned by either party without the written agreement of both parties.

13. **Compliance**: This Agreement is not for the purpose of inducing referrals or other financial remuneration. This Agreement is purposed only to outline the administrative obligations of both parties in accordance with federal, state, and local laws, rules and regulations. Notwithstanding any unanticipated effect of any provision of this Agreement, neither party will knowingly or intentionally conduct its behavior in such a manner as to violate the prohibitions against fraud and abuse in connection with the Medicare and Medicaid programs.

14. **Severability**: The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

15. **Oversight Agencies**: Each party hereto shall perform its obligations under this Agreement in conformity with the standards, rulings, and regulations of IDPH, the

Joint Commission on Accreditation of Healthcare Organizations, the Department of Health and Human Services and other federal, state or local government agencies having jurisdiction and exercising authority with respect to either party.

16. **Access to Books and Records**: Upon written request of the Secretary of Health and Human Services or the Comptroller General of the United States, or any of their duly authorized representatives, the parties shall make available to the Secretary or to the Comptroller General, this Agreement, books, documents and records necessary to verify the nature and extent of the costs of providing services under this Agreement. This obligation shall extend for up to four (4) years after the rendering of such services. This Section is included pursuant to and is governed by the requirements of Public Law 96-499 and regulations promulgated thereunder.

17. **Waiver of Breach**: The waiver of either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be a waiver of any subsequent breach of the same or other provision hereof.

18. **Headings**: The section titles and other headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

19. **Entire Agreement**: This Agreement embodies the complete and full understanding between the parties with respect to the services to be provided hereunder. There are no promises, terms, conditions, or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations or agreements, either verbal or written, between the parties hereto.

20. **Effectiveness**: The effectiveness of this Agreement shall be conditioned up the establishment of both an open heart surgery category of service by Vista East and a cardiac catheterization program by Vista Lindenhurst. Vista Lindenhurst agrees that it shall not establish a cardiac catheterization program unless and until Vista East's open heart surgery program becomes operational or Vista Lindenhurst secures appropriate alternative arrangements for back-up open heart surgery services. The Effective Date of this Agreement shall be the date on which IDPH has licensed both the Vista East open heart surgery category of service and the Vista Lindenhurst cardiac catheterization category of service.

IN WITNESS WHEREOF, the parties hereto have executed this Open Heart Services Transfer Agreement as of Sept 4, 2012.

WAUKEGAN ILLINOIS HOSPITAL COMPANY, LLC
d/b/a Vista Medical Center-East

Barbara J Martin

By: Barbara Martin
Its: President and CEO

ATTACHMENT 25h

CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE

A variety of clinical service areas, other than the "categories of service" addressed in other portions of this application will be provided, as is the case with all hospitals; and in general, these services are required to support the "categories of service", and more specifically the inpatient services.

As is the case with the "categories of service" the clinical services addressed in this attachment are being provided primarily to serve the residents of the identified service area, and in many instances, these services, such as the clinical laboratory, imaging, etc., are required for licensure.

Utilization of Vista-Lindenhurst's clinical service areas that are not IDPH-designated categories of service were projected using January 1-June 30, 2012 utilization of similar services at Vista Medical Center-East ("VMC-E"), typically using inpatient procedures per Medical/Surgical and ICU patient days and outpatient procedures per inpatient procedures as the basis for the projections.

Surgery

Surgery utilization was based on the VMC-E rate of .06 inpatient cases per M/S and ICU patient day, with the VMC-E rate of 1.62 outpatient cases per inpatient reduced by 30% because of the ASTC located on the VMC-L proposed site. Additionally, the

VMC-E hours per case were reduced from 1.49 to 1.40 hours to account for the absence of cardiovascular surgery at VMC-L. As a result, 4,373 hours of OR utilization (including turn-over) are projected for the first year following the hospital's opening, and 6,111 are projected for the second year. Five operating rooms will be provided.

Endoscopy

Two endoscopy procedure rooms will be located within the surgical suite to avoid any unnecessary duplication of facilities. The projected utilization of these facilities is based on the January-June, 2012 utilization of VMC-E's GI lab, in which inpatient procedures were performed at the rate of .024 procedures per M/S and ICU patient day, outpatient procedures were performed at the rate of 1.72 procedures per inpatient procedure, and the average time per procedure was 0.7 hours. As a result, and based on the projected patient days of care to be provided at Vista Medical Center-Lindenhurst, 1,592 endoscopy procedures (1,114 hours) are project for the first year following the hospital's opening, and 2,252 procedures (1,558 hours) are projected for the subsequent year.

Emergency Department

The projected utilization of the Emergency Department is based on ED utilization state-wide. According to IDPH utilization data and Geolytics population estimates, in 2011 ED visits occurred at the rate of 493.4 per 1,000 residents. As discussed in other parts of this application, Vista-Lindenhurst's service area extends into southern Wisconsin. For planning purposes, the assumption was made that the number of Illinois

residents of Vista-Lindenhurst's service area leaving the state for ED services would be offset by Wisconsin residents using the Vista-Lindenhurst ED. Therefore, ED utilization by Vista-Lindenhurst service area residents was projected at the state-wide rate, or approximately 119,295 visits in 2017 (based on a population of 241,783 in the Illinois portion of the hospital's service area). To be conservative, and understanding that the service already exists, but also understanding that the defined service area is small and surrounds the Vista-Lindenhurst site, a 30% market share was projected, resulting in approximately 35,800 ED visits at Vista-Lindenhurst in 2017. (493.4 x 241.783 x .30) seventeen stations will be provided in the ED.

Imaging

Vista Medical Center currently provides imaging capabilities on its Lindenhurst campus, including 2 general/ R & F units, one CT unit, two ultrasound units, one mammography unit, and one dexascan unit. The imaging units discussed below will address the inpatient imaging requirements, as well as a portion of the outpatient requirements. The imaging units currently in use on the campus will remain in use, but will provide services to outpatients, exclusively.

Imaging- General R & F

General radiographic and fluoroscopic procedures are projected at the VMC-E rates of 0.40 inpatient procedures per M/S and ICU patient day and outpatient procedures being performed at 287.5% of inpatient procedures. As a result, 37,815 procedures are

projected for the first year of the hospital's operation, and 52,841 are projected for the second year. Three procedure rooms will be provided.

Imaging-Ultrasound

Ultrasound procedures are projected at the VMC-E rates of 0.049 inpatient procedures per M/S and ICU patient day and outpatient procedures being performed at 271% of inpatient procedures. As a result, 4,435 procedures are projected for the first year of the hospital's operation, and 6,197 are projected for the second year. One procedure room will be provided.

Imaging-CT

CT procedures are projected at the VMC-E rates of 0.16 inpatient procedures per M/S and ICU patient day and outpatient procedures being performed at 137% of inpatient procedures. As a result, 9,251 procedures are projected for the first year of the hospital's operation, and 12,927 are projected for the second year. One procedure room will be provided.

Imaging-Nuclear Medicine

Nuclear medicine procedures are projected at the VMC-E rate of 0.026 inpatient procedures per M/S and ICU patient day and outpatient procedures being performed at the rate of .025 procedures per M/S and ICU patient day. As a result, 1,487 procedures are projected for the first year of the hospital's operation, and 1,739 are projected for the second year. One procedure room will be provided.

Imaging-Interventional Radiology

Interventional radiology procedures are projected at the VMC-E rate of 0.012 inpatient procedures per M/S and ICU patient day and outpatient procedures being performed at the rate of 1.14 procedures per inpatient procedure. As a result, 626 procedures are projected for the first year of the hospital's operation, and 875 are projected for the second year. One procedure room will be provided.

Laboratory

Laboratory determinations are projected at rate of 9.88 inpatient units per M/S and ICU patient day and outpatient procedures being performed at 49.9% of inpatient procedures. As a result, 361,306 units are projected for the first year of the hospital's operation, and 504,868 are projected for the second year.

Pharmacy

Pharmacy units are projected at rate of 77.99 units per patient day. Pharmacy services will not routinely be provided to outpatients through the hospital pharmacy. As a result, 1,902,722 units are projected for the first year of the hospital's operation, and 2,658,757 are projected for the second year.

Physical Therapy

The physical therapy services provided at Vista-Lindenhurst will be limited to inpatient treatments. Outpatient physical (and occupational) therapy services will be provided through the therapy center currently in operation on Vista's Lindenhurst

campus. Inpatient therapy will be provided at the rate of 0.37 units per Medical/Surgical/ICU patient day, consistent with at experienced at VMC-E, resulting in 9,026 units during the first year and 12,613 units during the hospital's second year of operation.

AUDITED FINANCIAL STATEMENT

An Audited Financial Statement for Community Health Systems, Inc. ("CHS") has been filed within the last twelve months in connection with project 12-073, and is on file with the Illinois Health Facilities and Services Review Board.

ATTACHMENT 39

CHS

September 12, 2012

Ms. Courtney Avery
Executive Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson
Springfield, Illinois 62761

Dear Ms. Avery:

The Lindenhurst Hospital project shall be funded via cash on hand. No funds will be borrowed to fund the project.

Sincerely,

Martin G. Schweinhart
Senior Vice President, Operations

Subscribed and sworn to before me this
13th day of September, 2012

Notary Public

MARY ANN ECKMAN
STATE OF TENNESSEE NOTARY PUBLIC
WILLIAMSON COUNTY, TN
My Comm. Expires September 27, 2015

COMMUNITY
HEALTH
SYSTEMS

4000 Meridian Boulevard
Franklin, TN 37067
Tel: (615) 465-7000

P.O. Box 689020
Franklin, TN 37068-9020

"Community Health Systems" is a registered trade name of Community Health Systems Professional Services Corporation.

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COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department	A	B	C	D	E	F	G	H	Total
(list below)	Cost/Sq. Foot		DGSF		DGSF		Const. $	Mod. $	Costs
	New	Mod.	New	Circ.	Mod.	Circ.	(A x C)	(B x E)	(G + H)
Reviewable									
Med/Surg/Peds	$ 389.48		48,530				$ 18,901,464		$ 18,901,464
LDRP	$ 389.48		15,654				$ 6,096,920		$ 6,096,920
C-Cection Suite	$ 389.48		3,194				$ 1,243,999		$ 1,243,999
Nursery	$ 389.48		3,163				$ 1,231,925		$ 1,231,925
ICU	$ 440.44		7,277				$ 3,205,082		$ 3,205,082
Diag. Imaging	$ 447.72		8,723				$ 3,905,462		$ 3,905,462
Cardiology	$ 447.72		4,664				$ 2,088,166		$ 2,088,166
Surgery Suite*	$ 404.04		11,737				$ 4,742,217		$ 4,742,217
Prep/Recov/PACU	$ 404.04		3,584				$ 1,448,079		$ 1,448,079
Lab	$ 404.04		3,274				$ 1,322,827		$ 1,322,827
Emergency	$ 404.04	$ 282.83	4,635		750		$ 1,872,725	$ 212,121	$ 2,084,846
Pharmacy	$ 353.08		1,716				$ 605,885		$ 605,885
PT/Wound Care	$ 353.08		3,521				$ 1,243,195		$ 1,243,195
Resp. Therapy	$ 353.08		1,196				$ 422,284		$ 422,284
Central Supply	$ 345.80		2,244				$ 775,975		$ 775,975
	$ 398.87	$ 282.83	123,112		750		$ 49,106,206	$ 212,121	$ 49,318,327
contingency	$ 28.00	$ 20.00					$ 3,447,136	$ 15,000	$ 3,462,136
Reviewable Total	$ 426.87	$ 302.83	123,112		750		$ 52,553,342	$ 227,121	$ 52,780,463

ATTACHMENT 42C

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A Cost/Sq. Foot New	B Cost/Sq. Foot Mod.	C DGSF New	D DGSF Circ.	E DGSF Mod.	F DGSF Circ.	G Const. $ (A x C)	H Mod. $ (B x E)	Total Costs (G + H)
Non-Reviewable									
Administration	$ 287.56		2,035				$ 585,185		$ 585,185
Info. Systems	$ 287.56		3,464				$ 996,108		$ 996,108
Human Resources	$ 287.56		1,307				$ 375,841		$ 375,841
Business Office	$ 287.56		1,188				$ 341,621		$ 341,621
Pastoral Care	$ 287.56		921				$ 264,843		$ 264,843
Admitting/Reg.	$ 287.56		2,323				$ 668,002		$ 668,002
Accounting	$ 287.56		634				$ 182,313		$ 182,313
Case Mgt.	$ 287.56		528				$ 151,832		$ 151,832
Education	$ 287.56		1,426				$ 410,061		$ 410,061
Employee Health	$ 287.56		382				$ 109,848		$ 109,848
Marketing	$ 287.56		264				$ 75,916		$ 75,916
Medical Records	$ 287.56		2,448				$ 703,947		$ 703,947
Nursing Admin.	$ 287.56		440				$ 126,526		$ 126,526
Medical Staff	$ 287.56		1,224				$ 351,973		$ 351,973
QA/Risk Mgt.	$ 287.56		303				$ 87,131		$ 87,131
Materials Mgt.	$ 262.08		2,680				$ 702,374		$ 702,374
Maintenance	$ 262.08		1,467				$ 384,471		$ 384,471
Housekeeping	$ 262.08		1,031				$ 270,204		$ 270,204
Dietary/Food Serv	$ 262.08		5,293				$ 1,387,189		$ 1,387,189
Gift Shop/Vols	$ 345.80		823				$ 284,593		$ 284,593
Public/Gen'l Circ	$ 345.80		13,811				$ 4,775,844		$ 4,775,844
Connector	$ 265.72		750				$ 199,290		$ 199,290
Mechanical	$ 265.72		23,930				$ 6,358,680		$ 6,358,680
Exterior Walls	$ 265.72		5,935				$ 1,577,048		$ 1,577,048
	$ 286.45		74,607	30,181			$ 21,370,840		$ 21,370,840
contingency	$ 28.00						$ 1,709,667		$ 1,709,667
Non-Rev. Total	$ 314.45		74,607				$ 23,080,508		$ 23,080,508
PROJECT TOTAL	**$ 382.53**	**$ 302.83**	**197,719**		**750**		**$ 75,633,850**	**$ 227,121**	**$ 75,860,971**

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ATTACHMENT 42C

VISTA-LINDENHURST MEDICAL CENTER					
YEAR 2 OF OPERATION					
(all services at target utilization/occupancy levels)					
OPERATING COSTS					
				CARDIAC	
	M/S	OB	ICU	CATH	HOSPITAL
salaries & benefits	$ 8,444,550	$ 1,733,355	$ 1,466,685	$ 1,022,235	$ 44,445,000
supplies	$ 5,843,019	$ 663,493	$ 1,733,643	$ 1,091,553	$ 21,403,000
TOTAL	$ 14,287,569	$ 2,396,848	$ 3,200,328	$ 2,113,788	$ 65,848,000
Adjusted	$ 74,502,000				
patient Days =	3245	22,959			
Operating Cost/Adj. Pt. Day	**$ 622.31**	**$ 104.40**	**$ 139.39**	**$ 92.07**	**$ 2,868.07**
CAPITAL COSTS					
interest, depreciation, and					
amortization					$ 7,122,240
Capital Cost/Adj. Pt. Day					**$ 310.22**

(30)

ATTACHMENT 42D and 42E

SAFETY NET IMPACT STATEMENT

Consistent with a documented technical assistance conference held with IHFSRB staff on August 20, 2012, this Safety Net Impact Statement will address services provided by Vista Medical Center-East and Vista Medical Center-West, Community Health Systems' ("CHS's") two hospitals located in Lake County.

All required historical charity care information and all required information related to the historical provision of care to Medicaid recipients, including the number of charity care inpatients and outpatients served, the cost of providing charity care, the charges associated with the charity care provided, the number of inpatient and outpatient Medicaid recipients served, Medicaid revenue, and net patient revenue is provided in Sections XI and XII of the application.

The proposed project is designed to provide basic hospital services to a population that has had, because of the geographic distribution of hospitals within Lake County, inadequate accessibility to hospital services. As a result, the project will be providing essential safety net services, including Medical/Surgical beds, ICU beds, obstetrics beds, inpatient surgery capabilities, a "comprehensive" Emergency Department, and other services consistent with a community hospital.

ATTACHMENT 43

As identified in Sections XI and XII of the application, the two Vista Medical Center hospitals provide significant volumes of charity care and services to Medicaid recipients, and Vista Medical Center-Lindenhurst will operate under the same admissions and financial aid policies currently used by Vista Medical Center-East and Vista Medical Center-West. In 2011, 2.2% of the patients admitted to the Vista Medical Center hospitals were classified as "charity care", and 27.0% were Medicaid recipients.

It is not anticipated that the proposed project will have any impact on another provider or health system's ability to cross-subsidize safety net services, and the proposed project does not involve the discontinuation of any facility or service, other than the anticipated future discontinuation of the Freestanding Emergency Center ("FEC") operated by Vista Health System on the proposed hospital site. That service will not be discontinued (to be addressed through a separate CON application) until the proposed hospital is licensed and operational, at which time the hospital's Emergency Department will provide all services currently provide through the FEC.

CHARITY CARE INFORMATION

All required charity care information, including net patient revenue, the cost of providing charity care, and the charges associated with the provision of that care is provided in Section XII of the application.

Vista Medical Center's charity care-related policies, which will be adopted by Vista Medical Center-Lindenhurst, are attached.

ATTACHMENT 44

CHS

Vista Medical Center

Subject:	Originally Issued	Date of This Revision	Page	No.
CHARITY CARE POLICY	02/16/06		1 of 5	

POLICY STATEMENT:

As a condition of participation in the Medicaid disproportionate share program (if applicable) and to serve the health care needs of our community, Vista Medical Center will provide charity care to patients without financial means to pay for non-elective hospital services.

Charity care will be provided to all patients without regard to race, creed, color, or national origin and who are classified as financially indigent or medically indigent according to the hospital's eligibility criteria.

PURPOSE:

To properly identify those patients who are financially indigent or medically indigent, who do not qualify for state and/or government assistance, and to provide assistance with their medical expenses under the guidelines for Charity Care.

ELIGIBILITY FOR CHARITY CARE

1. **FINANCIALLY INDIGENT:**
   A. A financially indigent patient is a person who is uninsured and is accepted for care with no obligation or a discounted obligation to pay for services rendered based on the hospital's eligibility criteria as set forth in this Policy.

   B. To be eligible for charity care as a financially indigent patient, the patient's total household income shall be at or below 200% of the current Federal Poverty Income Guidelines. Vista Medical Center may consider other financial assets and liabilities for the person when determining eligibility.

   C. Vista Medical Center will use the most current Federal Poverty Income Guideline issued by the U.S. Department of Health and Human Services to determine an individual's eligibility for charity care as a financially indigent patient. The Federal Poverty Income Guidelines are published in the Federal Register in

ATTACHMENT 44

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January or February of each year and for the purposes of this Process will become effective the first day of the month following the month of publication.

D. In no event will Vista Medical Center establish eligibility criteria for financially indigent patients which sets the income level for charity care lower than that required for counties under the State Indigent Health Care and Treatment Act, or higher than 200% of the current Federal Poverty Income Guidelines. However, Vista Medical Center may adjust the eligibility criteria from time to time based on the financial resources of the hospital and as necessary to meet the charity care needs of the community.

2. **MEDICALLY INDIGENT:**

A. A medically indigent patient is a person whose medical bills after payment by third party payers exceed a specified percentage of the person's annual gross income as defined herein and who is unable to pay the remaining bill.

B. To be eligible for charity care as a medically indigent patient, the amount owed by the patient on the hospital bill, after payment by third party payers, must exceed 50% of the patient's annual gross income and the patient must be unable to pay the remaining bill. The hospital may consider other financial assets and liabilities of the person when determining ability to pay.

C. A determination of the patient's ability to pay the remainder of the bill, or portion of the bill, will be based on whether the patient reasonably can be expected to pay the account, or portion thereof, over a 3-year period.

D. If a determination is made that a patient had the ability to pay the remainder of the bill, such a determination does not prevent a reassessment of the patient's ability to pay at a later date should there be a change in the patient's financial status.

THE PROCESS

1. **Identification of Charity Cases:**

A. Vista Medical Center posts signs, in English and Spanish, *Exhibit "A"*, one in each admitting offices and one in the emergency lobby that inform customers that charity care is available. **(SIGNS WILL BE POSTED ONLY IF STATE REQUIRES or if hospital has participated in the Hill Burton Program)**

B. All self-pay patients are asked to complete the Financial Assistance form "FA", *Exhibit "B"*, during the registration or financial counseling process.

C. All self-pay accounts will be screened for potential Medicaid eligibility as well as coverage by other sources, including governmental programs. During this screening process an "FA" will be completed if it is determined that the patient does not appear to qualify for coverage under any program.

D. The "FA" will be sent to the Business Office for final determination by the Financial Counselor or Business Office Manager.

E. If the Financial Counselor determines through the application and documented support that the patient qualifies for charity care she/he will give the completed and approved "FA" to the BOM for approval authorization, prior to write off.

F. The following documents will be required to process the application: copies of current monthly expenses/bills, copies of the previous year's income tax return, current copy of employers check stub, proof of any other income, copies of all bank statements for prior 3 months, and copies of all other medical bills. The hospital has the option to pull a credit report to verify information and determine if there are credit cards with available credit that the balance, or portion thereof, could be charged to the credit card.

G. The Financial Counselor will contact any vendor who may be working the account, to stop all collection efforts on the account.

H. Once approved for Charity, the account will be moved to the appropriate financial class until the adjustment is processed and posted/credited to the account. After the adjustment is posted, if there is a remaining balance due from the patient, the financial class will be changed to self pay.

I. If the "FA" is incomplete it will be the responsibility of the Financial Counselor to contact the patient via mail or phone to obtain the required information.

J. Applications that remain incomplete after 30 days of request for information will be denied.

K. The application may be reopened and reconsidered for charity once the require information is received.

L. Once an account has been written off to bad debt, the patient will not be allowed to apply for Charity assistance.

1BC

2. FACTOR TO BE CONSIDERED FOR CHARITY DETERMINATION

A. The following factors are to be considered in determining the eligibility of the patient for charity care:

1. Gross Income
2. Family Size
3. Employment status and future earning capacity
4. Other financial resources
5. Other financial obligations
6. The amount and frequency of hospital and other medical bills

B. The income guidelines necessary to determine the eligibility for charity are attached on *Exhibit "C"*. The current Federal Poverty Guidelines are attached as *Exhibit "D"* and they include the definition of the following:

1. Family
2. Income

3. FAILURE TO PROVIDE APPROPRIATE INFORMATION

Failure to provide information necessary to complete a financial assessment within 30 days of the request may result in a negative determination. The account may be reconsidered upon receipt of the required information, providing the account has not been written off to bad debt

4. TIME FRAME FOR ELIGIBILITY DETERMINATION

A determination of eligibility will be made by the Business Office within 30 working days after the receipt of all information necessary to make a determination.

5. DOCUMENTATION OF ELIGIBILITY DETERMINATION AND APPROVAL OF WRITE-OFF

Once the eligibility determination has been made, the results will be documented in the comments section on the patient's account and the completed and approved "FA" will be filed attached to the adjustment sheet and maintained for audit purposes. The CEO, CFO, BOM will signify their review and approval of the write-off by signing the bottom of the Charity Care/Financial Assistance Program Application form. The signature requirements will be based on the CHS financial policy for approving adjustments.

6. REPORTING OF CHARITY CARE

Information regarding the amount of charity care provided by the hospital, based on Vista Medical Center's fiscal year, shall be aggregated and included in the annual report filed with the Bureau of State Health Data and Process Analysis at the State Department of Health. These reports also will include information concerning the provision of government sponsored indigent health care and other county benefits. (Only for those states that require).

7. POLICY REVIEW AND APPROVAL

The below individuals have read and approved this policy:

Hospital CEO	Date
Hospital CFO	Date
Corporate VP, Patient Financial Services	Date
Group VP Operations	Date

HEALTH SYSTEM

Notification to Patients
Notificacion al Paciente

You may be eligible for financial assistance under the terms and conditions the hospital offers to qualified patients. For more information please ask to speak to the Facility Financial Counselor or Registrar.

Usted puede ser elegible para obtener ayuda financiera bajo los terminos y condiciones que el hospital ofrece. Para mas informacion favor de comunicarse con el Consejero Financiero o en la Oficina de Registro.

Exhibit B

HEALTH SYSTEM

Patient Name: _____ Account # _____ Amount $ _____

Current Tax Return ☐

401K, IRA or any Investment Account ☐

Pay Stubs ☐

Bank Statements ☐

Insurance Policies ☐

Social Security card ☐

Drivers License ☐

Credit Report ☐

Financial Application ☐

HFMI Application ☐

ATTACHMENT 44

Exhibit B (continued)

HEALTH SYSTEM

Charity Care/Financial Assistance Program Application

Patient Account Number:_____ Date of Application_____

PATIENT INFORMATION	PARENT/GUARANTOR/SPOUSE
Name_____	Name_____
Address_____	Address_____
City_____	City_____
State/Zip_____	State/Zip_____
SS#_____	SS#_____
Employer_____	Employer_____
Address_____	Address_____
City_____	City_____
State/Zip_____	State/Zip_____
Work Phone_____	Work Phone_____
Length of Employment_____	Length of Employment_____
Supervisor_____	Supervisor_____

RESOURCES

Checking: yes___ no___
Savings: yes___ no___

Cash on hand: $_____

Vehicle 1: Yr_____ Make_____ Model_____
Vehicle 2: Yr_____ Make_____ Model_____
Vehicle 3: Yr_____ Make_____ Model_____

Exhibit B (continued)
Charity Care/Financial Assistance Program Application

INCOME

Patient/Guarantor:
Wages(monthly): _____

Other Income: Child Support: $_____

VA Benefits: $_____

Workers' Comp: $_____

SSI: $_____

Other: $_____

Spouse/Second Parent:
Wages(monthly): _____

Other Income: Child Support: $_____

VA Benefits: $_____

Workers' Comp: $_____

SSI: $_____

Other: $_____

LIVING ARRANGEMENTS

Rent_____ Own_____ Other(explain)_____

Landlord/Mortgage Holder: _____

Phone Number_____ Monthly payment $_____

REQUIRED DOCUMENTS

The following documents must be attached to process your application for Charity Care/Financial Assistance:

Proof of Income: Prior year income tax return, last 4 pay check stubs, letter from employer, Social Security, etc. Last 3 months bank statements. Other documents as requested.

Proof of Expenses: Copy of mortgage payment or rental agreement, copies of all monthly bills (including credit cards, bank loans, car loans, insurance payments, utilities, cable and cell phones). Other documents as requested.

The information provided in this application is subject to verification by the hospital and has been provided to determine my ability to pay my debt. I understand that any false information provided by me will result in denial of any financial assistance by the hospital.

The Hospital reserves the right to pull a copy of your credit report.

Signature of Applicant_____

Hospital Representative Completing Application: _____

Approval/Authorization of Charity Write-Off **Amount Approved $**_____

BOM_____ **CEO**_____

CFO_____

Account #_____Estimate Portion for Services: $_____

Expected Date of Service: _____

Complete Information:

Patient Name: _____

Date of Birth:_____ Social Security #:_____

- If patient cannot provide a valid SSN, verify if the patient is a U.S. citizen by reviewing the patients drivers license of proof of identity
- If the patient is not a U.S. citizen verify the patient's place of birth.
  - Go to section B – screen for the following programs: (A) Emergency Medicaid (B) UAP Section 1011

Address: _____How Long: _____

Home Phone: _____ Other/Cell Phone: _____

Employer: _____Work Phone: _____

Primary Language: _____ Services due to any kind of accident: ☐ Yes ☐ No
(If "Yes" complete accident process)

Total Household income: _____Total number of dependents in household: _____

Screening Process

Have you or your spouse been employed within the past 18 months: ☐ Yes ☐ No

If "Yes", Do you have group health insurance? ☐ Yes ☐ No, If "Yes", verify and update account for billing.

Payer:_____Policy:_____

Group:_____Insured's Name:_____

Have you had insurance in the past (3) months? ☐ Yes ☐ No, If "Yes" complete questions 1&2.

1. What type of insurance? _____
2. Reason for Termination? _____
3. Have you applied for any of the following:

- Cobra Insurance coverage? ☐ Yes ☐ No Former Employer: _____
- Medicaid ☐ Yes ☐ No State:_____When:_____Case worker:_____
- Has your living and/or income status changed within the past (30) days? ☐Yes ☐ No
- Are you disabled? ☐ Yes ☐ No When:_____

Accident Process:

1. Were you a victim of a crime? ☐ Yes ☐ No If "Yes", complete the following.
   a. Have you filed a Police report? ☐ Yes ☐ No (Pt only has 72/hrs to file a report)
   b. Completed a VOC application? ☐ Yes ☐ No
2. Is this accident related to a fall, auto accident or other?_____
   a. Date of accident:_____
   b. State of accident:_____
   c. Accident Reference claim number:_____
   d. Auto insurance and address:_____
   e. Auto insurance agent's name:_____ Phone:_____
   f. Homeowner insurance and address:_____

Financial Assessment

- Complete the Financial worksheet to determine if the patient has the resources to pay their medical charges
  1. Does the patient meet minimum income standards according to the Federal Poverty Guidelines for Charity? ☐ Yes ☐ No
  2. Does the patient have available credit according to their credit report or credit card statements? ☐ Yes ☐ No
  3. Does the patient have any assets available? (i.e. cash CD's, Bonds, Savings accounts, Life insurance cash policies, retirement/401K, etc) ☐ Yes ☐ No
     a. If "Yes", Type:_____ Amount:_____

- Make necessary arrangements for payment through time-pay and/or prompt pay at POS. Ask for deposit at POS if patient cannot make payment in full.

If time-payment arrangements are accepted, complete the Easy pay form.

Determining Eligibility for Medicaid

Determine if the patient is eligible for Medicaid or any other State/County of Local programs based on specific state guidelines or other programs available. (All-Kids, VOC, Emergency Medicaid, COBRA, etc.). Request copies of the patient's drivers license, social security card, and birth certificate (if available) to submit with the Medicaid application.

Medicaid

- Is the patient eligible? ☐ Yes ☐ No If "No", skip, continue with screening process. ***

1. Is the patient a state resident? ☐ Yes ☐ No
2. Does the patient meet the state required income standards? ☐ Yes ☐ No
3. Minors (under the age of 18) living in the home? ☐ Yes ☐ No
4. Is the patient a minor (under the age of 18)? ☐ Yes ☐ No
5. Is the Medicaid application completed in it's entirety, and filed with the appropriate DHS office? ☐ Yes ☐ No Date application filed:_____

***If no, patient will not be eligible for state Medicaid. Consider screening for payment and request supporting documents for Financial Assistance.

Complete the Medicaid application and submit to the local DHS/DCF department. Update the account financial class to "P". Follow up with the agency to verify the status of any Medicaid applications on file. Remain in contact with the patient. The patient is still responsible for the balance; request the patient's corporation in providing all of the necessary documents for financial consideration.

1011: Undocumented Alien Program/Emergency Medicaid

- Is the patient eligible? ☐ Yes ☐ No If "No", skip, continue with screening process.

- Does the patient have previous accounts in F/C JU/JP? ☐ Yes ☐ No
  - ➢ If "Yes", the patient is eligible for UAP Section 1011. update the F/C appropriately.

1. Is the patient a citizen of the U.S.? ☐ Yes ☐ No
2. Where was the patient born?_____
3. Has the patient applied for emergency Medicaid? ☐ Yes ☐ No
   - o Patient must be ineligible for Medicaid before we can submit Section 1011 payment
4. Was the Section 1011 worksheet used to determine eligibility? ☐ Yes ☐ No
   - o Is the Section 1011 form completed correctly and filed? ☐ Yes ☐ No
5. Did the patient provide any of the supporting documents at POS? ☐ Yes ☐ No
   - o If "Yes", update F/C to JU and [X] the appropriate form of identification
   - o If "No" request one of the following and update the F/C to JP

Foreign Documents:

Birth Certificate___, Expired Passport___, Voting Card___, Expired Visa___, Invalid Border Crossing Card___, Driver's License___, Temporary Laser Visa___, Other forms of foreign identification_____

Complete the Medicaid application and submit to local DHS/DCF department. Complete and file the Section 1011 form along with the supporting documents. Follow up with the patient if documents are not on file for Section 1011 and request the documents to be sent. Follow up with the local DHS/DCF department to verify the status of any Medicaid application on file. **Update F/C to P until the patient is approved or denied. If denied place account in F/C JU for possible UAP payment.**

County Indigent Program

- **Patient is eligible? (Y/N)**___ if no, skip and continue with the screening process.
  1. **Patient has permanent residency within the county? (Y/N)**____
  2. **According to the guidelines, patient meets required standards to apply for county indigent? (Y/N**____ **Income? (Y/N)**____ **Living arrangements? (Y/N)**____
  3. **Patient provided documentation? (Y/N)**____ if no, please encourage patient to provide documents within 2 business days.
  4. **Application was completed correctly and filed? (Y/N)**___

If patient qualifies for County Indigent for County indigent, update the financial class to JL, follow up with the Agency to verify the status of any Medicaid application on file. The patient is still responsible for the balance so request the patient cooperate with bringing in the necessary documents for financial consideration.

Disability/SSI

- **Patient is eligible? (Y/N)___** if no, skip and continue with the screening process.

These (5) five questions are used by SSI to determine if a patient may be eligible for disability.

1. **Are you working? (Y/N)____**
2. **Is your condition "sever"? (Y/N)___**
3. **Is your condition found in the list of disabling conditions? (Y/N)____**
   http://www.ssa.gov/disability/professionals/bluebook/AdultListings.htm
4. **Can you do the work you did previously? (Y/N)___**
5. **Can you do any other type of work? (Y/N)___**

If determined patient may be eligible, complete the SSI application and submit to local SSI department. **Update F/C to P.** Follow up with the Agency to verify the status of any SSI application on file. The process may take a while so please keep communication open with the patient. Request the patient cooperate with bringing in the necessary documents for financial consideration.

Charity

- **Patient is eligible? (Y/N)___**

Provide a patient a list of documents to bring and request patient provide this information within **10 days of service** for financial consideration. (W2's Bank statements, Latest pay stubs, other bills and income verification)

1. **Patient falls within the income guidelines and does not qualify for any other programs available. (Y/N)___** If yes, the patient is still responsible for the total balance so please encourage the patient to cooperate with bringing in the necessary documents for financial consideration.
2. **Provide patient with list of documents to bring for financial consideration?**
3. **Patient's scheduled appointment date and time. ___/___/_____ at ___:____.**

Office of Mental Health (OMH, aka DMH)

- **Patient is eligible? (Y/N)___**

Complete the OMH application and submit to OMH/DMH in Elgin, IL. The patient must not qualify for Medicaid to me eligible or OMH funds. A denied Medicaid application must be obtained before OMH consideration. Follow the above policy concerning Medicaid.

If the patient qualifies for OMH funding, update **the financial class to OS.**

I, _____, am aware that I'm responsible for the accumulated charges for services provide. I have provided accurate information to the best of my knowledge.

Patient/Guarantor Signature _____ Date___/___/_____

Patient Representative Signature _____ Date___/___/_____

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Exhibit C

Income Guidelines For Determining % of Charity Care Discount
(For Financially Indigent Patients)

Based Current Year's Federal Poverty Income Guidelines

% of Poverty Income	Discount from charges
Equal to or Below Poverty	200%

Exhibit D

The Department of Health and Human Services has issued updated Poverty Guidelines for 2007 (reference: Federal Register: January 24, 2007, Volume 72, Number 15 pp. 3147-3148). Vista Medical Center will determine charity eligibility based on 200% of the 2007 HHS Poverty Guideline.

200% 2007 HHS Poverty Guidelines

Persons in Family or Household	200%
1	$20,420
2	$27,380
3	$34,340
4	$41,340
5	$48,260
6	$55,220
7	$62,180
8	$69,140
For each additional person, add	$6,960

HEALTH
SYSTEM

Subject:	Originally Issued	Date of This Revision	Page	No.
ILLINOIS UNINSURED/SELF PAY DISCOUNT POLICY	2/01/08	4/01/09	1 of 10	

POLICY STATEMENT:

As a condition of participation in the Medicaid disproportionate share program (if applicable) and to comply with Illinois Public Act 95-0965, and to serve the health care needs of our community, Vista Medical Center East and West Systems will provide discount care to uninsured patients, who do not otherwise qualify for third party coverage, local, state and/or government assistance with their health care bills.

Discount care will be provided to all uninsured patients without regard to race, creed, color, religious beliefs or national origin.

Patients may apply for the discount within 60 days of service.

All Illinois CHS hospitals will charge Illinois residents no more than 135% of cost based on their most recently filed Medicare cost report. Where a prior agreement such as an Asset Purchase Agreement requires the hospital to apply an existing policy, hospital will charge the patient the lesser of the APA agreement or 135% of Medicare cost. Non Illinois residents will receive the minimum uninsured discount without proof of income and/or residency.

PURPOSE:

To properly identify those patients who do not have insurance and do not qualify for third party coverage, state and/or government assistance, and to provide assistance with their medical expenses under the guidelines for the Uninsured/Self Pay Discount Policy.

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ELIGIBILITY FOR DISCOUNT CARE

1. To be eligible for a reduction in the patient balance through the Discount Policy, the patient must be uninsured and the hospital services are not covered in whole or part, by any other third party source.

2. For the purposes of Illinois Public Act 95-0965, the services provided must be on or after 4/1/09, otherwise, the minimum uninsured discount will apply.

3. The household income cannot be more than 600% of the Federal Poverty Income or less at Urban Area Hospitals.

4. Patients who do not apply for Charity Care and/or does not provide the documents required to make a determination for Charity or a determination of income for the purpose of Illinois Public Act 95-0965, will only be eligible for the minimum discount of 20% and have 60 days from discharge/service date to provide the documents required in order to receive an additional discount.

5. The services the patient receives must be medically necessary based on Medicare Medical Necessity criteria.

6. Must be an Illinois Resident and provide acceptable family income verification. Acceptable forms of verification of Illinois residency includes one of the following:

   -Any document listed on acceptable family income verification
   -A valid state issued identification card
   -A recent residential utility bill
   -A lease agreement
   -A vehicle registration card
   -A voter registration card
   -Mail addressed to the uninsured patient at an Illinois address from a government or other credible source
   -A statement from a family member of the uninsured patient who resides at the same address and presents verification of residency
   -A letter from a homeless shelter, transitional house or other similar facility verifying that the uninsured patient resides at the facility

THE AMOUNT OF THE DISCOUNT PROVIDED

PATIENTS WHO DO NOT PROVIDE PROOF OF INCOME; WHO ARE NOT ELIGIBLE FOR SELF PAY DISCOUNT OR WHOSE CHARGES FOR AN

INPATIENT OR OUTPATIENT ENCOUNTER IS LESS THAN $300: these patients are eligible for a minimum discount of 20% off billed charges.

PATIENTS WHO PROVIDE PROOF OF ILLINOIS RESIDENCY, WHO ARE ELIGIBLE FOR A SELF PAY DISCOUNT AND WHOSE CHARGES FOR AN INPATIENT OR OUTPATIENT ENCOUNTER IS MORE THAN $300: a discount of 76% will be provided on services performed at Vista Medical Center East and a discount of 49% will be provided on services performed at Vista Medical Center West. The discount is based on 135% of the hospital cost based on the most recently filed Medicare Cost Report.

However, the maximum amount collected in a 12-month period from eligible patients is 25% of the family's annual gross income, excluding patients with substantial assets as described in Appendix 1.

- A 12 month period begins as of the first date of service determined to be eligible for a discount.
- The patient must inform the hospital that he/she has received prior services from the hospital which were eligible for the discount
- Substantial assets do not include primary residence, personal property and amounts held in a pension or retirement plan

EXCLUDED FROM COVERAGE

1. Patient's covered by any insurance, local, state or government health care coverage or other third party coverage. This includes any portion of a hospital bill where the patient's insurance has denied or excluded certain services from coverage.

2. Patient's who qualify and receive a hospital Charity Care Discount.

3. Patient's requesting cosmetic procedures or services not considered medically necessary based on Medicare medical necessity criteria. In the case of elective procedures such as cosmetic procedures or weight reduction procedures, package pricing often applies and a discount is automatically provided within the package pricing. These services should not be provided until the patient has paid for the service in advance. Non-medical services such as social and vocational services are excluded from coverage.

4. Any other patient/account already receiving a discount, such as (but not limited to) Industrial Accounts or Client Accounts.

5. Hospital based physician charges.

THE PROCESS

1. **Identification of Patients Eligible for Discount Policy:**

   A. The hospital will include a statement on each hospital bill or summary of charges of the availability of an Uninsured Discount and how to make application. The statement will include information regarding income requirements.

   B. All patients with no insurance who do not qualify for Charity Care or who do not apply for Charity Care will be eligible for a discount off billed charges (subject to charges exceeding $300 of charges in any one Inpatient and Outpatient encounters). Excluding encounters where charges are $300 or less. No discount will be provides when the total charges for that encounter is $300 or less.

The maximum amount collected in a 12-month period from eligible patients is 25% of the family's annual gross income excluding substantial assets. The 12-month period beings from the date of service in which the patient is eligible for the discount.

   C. During the screening process for the Charity Care and the Discount Programs, the financial counselor or self pay screening vendor will screen for potential Medicaid eligibility as well as coverage by other sources, including governmental programs. During this screening process a "FA" will be completed. (Exhibit A) While it is not necessary that a FA be completed in order to receive a discount, when a FA is completed during the screening process, it will be used for the purpose of this policy as well. Patients will be required to cooperate and apply for Medicare, Medicaid, AllKids, SCHIP, or any other public program providing there is reason to believe they would qualify. Proof of denial will be required for the patient to be eligible for the discount above the minimum uninsured discount.

   D. All uninsured patients will be screened for existing Medicaid coverage by using the hospital's insurance eligibility software. A copy of the response will be retained as verification that the patient did not have Medicaid coverage.

   E. The hospital will view prior accounts for the patient as well as the guarantor to determine if insurance coverage existed on prior hospital records. If so, the hospital will 'verify insurance coverage' and document the call and response.

   F. The hospital reserves the right to pull a copy of the patient's credit report for verification of information provided.

   G. When it is determined the patient does not qualify for Medicare, Medicaid or any other third party coverage and the patient does not qualify for Charity Care, the patient will immediately qualify for a discount off billed charges.

H. Patients who are not screened for Medicare, Medicaid and other third party coverage, due to the patient not returning calls or providing the necessary information to make a determination of coverage and who do not provide the necessary information to make a Charity Care or Illinois State discount determination will only be eligible for the minimum uninsured discount off billed charges.

I. Proof of Income and/or residency must be provided within 30 days of request.

Acceptable forms of documentation of family income shall include one of the following:

- A copy of the most recent tax return
- A copy of the most recent W-2 and 1099 forms
- Copies of the 2 most recent pay stubs
- Written income verification from an employer, if paid in cash
- One other reasonable form of third party income verification deemed acceptable to the hospital

Acceptable forms of documentation of residency shall include one of the following:

- Any document listed on acceptable family income verification
- A valid state issued identification card
- A recent residential utility bill
- A lease agreement
- A vehicle registration card
- A voter registration card
- Mail addressed to the uninsured patient at an Illinois address from a government or other credible source
- A statement from a family member of the uninsured patient who resides at the same address and presents verification of residency
- A letter from a homeless shelter, transitional house or other similar facility verifying that the uninsured patient resides at the facility

2. FAILURE TO PROVIDE ACCURATE INFORMATION

If it is later determined that the patient qualified for coverage by Medicare, Medicaid or any other third party coverage or met the criteria for the hospital Charity Care Discount program, any discount provided for under this policy shall be reversed.

If any information provided by the patient/guarantor is later found to be untrue, any discount provided may be forfeited.

3. DOCUMENTATION OF ELIGIBILITY DETERMINATION AND APPROVAL OF WRITE-OFF

A. For those patients screened by the hospital financial counselor or self pay screening vendor, once the eligibility determination has been made, the results will be documented in the comments section on the patient's account.

B. The discount will be set in the system and will not require hospital authorization.

C. The transaction code used will reflect 'Self Pay Discount' and will not be considered Charity.

D. The hospital will use transaction code **558** for Inpatient discounts, and **559** for Outpatient discounts.

4. REPORTING OF DISCOUNT CARE

Information regarding the amount of discount care provided by the hospital, based on the hospital's fiscal year, shall be aggregated and included in the annual report filed with the Bureau of State Health Data and Process Analysis at the State Department of Health. These reports also will include information concerning the provision of government sponsored indigent health care and other county benefits. (Only for those states that require).

Illinois hospitals must annually file a copy of Worksheet C Part I of their Medicare Cost Report with the Attorney General's office. The first filing is due 2/20/09.

5. POLICY REVIEW AND APPROVAL

The below individuals have read and approved this policy:

Hospital CEO	Date
Hospital CFO	Date
Corporate VP, Patient Financial Services	Date
Group VP Operations	Date

Exhibit A

Financial Assistance Program Application

Patient Account Number:_____ Date of Application_____

PATIENT INFORMATION	PARENT/GUARANTOR/SPOUSE
Name_____	Name_____
Address_____	Address_____
City_____	City_____
State/Zip_____	State/Zip_____
SS#_____	SS#_____
Employer_____	Employer_____
Address_____	Address_____
City_____	City_____
State/Zip_____	State/Zip_____
Work Phone_____	Work Phone_____
Length of Employment_____	Length of Employment_____
Supervisor_____	Supervisor_____

RESOURCES

Checking: yes___ no___
Savings: yes___ no___

Cash on hand: $_____

Vehicle 1: Yr_____ Make_____ Model_____
Vehicle 2: Yr_____ Make_____ Model_____
Vehicle 3: Yr_____ Make_____ Model_____

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Exhibit A (continued)
Financial Assistance Program Application

INCOME

Patient/Guarantor:
Wages(monthly): _____

Other Income: Child Support: $_____

VA Benefits: $_____

Workers' Comp: $_____

SSI: $_____

Other: $_____

Spouse/Second Parent:
Wages(monthly): _____

Other Income: Child Support: $_____

VA Benefits: $_____

Workers' Comp: $_____

SSI: $_____

Other: $_____

LIVING ARRANGEMENTS

Rent_____ Own_____ Other (explain)_____

Landlord/Mortgage Holder: _____

Phone Number_____ Monthly payment $_____

REQUIRED DOCUMENTS

The following documents must be attached to process your application for **Charity Care/Financial Assistance:**

Proof of Income: Prior year income tax return, last 4 pay check stubs, letter from employer, Social Security, etc. Last 3 months bank statements. Other documents as requested.

Proof of Expenses: Copy of mortgage payment or rental agreement, copies of all monthly bills including credit cards, bank loans, car loans, insurance payments, utilities, cable and cell phones. Other documents as requested.

The information provided in this application is subject to verification by the hospital and has been provided to determine my ability to pay my debt. I understand that any false information provided by me will result in denial of any financial assistance by the hospital.

The Hospital reserves the right to pull a copy of your credit report.

Signature of Applicant_____

Hospital Representative Completing Application: _____

Approval/Authorization of Charity Care Write-Off **Amount Approved $**_____

BOM_____ **CEO**_____

CFO_____

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Appendix 1

Under Section 10 of the Hospital Uninsured Patient Discount Act, certain personal property is exempt from the determination of assets owned by an eligible uninsured patient as it relates to the maximum collectible amount in a 12 month period (25% of annual income.) Those assets are listed in the Code of Civil Procedure, 735 ILCS 5/12-1001, with reference to a "debtor's" assets. They include the following:

(a) The necessary wearing apparel, bible, school books, and family pictures of the debtor and the debtor's dependents;

(b) The debtor's equity interest, not to exceed $4,000 in value, in any other property;

(c) The debtor's interest, not to exceed $2,400 in value, in any one motor vehicle;

(d) The debtor's equity interest, not to exceed $1,500 in value, in any implements, professional books, or tools of the trade of the debtor;

(e) Professionally prescribed health aids for the debtor or a dependent of the debtor;

(f) All proceeds payable because of the death of the insured and the aggregate net cash value of any or all life insurance and endowment policies and annuity contracts payable to a wife or husband of the insured, or to a child, parent, or other person dependent upon the insured, whether the power to change the beneficiary is reserved to the insured or not and whether the insured or the insured's estate is a contingent beneficiary or not;

(g) The debtor's right to receive:

(1) a social security benefit, unemployment compensation, or public assistance benefit;
(2) a veteran's benefit;
(3) a disability, illness, or unemployment benefit; and
(4) alimony, support, or separate maintenance, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

(h) The debtor's right to receive, or property that is traceable to:

(1) an award under a crime victim's reparation law;
(2) a payment on account of the wrongful death of an individual of whom the debtor was a dependent, to the extent reasonably necessary for the support of the debtor;
(3) a payment under a life insurance contract that insured the life of an individual of whom the debtor was a dependent, to the extent reasonably necessary for the support of the debtor or a dependent of the debtor;
(4) a payment, not to exceed $15,000 in value, on account of personal bodily injury of the debtor or an individual of whom the debtor was a dependent; and

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(5) any restitution payments made to persons pursuant to the federal Civil Liberties Act of 1988 and the Aleutian and Pribilof Island Restitution Act,

For purposes of this subsection (h), a debtor's right to receive an award or payment shall be exempt for a maximum of 2 years after the debtor's right to receive the award or payment accrues; property traceable to an award or payment shall be exempt for a maximum of 5 years after the award or payment accrues; and an award or payment and property traceable to an award or payment shall be exempt only to the extent of the amount of the award or payment, without interest or appreciation from the date of the award or payment.

(i) The debtor's right to receive an award under Part 20 of Article II of this Code relating to crime victims' awards.

(j) Moneys held in an account invested in the Illinois College Savings Pool of which the debtor is a participant or donor, except the following non-exempt contributions:

(1) any contribution to such account by the debtor as participant or donor that is made with the actual intent to hinder, delay, or defraud any creditor of the debtor;
(2) any contributions to such account by the debtor as participant during the 365 day period prior to the date of filing of the debtor's petition for bankruptcy that, in the aggregate during such period, exceed the amount of the annual gift tax exclusion under Section 2503(b) of the Internal Revenue code of 1986,as amended, in effect at the time of contribution; or
(3) any contributions to such account by the debtor as participant during the period commencing 730 days prior to and ending 366 days prior to the date of filing of the debtor's petition for bankruptcy that, in the aggregate during such period, exceed the amount of the annual gift tax exclusion under Section 2503(b) of the Internal Revenue code of 1986, as amended, in effect at the time of contribution.

For purposes of this subsection (j), "account" includes all accounts for a particular designated beneficiary, of which the debtor is a participant or donor. Money due the debtor from the sale of any personal property that was exempt from judgment, attachment, or distress for rent at the time of the sale is exempt from attachment and garnishment to the same extent that the property would be exempt had the same not been sold by the debtor. If a debtor owns property exempt under this Section and he or she purchased that property with the intent of converting nonexempt property into exempt property or in fraud of his or her creditors, that property shall not be exempt from judgment, attachment, or distress for rent. Property acquired within 6 months of the filing of the petition for bankruptcy shall be presumed to have been acquired in contemplation of bankruptcy. The personal property exemptions set forth in this Section shall apply only to individuals and only to personal property that is used for personal rather than business purposes. The personal property exemptions set forth in this Section shall not apply to or be allowed against any money, salary, or wages due or to become due to the debtor that are required to be withheld in a wage deduction proceeding under Part 8 of this Article XII.