

**ORIGINAL**

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
 APPLICATION FOR PERMIT

12-084

**RECEIVED**

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

SEP 27 2012

This Section must be completed for all projects.

HEALTH FACILITIES &  
 SERVICES REVIEW BOARD

**Facility/Project Identification**

Facility Name:	PCC South Family Health Center		
Street Address:	6201 West Roosevelt		
City and Zip Code:	Berwyn 60402		
County:	Cook	Health Service Area	OBSTETRIC Health Planning Area: A-06

**Applicant /Co-Applicant Identification**

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

Exact Legal Name:	PCC Community Wellness Center		
Address:	14 West Lake Street, Oak Park, IL 60302		
Name of Registered Agent:	Robert Urso		
Name of Chief Executive Officer:	Robert Urso		
CEO Address:	14 West Lake Street, Oak Park, IL 60302		
Telephone Number:	708 383-0113 ext. 7869		

**Type of Ownership of Applicant/Co-Applicant**

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

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

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

**Primary Contact**

**[Person to receive ALL correspondence including post permit) THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**

Name:	Robert Urso
Title:	President and CEO
Company Name:	PCC Community Wellness Center
Street Address:	14 West Lake Street
City Zip Code	Oak Park, IL 60302
Telephone Number:	708 383-0113 ext. 7869
E-mail Address:	urso@pccwellness.org
Fax Number:	708 383-1378

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: PCC Community Wellness Center

Address of Site Owner: 14 West Lake Street, Oak Park, IL 60302

Street Address or Legal Description of Site: 6201 W Roosevelt, Berwyn, IL 60402

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: PCC Community Wellness Center

Address: 14 West Lake Street, Oak Park, IL 60302

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

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. Not Applicable: No person with ownership interest in licensee.**

**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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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**

Part 1110 Classification:

 SUBSTANTIVE

## 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.

PCC Community Wellness Center (PCC), a Federally Qualified Community Health Center, proposes to operate PCC Birth Center at the premises of its South Family Health Center (SFHC) clinic site. The address of PCC Birth Center will be the same as PCC SFHC, which is 6201 West Roosevelt Road in Berwyn, IL 60402. The Birth Center space is 1765.75 square feet, and will have two birthing rooms that are 310.75 and 310.00 square feet, respectively. The space is ready for use except for furnishings and equipment. The current building includes Primary Care clinic space, Behavioral Health Care space, a Dental Suite, and the PCC Birth Center space. The clinic facility, an expansion of a small clinic that was located several blocks away, is an environmentally green renovation that achieved LEED<sup>1</sup> Silver certification. The Birth Center space has been unused since the health center opened in July of 2011, and was waiting for assignment depending on clinic needs and opportunities as it grows to capacity. The Birthing Center portion of the building's first floor is separated from the rest of the facility by 1-hour rated construction-partitions, and labeled doors with self-closing devices. It can be accessed through the clinic or from its own separate entrance, and can be operated either in conjunction with or independently of the primary care clinic.

PCC Birth Center will be available to pregnant women who are patients at PCC clinic sites and who meet medical inclusion criteria. Currently PCC provides Maternal and Child Health Services at seven clinics that serve Chicago's Westside communities and near-by western suburbs. The birth center will serve a population that is primarily low-income and medically underserved, who have not previously had access to freestanding birth center care even in geographic locations with existing services. PCC patient data indicate that 61% percent are covered by public insurance, 4% by Medicare, 18% by commercial insurance and 17% are uninsured. Approximately 94% of the patients live at or below 200% of the Federal Poverty Level. In addition to serving a population who do not have access to professionally staffed out-of-hospital delivery services, the birth center will provide these services at cost significantly lower than hospital costs, while offering appropriate levels of service and safe practices. A typical vaginal birth with no complications on average costs \$2,277 at a birth center<sup>2</sup> compared to \$8,920 for an uncomplicated vaginal birth at a hospital.<sup>3</sup>

PCC Birth Center's perinatal care services, including deliveries, will be staffed by Certified Nurse Midwives employed by PCC. PCC also employs Family Practice Physicians who completed a fellowship in high-risk obstetrics and have the skills for performing Cesarean sections, as well as Obstetricians, who will be available for consultation and transfer of care when risk requires. PCC midwives and physicians who provide labor and delivery services are also on staff at Vanguard West Suburban Hospital, which will serve as our hospital for transfers when complications require this. This an ideal arrangement that ensures continuity of care for patients who begin care with PCC Birth Center, but develop risks requiring hospital care for their delivery. Midwives will accompany patients needing hospital transfer, and prenatal patients who develop risks that prevent delivery at PCC Birth Center will continue to be served by PCC providers throughout the perinatal period, including delivery at the hospital. Vanguard West Suburban Hospital transfers neonates requiring Level III care to Northwestern Memorial Hospital in Chicago, their regional Level III Perinatal Center partner.

PCC Birth Center will meet birth center practice standards developed by the American Association of Birth Centers. PCC Community Wellness Center is Joint Commission Accredited, and is currently completing its application for American Association of Birth Centers accreditation.

PCC Birth Center is a substantive project because it is offering a new service that is not available in either the Illinois Health Planning Area (A-06) or PCC's service area. The service offers women who are low-risk an alternative, out-of-hospital site for birth. PCC Birth Center will offer birthing women who choose the Center, a safe, supportive, family-friendly and comfortable environment that minimizes use of technology and is cost effective.

By operating the birth center, PCC will contribute to meeting the Illinois health facility planning program objectives of "Improving distribution of health care facilities and services and ensuring access to needed health care services for the general public, the medically indigent and similar underserved populations", "Controlling the increase of health care costs" and "Maximizing the use of existing health care facilities and services that represent the least costly and most appropriate levels of care" as stated in the Illinois Administrative Code 1130 Title 77 Health Facilities Planning Procedural Rules, Section 1130.130.

PCC expects that utilization of the Birth Center will be 200 during its first year of operation, and expects to serve 290 birthing women annually when capacity is reached within three years.

For additional information on the purpose, philosophy and characteristics of Birth Centers, please see Appendix 14: Description of Birth Centers.

#### **References**

1. U.S. Green Building Council. LEED: Leadership in Energy and Environmental Design certification. <http://www.usgbc.org/Default.aspx>.
2. American Association of Birth Centers. Birth Center Savings. Data from American Association of Birth Centers Uniform Data Set. Data is for 2010.
3. U.S. Agency for Healthcare Research and Quality, *HCUPnet, Healthcare Cost and Utilization Project*. Rockville, MD: AHRQ. Available at: <http://hcupnet.ahrq.gov/>. Facility labor and birth charges by site and mode of birth, United States, 2007-2009. Data is for 2009.

**Project Costs and Sources of Funds**

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs	0	0	0
Site Survey and Soil Investigation	0	0	0
Site Preparation	0	0	0
Off Site Work	0	0	0
New Construction Contracts	0	0	0
Modernization Contracts	0	0	0
Contingencies	0	0	0
Architectural/Engineering Fees	0	0	0
Consulting and Other Fees	0	0	0
Movable or Other Equipment (not in construction contracts)	64,028	43,330	107,358
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	0	0	0
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs To Be Capitalized: Fair Market Value	140,052	186,737	326,789
Acquisition of Building or Other Property (excluding land)	0	0	0
<b>TOTAL USES OF FUNDS</b>	<b>204,080</b>	<b>230,067</b>	<b>434,147</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Cash and Securities	<b>64,028</b>	<b>43,330</b>	<b>107,358</b>
Pledges	0	0	0
Gifts and Bequests	0	0	0
Bond Issues (project related)	0	0	0
Mortgages	0	0	0
Leases (fair market value)	0	0	0
Governmental Appropriations	0	0	0
Grants	0	0	0
Other Funds and Sources	<b>140,052</b>	<b>186,737</b>	<b>326,789</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>204,080</b>	<b>230,067</b>	<b>434,147</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**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: **Not Applicable: Property was acquired in February 2010.**

Land acquisition is related to project  Yes  No  
 Purchase Price: \$ \_\_\_\_\_  
 Fair Market Value: \$ \_\_\_\_\_

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

If yes, provide the dollar amount of all **non-capitalized** 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 \$ 2,321,719

**Full utilization will be reached by Year 3. The above figure includes total operating costs for the first 3 years. Operating deficits for any year are not expected.**

**Project Status and Completion Schedules: Not Applicable: No construction needed**

Indicate the stage of the project's architectural drawings:

None or not applicable  Preliminary  
 Schematics  Final Working

Anticipated project completion date (refer to Part 1130.140): 1 year after the date the permit is issued

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

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

**State Agency Submittals**

Are the following submittals up to date as applicable: **Not Applicable: PCC has not been required to submit these reports**

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

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

**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.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
Birthing Rooms							
Total Clinical							
<b>NON REVIEWABLE</b>							
Administrative							
Total Non-clinical							
<b>TOTAL</b>							

**APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

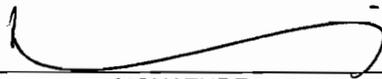
**CERTIFICATION**

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.

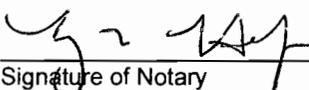
This Application for Permit is filed on the behalf of PCC Community Wellness Center \* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

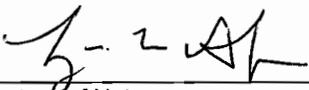
  
 SIGNATURE  
Robert Urso  
 PRINTED NAME  
President and CEO  
 PRINTED TITLE

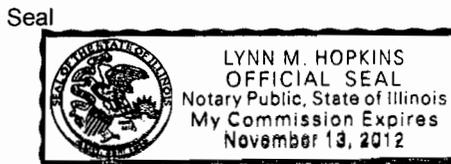
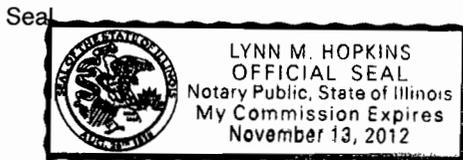
  
 SIGNATURE  
Paul Luning, MD  
 PRINTED NAME  
Chief Medical Office  
 PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 25 day of September 2012

Notarization:  
Subscribed and sworn to before me  
this 25 day of September 2012

  
Signature of Notary

  
Signature of Notary



\*Insert EXACT legal name of the applicant

**SECTION II – 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-9, 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 Board Report. APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 10.**

**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-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION III - 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 12.**

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
		Max. 2750 bgsf per birthing room		

**APPEND DOCUMENTATION AS ATTACHMENT-12, 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 13.**

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD (1500 hours per room)	MET STANDARD?
YEAR 1					
YEAR 2					

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

**UNFINISHED OR SHELL SPACE: Not Applicable: project does not involve unfinished/shell space**

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-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**ASSURANCES: Not Applicable: this project does not involve development of shell space**

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-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION IV – BIRTH CENTER – REVIEW CRITERIA**

**READ EACH of the following review criteria**  
**PROVIDE the required information specified under each review criterion.**

**Criterion 77 IAC 1110.3120 (a) – “Location”**

1. Document that the proposed birth center will be located in one of the geographic areas, as provided in the Alternative Healthcare Delivery Act.
2. Document that the proposed birth center is owned or operated by a hospital; or owned or operated by a federally qualified health center; or owned and operated by a private person or entity.

**Criterion 77 IAC 1110.3120 (b) – “Service Provision to a Health Professional Shortage Area”**

Document whether the proposed site is located in or will predominantly serve the residents of a health professional shortage area.

**Criterion 77 IAC 1110.3120 (c) – “Admission Policies”**

Provide admission policies that will be in effect at the facility and a signed statement that no restrictions on admissions due to these factors will occur.

**Criterion 77 IAC 1110.3120 (d) – “Bed Capacity”**

Document that the proposed birth center will have no more than 10 beds.

**Criterion 77 IAC 1110.3120 (e) – “Staffing Availability”**

Document that necessary staffing is available by providing letters of interest from prospective staff members, completed applications for employment, or a narrative explanation of how the proposed staffing will be achieved.

**Criterion 77 IAC 1110.3120 (f) – “Emergency Surgical Backup”**

Document that either:

1. The birth center will operate under a hospital license and will be located within 30 minutes ground travel time from the hospital; **OR**
2. A contractual agreement has been signed with a licensed hospital for the referral and transfer of patients in need of an emergency caesarian delivery.

**Criterion 77 IAC 1110.3120 (g) – “Education”**

A written narrative on the prenatal care and community education services offered by the birth center and how these services are being coordinated with other health services in the community.

**Criterion 77 IAC 1110.3120 (h) – “Inclusion in Perinatal System”**

1. Letter of agreement with a hospital designated under the Perinatal System and a copy of the hospital's maternity service; **OR**
2. An applicant that is not a hospital shall identify the regional perinatal center that will provide neonatal

intensive care services, as needed to the applicant birth center patients; and a letter of intent, signed by both the administrator of the proposed birth center and the administrator of the regional perinatal center, shall be provided.

**Criterion 77 IAC 1110.3120 (i) – “Medicare/Medicaid Certification”**

The applicant shall document that the proposed birth center will be certified to participate in the Medicare and Medicaid programs under titles XVIII and XIX, respectively, of the federal Social Security Act.

**Criterion 77 IAC 1110.3120 (j)- “Charity Care”**

The applicant shall provide to HFSRB a copy of the charity care policy that will be adopted by the proposed birth center.

**Criterion 77 IAC 1110.3120 (k) – “Quality Assurance”**

The applicant shall provide to HFSRB a copy of the quality assurance program to be adopted by the birth center.

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

**SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY – REVIEW CRITERIA**

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)

**Criterion 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:**

<u>107,358</u>	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;
<u>0</u>	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.
<u>0</u>	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
<u>0</u>	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.
<u>0</u>	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;
<u>0</u>	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
<u>0</u>	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<b>107,358</b>	<b>TOTAL FUNDS AVAILABLE</b>	

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

**Criterion 1120.130 – “Financial Viability”**

All applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

**Financial Viability Waiver**

The applicant is not required to submit financial viability ratios if:

1. “A” Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. 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
4. 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-18, 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. **NOT APPLICABLE: Capital expenses are funded through internal sources.**

<b>Provide Data for Projects Classified as:</b>				
<b>Enter Historical and/or Projected Years:</b>	2010	2011	2012	2013
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 19, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Criterion 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****NOT APPLICABLE: Project does not involve debt financing**

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

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

**C. Reasonableness of Project and Related Costs****NOT APPLICABLE: No new construction or modernization involved**

Read the criterion and provide the following:

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

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

**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 -20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Criterion 1110. \_\_\_ Safety Net Impact Statement**

**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 Medicaid patients. 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 21.**

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			

MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			
Medicaid (revenue)	Year	Year	Year
Inpatient			
Outpatient			
<b>Total</b>			

**APPEND DOCUMENTATION AS ATTACHMENT-21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Criterion 1110. \_\_\_ Charity Care Information**

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 22.

CHARITY CARE			
	Year	Year	Year
<b>Net Patient Revenue</b>			
Amount of Charity Care (charges)			
Cost of Charity Care			

**APPEND DOCUMENTATION AS ATTACHMENT-22, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

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

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant/Co-applicant Identification including Certificate of Good Standing	22 - 24
2	Site Ownership	25
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	26
4	Organizational Relationships (Organizational Chart) <del>Certificate of Good Standing Etc.</del>	27
5	Flood Plain Requirements	28
6	Historic Preservation Act Requirements	29
7	Project and Sources of Funds Itemization	30-37
8	Cost Space Requirements	38
9	Background of the Applicant	39-40
10	Purpose of the Project	41-46
11	Alternatives to the Project	47
12	Size of the Project	48
13	Project Service Utilization	49
14	Unfinished or Shell Space	NA
15	Assurances for Unfinished/Shell Space	NA
	<b>Service Specific:</b>	
16	Birth Centers	50-54
	<b>Financial and Economic Feasibility:</b>	
17	Availability of Funds	55
18	Financial Waiver	56
19	Financial Viability	NA
20	Economic Feasibility	57-59
21	Safety Net Impact Statement	60
22	Charity Care Information	61
	<b>Appendix</b>	
1	DFIRM Map	62-63
2	Historic Preservation Letters	64-65
3	PCC Birth Center Original Architectural Drawings	66-67
4	Joint Commission Letter	68
5	Authorization to HFSRB and IDPH for Access to Documents	69
6	PCC Birth Center Mapquest Location	70
7	Certification of Admission Policy	71
8	Emergency Surgical Backup and Patient Transfer Contract	72
9	West Suburban Hospital Maternity Service Plan	73-88
10	PCC Birth Center and West Suburban Hospital Mapquest Distance	89-90
11	Copy of Charity Care Policy	91-105
12	PCC Birth Center Quality Assurance Program	106-107
13	Fiscal Year 2011 Audited Financial Statement	108-145
14	Description of Birth Centers	146-147



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248467584  
July 09, 2012 LTR 4168C E0  
36-3828320 000000 00

00026239  
BODC: TE

PCC COMMUNITY WELLNESS CENTER  
14 W LAKE ST  
OAK PARK IL 60302-2606



005210

Employer Identification Number: 36-3828320  
Person to Contact: Mrs. Scheper  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your June 27, 2012, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in June 1992.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(iii).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0248467584  
July 09, 2012 LTR 4168C E0  
36-3828320 000000 00  
00026240

PCC COMMUNITY WELLNESS CENTER  
14 W LAKE ST  
OAK PARK IL 60302-2606

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



S. A. Martin, Operations Manager  
Accounts Management Operations

File Number 5680-056-5



**To all to whom these Presents Shall Come, Greeting:**

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

PCC COMMUNITY WELLNESS CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 14, 1992, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1219302520

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 11TH  
day of JULY A.D. 2012

*Jesse White*

SECRETARY OF STATE

**PAY ONLY THIS AMOUNT**  
**\$ 19,695.20**  
 BY 08/01/12 (on time)

# 2011 Second Installment Property Tax Bill

Property Index Number (PIN) 16-20-103-010-0000 Volume 004 Code 11011 Tax Year 2011 (Payable In) 2012 Township BERWYN

IF PAID LATE 08/02/12 - 09/01/12 \$ 19,990.63  
 IF PAID LATE 09/02/12 - 10/01/12 \$ 20,286.06  
 IF PAID LATE 10/02/12 - 11/01/12 \$ 20,581.49

**TAX CALCULATOR**

**PAYMENT INFO**

THANK YOU FOR YOUR FIRST INSTALLMENT PAYMENT OF:  
 \$ 5,929.81 ON 02-13-12  
 PAY THIS BILL AT [COOKCOUNTYTREASURER.COM](http://COOKCOUNTYTREASURER.COM) OR ANY CHASE BANK

LATE PENALTY IS 1.5% PER MONTH, BY STATE LAW.

2010 Assessed Value 38,631

6201 ROOSEVELT RD BERWYN IL 60402 1108 Property Classification 5-97

Taxing District	2011 Tax	2011 Rate	2011 %	Pension	2010 Tax	2010 Rate
<b>MISCELLANEOUS TAXES</b>						
Metro Water Reclamation District	720.82	0.320	2.81%	40.54	331.22	0.274
North Berwyn Park District	835.70	0.371	3.28%	81.09	348.14	0.288
Miscellaneous Taxes Total	1,556.52	0.691	6.07%		679.36	0.562
<b>SCHOOL TAXES</b>						
Morton Community College Dist 527	1,135.29	0.504	4.43%	20.27	473.86	0.392
Berwyn Cicero Stickney HS 201	5,527.76	2.454	21.57%	394.19	2,245.99	1.858
School District 98	8,068.63	3.582	31.49%	783.81	3,428.21	2.836
School Taxes Total	14,731.68	6.540	57.49%		6,148.06	5.086
<b>MUNICIPALITY/TOWNSHIP TAXES</b>						
TIF-Berwyn-Roosevelt Rd	***	***	***		0.00	0.000
Berwyn Library Fund	892.01	0.396	3.46%		385.61	0.318
City of Berwyn	6,721.81	2.984	26.23%	1,220.88	2,792.37	2.310
Public Health Berwyn	175.70	0.078	0.69%	8.75	72.53	0.080
Berwyn Twp Mental Health District	141.91	0.063	0.55%		68.02	0.048
General Assistance Berwyn	89.34	0.037	0.33%		39.85	0.028
Town Berwyn	94.81	0.042	0.37%	13.51	38.68	0.032
Municipality/Township Taxes Total	8,109.18	3.800	31.85%		5,981.06	2.797
<b>COOK COUNTY TAXES</b>						
Cook County Forest Preserve District	130.85	0.058	0.51%	2.25	61.65	0.051
Consolidated Elections	56.31	0.025	0.22%		0.00	0.000
County of Cook	502.31	0.223	1.95%	204.98	275.82	0.228
Cook County Public Safety	382.88	0.181	1.42%		168.60	0.118
Cook County Health Facilities	175.70	0.078	0.69%		89.12	0.082
Cook County Taxes Total	1,227.63	0.546	4.78%		572.99	0.474
<b>(Do not pay these totals)</b>	<b>25,826.01</b>	<b>11.378</b>	<b>100.00%</b>		<b>10,781.47</b>	<b>8.919</b>

2011 Assessed Value = 75,828  
 2011 State Equalization Factor X 2.9706  
 2011 Equalized Assessed Value (EAV) = 225,256  
 2011 Local Tax Rate X 11.376%  
 2011 Total Tax Before Exemptions = 25,625.01  
 Homeowner's Exemption = 00  
 Senior Citizen Exemption = 00  
 Senior Assessed Value Freeze Exemption = 00

PAID  
 JUL 1 2012  
 2011 Total Tax After Exemptions = 25,625.01  
 First Installment = 5,929.81  
 Second Installment = 19,695.20  
 Total 2011 Tax (Payable In 2012) = 25,625.01

RECEIVED  
 JUL - 2 2012  
 05-130-00000-7140-00  
 PCC FINANCE DEPT.  
 PCC COMMUNITY WELLNESS  
 14 LAKE ST  
 OAK PARK IL 60302-2808

7-2-12  
 OK  
 J

IF YOUR TAXES ARE PAID BY MORTGAGE ESCROW, BE SURE NOT TO DOUBLE PAY

\*\*\*Visit [cookcountyclerk.com](http://cookcountyclerk.com) for information about TIFs and for TIF revenue distributions.



**To all to whom these Presents Shall Come, Greeting:**

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

PCC COMMUNITY WELLNESS CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 14, 1992, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1219302520

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 11TH day of JULY A.D. 2012**

*Jesse White*

SECRETARY OF STATE

PCC Community Wellness Center has a relationship with the organizations listed below. None of the organizations have any ownership interest in PCC or contributing to the PCC Birth Center Project.

<b>Organization</b>	<b>Program/ Services Supported</b>
W.P & H.B. White Foundation	General Operating
Office of Women's Health (Region V)	AmeriCorps Program
HRSA Bureau of Primary Health Care	General Operating
HRSA Bureau of Primary Health Care	Facility Investment Program
Michael Reese Health Trust	Beyond Perinatal Care Program
Prince Charitable Trusts	Technology
Polk Bros. Foundation	AmeriCorps Program
Target	Reach Out & Read
Richard H. Driehaus Foundation	Capital
Field Foundation of Illinois	Dental Services
Grant Healthcare Foundation	General Operating
Lloyd A. Fry Foundation	Maternal Child Health Services
Washington Square Health Foundation	Dental Services
Illinois Department of Human Services	Targeted Intensive Prenatal Case Management
Access Community Health Network	Healthy Start Program
Illinois Department of Human Services	AmeriCorps Program
Illinois Department of Public Health	Capital
Illinois Department of Public Health	Illinois Breast and Cervical Cancer Program
University of Illinois at Chicago	Education and Research Partnership
Northwestern University	Education and Research Partnership
Adler School of Clinical Psychology	Education Partnership
Loyola University	Education Partnership

**Attachment 5**  
**Flood Plain Requirements**

PCC Birth Center is not in a location designated as a Flood Hazard Area. The Flood Insurance Rate Map available through the state of Illinois indicate the building is located in panel #0485, which is in a No Significant Flood Hazard Area.<sup>1</sup> Please see the map in Appendix 1, which indicates PCC Birth Center location in the Panel #0485. Therefore, PCC Birth Center is compliant with requirements of Illinois Executive Order #2005-5.

**Reference**

1. Cook County Effective DFIRM Finder. <http://www.illinoisfloodmaps.org/firms/?county=cook>. Accessed June 16, 2012.

**Attachment 6**  
**Historic Resources Preservation Act Requirements**

PCC Birth Community Wellness Center reported information about the property where the PCC Birth Center is located to the Historic Preservation Agency in January 2010. Their response was that “no historic properties are affected.” Please see the letter stating this in Appendix 2.

In 2012 PCC submitted a request to the Berwyn Historic Preservation Commission to be identified as a Berwyn Historic Landmark. A hearing on this matter will be conducted on Thursday August 2, 2012. Please see the letter from the Berwyn Historic Preservation Commission confirming this, also in Appendix 2.

**Attachment 7**  
**Project Costs and Sources of Funds**

**ITEMIZED PCC BIRTH CENTER CAPITALIZED EXPENSES**

Description	Year 1			Total Cost Non Clinical	Year 2	Year 3
	Cost	# Needed	Total Cost Clinical		Cost	Cost
<b>Birth rooms</b>						
bed with mattresses and frame	1,500.00	2	3,000		0	0
dressers	300.00	2	600			
bedside table	200.00	4	800			
floor lamp	200.00	4	800			
table lamp	100.00	2	200			
rocking Chair/glider	200.00	2	400			
loveseat	1,000.00	2	2,000			
recliner	600.00	1	600			
aqua doppler	700.00	2	1,400			
blanket warmer	100.00	2	200			
bassinet	300.00	2	600			
infant scale	499.00	2	998			
linen basket	50.00	2	100			
birth stool	375.00	2	750			
telephone	100.00	2	200			
birth ball	60.00	2	120			
equipment cart	500.00	2	1,000			
microwave	100.00	2	200			
crocker	50.00	2	100			
stool for shower	50.00	2	100			
hot packs (mutiple)	500.00	1	500			
shrps container dispenser	30.00	2	60			
soap dispenser	30.00	2	60			
glove dispenser	30.00	2	60			
biohazard bins	30.00	2	60			
CD/ipod deck	174.00	2	348			
plants	100.00	2	200			
art	1,000.00	2	2,000			
tub	5,000.00	2	10,000			
changing table/flat surface	500.00	2	1,000			
linen /basic	149.00	6	894			
comforter/pillows	179.00	6	1,074			
towel sets	30.00	6	180			
larngoscope kit	120.00	2	240			
oxygen tank	275.00	4	1,100			
ambu bag/set up	560.00	3	1,680			
O2 cylinder cart	40.00	3	120			
infant transport blanket	100.00	3	300			
infant 44 kb digital scale	168.69	2	337			
aspirator	250.18	3	751			
crash cart ox cr/manual resuscitator	389.46	1	389			
<b>Birth Rooms Subtotal</b>			35,521			

**ITEMIZED PCC BIRTH CENTER CAPITALIZED EXPENSES**

Description	Year 1			Total Cost Non Clinical	Year 2	Year 3
	Cost	# Needed	Total Cost Clinical		Cost	Cost
<b>Birth Kits</b>						
instrument tray	14.05	6	84			
umbilical scissors	2.42	6	15			
scissors operating	6.16	6	37			
scissors dissecting blunt	7.83	6	47			
scissors dissecting straight	33.96	6	204			
tissue forceps	13.86	6	83			
ring forceps	48.00	6	288			
mosquito forceps	5.81	6	35			
sponge forceps	48.36	6	290			
retractor	16.04	6	96			
placenta basin	96.29	6	578			
hemostats	40.00	18	720			
needle holders	6.21	12	75			
sponge basin	5.95	6	36			
umbilical bands box 24	76.63	12	920			
instrument cleaner set	45.13	6	271			
sterilization wrap 100 case	22.38	6	134			
<i>Birth Kits Subtotal</i>			<i>3,912</i>			
<b>Kitchen/Family Area</b>						
coffee pot	40.00	1		40		
microwave	125.00	1		125		
tea kettle	34.00	1		34		
refrigerator with ice dis	1,000.00	1		1,000		
waste basket	30.00	1		30		
stove	1,200.00	1		1,200		
dishes/pots and pans	150.00	1		150		
table/chairs	500.00	1		500		
<i>Kitchen/Family Area Subtotal</i>				<i>3,079</i>		

**ITEMIZED PCC BIRTH CENTER CAPITALIZED EXPENSES**

Description	Year 1				Year 2	Year 3
	Cost	# Needed	Total Cost Clinical	Total Cost Non Clinical	Cost	Cost
<b>Office/Call room</b>						
desk	400.00	2		800		
desk chair	140.00	2		280		
file cabinet	129.00	2		258		
label maker	120.00	1		120		
privacy screens	75.00	2		150		
telephone services	5,000.00	1		5,000		
fax	200.00	1		200		
garbage can	50.00	1		50		
sofa bed	500.00	1		500		
book shelf	200.00	1		200		
PC w monitor	700.00	1		700		
Laptop	1,700.00	2		3,400		
Large printer	1,120.00	1		1,120		
small printer	500.00	1		500		
cables	8.00	4		32		
microsoft licenses	6,000.00	1		6,000		
phone desk	300.00	2		600		
phone licenses	150.00	1		150		
phone conference	900.00	1		900		
phone router and lic.	5,000.00	1		5,000		
CPS/alliance lic	2,890.00	1		2,890		
<i>Office/Call Room Subtotal</i>				<i>28,850</i>		
<b>Exam/Triage room</b>						
gooseneck lamp	130.00	2	260			
lab chair	504.00	1	504			
lab person's chair	140.00	1	140			
microscope	600.00	1	600			
provider stool	160.00	1	160			
exam table	5,000.00	1	5,000			
shrps container dispenser	30.00	2	60			
fetal monitor	5,500.00	1	5,500			
side chair	183.00	1	183			
scale	180.00	1	180			
vitals signs monior	2,673.00	1	2,673			
flags	55.00	1	55			
door pocket	19.00	1	19			
bulliten boards	29.00	1	29			
changing table	200.00	1	200			
doppler	585.00	3	1,755			
oph/oto set	250.00	1	250			
vitals area machine	4,595.00	1	4,595			
<i>Exam/Triage Room Subtotal</i>			<i>22,163</i>			

**ITEMIZED PCC BIRTH CENTER CAPITALIZED EXPENSES**

Description	Year 1				Year 2	Year 3
	Cost	# Needed	Total Cost Clinical	Total Cost Non Clinical	Cost	Cost
<b>Class room</b>						
educational materials	3,000.00	1		3,000		
screen/tv	1,400.00	1		1,400		
tv wall mount	155.00	1		155		
computer	1,500.00	1		1,500		
chairs	40.00	10		400		
<i>Classroom Subtotal</i>				6,455		
<b>Reception Area</b>						
sofa	1,000.00	1		1,000		
loveseat	1,000.00	1		1,000		
End tables	200.00	2		400		
coffee tables	200.00	2		400		
kid table and chairs	200.00	1		200		
kid toy chest	200.00	1		200		
Aed	1,393.00	1		1,393		
<i>Reception Area Subtotal</i>				4,593		
<b>Clean/Dirty Utility</b>						
Shelves	200.00	1	200			
medication refrigerator	250.00	1	250			
specimen refrigerator	250.00	1	250			
Linen basket	50.00	1	50			
biohazard bin	42.00	1	42			
garbage can	50.00	1	50			
soap dispenser	30.00	1	30			
glove dispenser	30.00	1	30			
sharps container	30.00	1	30			
washer/dryer unit	1,200.00	1	1,200			
<i>Clean/Dirty Utility Rooms Subtotal</i>			2,132			
<b>Other Capitalized Expenses</b>						
Fire extinguisher	300.00	1	300			
coat hooks	41.00	3		123		
clocks	10.00	3		30		
flashlight	50.00	4		200		
<i>Other Capitalized Expenses Subtotal</i>			300	353		
<b>Total Clinical Capitalized Expense</b>			64,028		0	0
<b>Total Non Clinical Capitalized Expense</b>				43,330	0	0
<b>TOTAL CAPITALIZED EXPENSES</b>			<b>107,358</b>		<b>0</b>	<b>0</b>

Other capitalized cost is equal to PCC Birth Center fair market value. This is calculated by multiplying the Birth Center's square foot proportion of the building times the Market Value Appraisal of the entire property. The appraisal was completed February 13, 2012, and a copy is available following this page.

Market Value Appraisal of property = \$3,430,000  
Birth Center square foot proportion of property = 9.53% (1765.75/18527.00)  
 $9.53\% \times 3,340,000 = \$326,879$

**MARKET VALUE APPRAISAL**

**MEDICAL CLINIC PROPERTY**

**Located at  
6201 W. Roosevelt Road  
Berwyn, Illinois 60402**

**As of  
February 13, 2012**

**For  
JPMorgan Chase Bank, N.A.,**

**ASG File # OB2012-0728**

**FRANK KARTH & ASSOCIATES**

**REAL ESTATE APPRAISERS • CONSULTANTS**

**FRANK KARTH & ASSOCIATES**

**REAL ESTATE APPRAISERS –  
CONSULTANTS**

203 N. LaSalle Street, #2100 Chicago, IL 60601  
10601 Bull Valley Drive, Woodstock, IL 60098

TEL. 815-338-8282 FAX 815-338-9119  
Email: fjkarth@hotmail.com

FRANK J. KARTH, MAI  
MEMBER: APPRAISAL INSTITUTE

March 26, 2012

Mr. John M. Landwehr  
JPMorgan Chase Bank, N.A.  
Appraisal Services Group  
1111 Polaris Parkway, Floor: 3K  
Mail Code: OH1-1092  
Columbus, Ohio 43240-2050

Email: john.m.landwehr @jpmchase.com  
Asq\_eastblc@jpmchase.com

**RE: MARKET VALUE APPRAISAL –ASG File # OB2012-0728  
Medical Clinic Property  
6201 W. Roosevelt Road  
Berwyn, Illinois 60402**

Dear Mr. Landwehr:

An appraisal of the above-referenced property has been made and the attached summary appraisal report summarizes the data and analysis which provides support to our estimate of market value as of February 13, 2012.

Briefly described, the subject property consists of a 2010/2011 adaptive reuse development of a 1959 built two story commercial building containing 18,544 SF into a first class medical clinic facility.

The subject property is located on a corner land site along an older 100% built up commercial corridor with residential backup. The subject location is an average secondary commercial type location, but the specific subject use is considered to be a strong in demand long term use for the property.

After consideration of the location, physical, and market factors affecting the subject property and subject to the assumptions and limiting conditions herein, the as is market value of the fee simple estate interest of the above-referenced property, is estimated to be:

**AS IS MARKET VALUE ESTIMATE (2/13//2012):**

**THREE MILLION FOUR HUNDRED THIRTY THOUSAND DOLLARS  
(\$3,430,000)**

Market Value is based on a marketing time of 12 months.

The appraisal date is February 13, 2012.

Mr. John M. Landwehr  
JPMorgan Chase Bank, N.A.

**RE: MARKET VALUE APPRAISAL –ASG File # OB2012-0728**  
**Medical Clinic Property**  
**6201 W. Roosevelt Road**  
**Berwyn, Illinois 60402**

P. 2

The census tract for the subject property is 8146.00.

The appraisal has been prepared in accordance with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989, as set forth by the Office of the Comptroller of the Currency, Standard 12 CFR, Part 34.

This report is also subject to the Limiting Conditions, Certifications, and Special Assumptions contained herein, where applicable. This report has been made in conformity with, and is subject to, the requirements as set forth under the Code of Professional Ethics of the Appraisal Institute and the **UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)**.

The conclusions of value include only **real property**. This property does not include any items that would be classified as personal property, chattels, business value, premium income, machinery and equipment, specialized interests or any other classifiable non real property item.

According to the latest FEMA map covering the subject property, the subject site is located in a Zone "X", an area of **minimal flood hazard**.

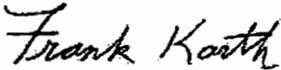
This appraisal does not take into consideration the possibility of the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances and/or underground storage tanks (**HAZARDOUS MATERIALS**), or the cost of encapsulation or removal thereof, unless specifically noted herein.

The **AMERICANS WITH DISABILITIES ACT ("ADA")** became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of the property regarding conformity with the various detailed requirements of the ADA.

Based on the appraised value herein, the **MARKETING TIME** for the subject property, if placed on the market is estimated to be twelve months.

Thank you for allowing us to be of service to you.

Sincerely,  
**FRANK JOHN KARTH & ASSOCIATES**



Frank J. Karth, MAI  
Certified General Real Estate Appraiser  
Illinois License No. 553-000197  
License Expires 9/30/13

**Attachment 8**  
**Cost Space Requirements**

The Cost Space Requirement documentation is the architectural drawings used during construction in 2010 and 2011, which are found in Appendix 3. One drawing is the birth center space enlarged, and the second is the birth center space within the entire first floor of the building. The birth center space is outlined, as are each of the two birthrooms and the non-clinical space, and the dimensions for each section are labeled. The square footage for the birth center space is Department Gross Square feet, and birthroom measurements include toilet/shower and storage spaces within the rooms. The birth center space has been vacant since completion of building renovation in June 2011.

Dept. / Area	Cost	Department Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
Birthing Rooms	0	618.75					
Exam/Triage	0	122.50					
Utility	0	15.50					
Total Clinical	0	756.75					
<b>NON REVIEWABLE</b>							
Administrative	0	172.25					
Reception/Waiting	0	421.50					
Family Room	0	181.50					
Circulation	0	140.50					
Wall Dimensions	0	93.25					
Total Non-clinical	0	1009.00					
<b>TOTAL</b>	<b>0</b>	<b>1765.75</b>					

**Criterion 1110.230 – Background, Purpose of the Project, and Alternatives**  
**Attachment 9: BACKGROUND OF APPLICANT**

**1. Health care facilities owned and operated by PCC Community Wellness Center**

- 1) Austin Family Health Center  
5425 West Lake Street, Chicago, IL 60644
- 2) Erie Court Health Center  
1 Erie Court, Suite 6040, Oak Park, IL 60302
- 3) Lake Street Family Health Center  
14 West Lake Street, Oak Park, IL 60302
- 4) Melrose Park Family Health Center  
1111 West Superior Street, Melrose Park, IL 60160
- 5) Salud Family Health Center  
5359 West Fullerton Avenue, Chicago, IL 60639
- 6) South Family Health Center  
6201 West Roosevelt Road, Berwyn, IL 60402
- 7) West Town Family Health Center  
1044 North Mozart Avenue, Chicago, IL 60622
- 8) Interfaith House  
3456 West Franklin Boulevard, Chicago, IL 60624  
This is designated as a clinic site operated by PCC as a Federally Qualified Health Center. It is located on the premises of Interfaith House, a non-profit respite center for homeless individuals.

These clinics do not require special licensing or certification. However, PCC Community Wellness Center is Joint Commission Accredited, which applies to all clinic sites. Please see Appendix 4 documenting Joint Commission Accreditation.

**2. Adverse Actions taken against a PCC Community Wellness Center Facility**

No adverse action has been taken against any facility owned and/or operated by PCC Community Wellness Center during the three years prior to the filing of the application.

**3. Access to Records**

Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted is attached as Appendix 5: Authorization Permitting HFSRB and DPH Access to Documents to Verify Information Submitted.

**4. Multiple Applications**

The current application is the only application submitted by PCC Community Wellness Center to date.

**Criterion 1110.230 – Background, Purpose of the Project, and Alternatives**  
**Attachment 10**

**PURPOSE OF PROJECT**

***PCC Community Wellness Center Service Area (Market Area)***

PCC's service area, as described in our U.S. Health Resources and Services Administration, Bureau of Primary Health Care 330 grant, includes nine Chicago Westside communities and seven near west suburban communities. The Chicago communities include Austin, Belmont-Cragin, East Garfield Park, Hermosa, Humboldt Park, Logan Square, North Lawndale, West Town and West Garfield Park, and the suburban communities include Bellwood, Berwyn, Cicero, Maywood, Melrose Park, Oak Park, and Stone Park. The total population in the service area is 754,723.<sup>1</sup> PCC's service area communities have large minority populations, and many residents live in poverty. Approximately 32% of the residents are non-Hispanic African American/Black, 43% Hispanic (all races), 22% non-Hispanic White and 3% another race/ethnicity.<sup>2</sup> Approximately 24% live at or below the Federal Poverty Level and 48% at or below 200% of the Federal Poverty Level. Some of the communities have poverty levels well over this average for the overall service area. For instance, Humboldt Park approximately 61% of residents live at or below 200% of the FPL, and for West Garfield Park, the figure is 68%.

Poverty is highly concentrated in many of PCC's service area communities. The Chicago Department of Public Health recently released a "Hardship Index" report for its 77 Community Areas.<sup>3</sup> This calculation is based on six socioeconomic indicators: percent of crowded occupied housing units; percent of households living below the FPL; unemployment rate; high school graduation rate; dependency rate (population under 18 or over 64 years of age); and per capita income. The range is from 1 to 100, with 100 representing the highest level of hardship. Seven of our Chicago service area communities rank among the top 20 (highest level of hardship) of Chicago's 77 communities. Although PCC's suburban service area communities tend to have a slightly higher socioeconomic status, residents are generally worse off than in other Cook County suburban communities and they have been hit harder by the economic downturn. While the proportion of the overall Suburban Cook County population under 200% of the FPL increased from 17.4% to 22.8% between the years 2000 and 2010, the population living under 200% of the FPL in PCC's suburban service area communities increased from 29.6% to 41.3%.<sup>4</sup>

PCC targets the population in our service area who live at or below 200% of the Federal Poverty Level, thus drawing individuals who have the least resources into our Medical Home model of care. This is reflected in our patient population. PCC provided health care for 42,275 patients at its health centers in 2011. Nearly 80% of the patients reside in one of the service area communities. Approximately 52% were African American/Black, 8% White, 38% Hispanic and 2% another race/ethnicity. Eighteen percent of the patients were covered by commercial insurance, 61% by public insurance, 4% by Medicare and 17% were uninsured. Eighty-one percent lived at or below the 2011 Federal Poverty Level (FPL) and another 13% lived between 100% and 200% of the FPL. A large proportion of PCC patients are women and children, and nearly 36% of the women are childbearing age from 15 through 44 years.

***Existing Problems***

- *Lack of access to Alternative Birth Center care*  
Currently, pregnant women throughout Illinois lack the option to give birth at a freestanding birth center. Also, national figures indicate that when birth centers are available, they are less accessible to race and ethnic minorities. Of the 12, 169 birth center births in the U.S. during

2009, 82.5% were to White women, and only 4.4% to African American/Black women, 10.1% to Hispanic women and 3.0% to other race/ethnicities.<sup>5</sup>

- *Need for comprehensive and culturally sensitive health care and support systems*

Standard models of perinatal care do not address the complex needs of low income women. Many residents in the communities PCC serves experience poor birth outcomes, as seen in data for low birth weight and prematurity. In the Chicago community of West Garfield Park the 2007 very low birth weight rate (less than 1500 grams) was 4.5% and the premature rate (less than 37 weeks gestation) was 19.3%.<sup>6</sup> For the suburban community of Maywood the 2006-2008 low birth weight rate (less than 2500 grams) was 10.4%.<sup>4</sup> These figures are significantly higher than the very low birth weight of 2.0 and prematurity rate of 11.4 for Chicago, and low birth weight rate of 6.0 for Suburban Cook County. Low birth weight rates also indicate the degree of health status inequities experienced by residents in our service area. The African American/Black low birth weight rate in 2006 for the suburban community of Melrose Park was 21.4% compared to 7.4% for White infants, and in the Chicago community of Belmont-Cragin the figure for African American/Black infants was 15.2% compared to 6.8% for White infants.<sup>7</sup>

Besides high quality medical care, the low income population in PCC's service area is in need of a comprehensive care and support plan that focuses on prevention and addresses the risk for poor outcomes. Education and social support must extend beyond the services provided during clinical care. In addition, perinatal care is seldom directly linked to services such as Behavioral and Oral Health Care. Behavioral health care is important because the perinatal period involves stressors that can lead to complications, including maternal diabetes and low birth weight.<sup>8</sup> The risk for poor outcomes can be especially damaging for low income people already living stressful lives. Oral health during pregnancy and postpartum is also important for both mothers and infants. Results from a number of research projects provide evidence that poor oral health may be associated with preterm birth and low birthweight.<sup>9,10</sup>

The cultural and social backgrounds of the residents in the service- area communities are diverse. Culturally competent health services and health care providers are needed to provide the highest quality services and effectively address the needs of the population. In addition employing staff who speak the language of their patients, it also requires a workforce that values diversity, and treats all patients with respect and dignity.

- *High Cesarean section rates*

Cesarean section rates have increased nationally from 5.8% in 1970 to 32.3% in 2008.<sup>11</sup> The phenomenon has not been shown to improve maternal or infant health. Besides the usual surgical risks for infection and adhesions, recent research indicates surgical birth may be related to abnormal placental position and increased maternal hemorrhage in future pregnancies, and in addition to potential infant respiratory problems. In addition, the different gastro-intestinal microbe colonization for infants born through Cesarean section may be related to the incidence of food allergies, asthma and other conditions.<sup>12</sup>

- *High cost of obstetrical care*

The high cost of obstetrical care is related to the increased Cesarean section rate, and can also be attributed to the significant cost of hospital care even for uncomplicated vaginal births. In 2008 the average hospital cost for an uncomplicated vaginal delivery was \$2,900, and the cost

for an uncomplicated Cesarean section delivery was \$4,700.<sup>13</sup> In contrast, the cost for a vaginal delivery at a birth center in 2007 was \$1,872.<sup>14</sup>

- *Low breastfeeding rates*

Researchers have provided solid evidence for the association between breastfeeding and lower incidence of numerous health problems, including cancers, chronic conditions such as diabetes and hypertension, allergies, respiratory and gastrointestinal infections, and sudden infant death syndrome.<sup>15</sup> Breastfeeding initiation has risen slowly in the U.S. over the last decade, increasing to 75% of infants in 2010. The rates are markedly lower for Black and low-income mothers. The breastfeeding initiation rate among Black mothers in 2007 was 60%, compared to 77% for White mothers, and the rate for mothers below the Federal Poverty Level (FPL) was 67%, compared to 84% for mothers at or above 350% of the FPL.<sup>16</sup> In spite of the American Academy of Pediatrics (AAP) recommendation that breastfeeding continue throughout at least the first twelve months,<sup>17</sup> breastfeeding rates drop rapidly after birth. Only 43% were breastfed at six months and 22% at twelve months. For African American/Black infants, only 28% were breastfed at six months and 13% at 12 months, and for infants at or below the FPL only 35% were still being breastfed at six months and 19% at twelve months.<sup>16</sup>

***How PCC's Birth Center Project Will Improve Health Care and Well-being of PCC Community Wellness Center Service Area Communities***

- *PCC Birth Center will add the option of a birth center birth for place of delivery*

Women coming to PCC for prenatal care will be able to choose the birth center for their delivery if they meet low obstetrical risk requirements. This option was previously not available. The birth center will increase access to this kind of service for all women, including race and ethnic minorities, and for low income women who historically have not had access to birth center care.

- *PCC Birth Center will provide comprehensive perinatal education and support services*

PCC Community Wellness Center has developed an integrated care model with behavioral health care services at each clinic and on-site oral health care at several clinics serving all PCC patients. The PCC birth center model therefore also includes integrated perinatal, behavioral health and oral health care. The PCC Birth Center model also provides comprehensive on-site education and support. Birth Center clients will have access to Centering prenatal group care. This is a relatively recent model of prenatal care that focuses on health promotion. Its unique approach includes the benefits of peer support, self-management support and development of a provider-patient-educator community partnership.<sup>18</sup> Early studies on the impact of Centering group prenatal care indicate that may be associated with improved patient and birth outcomes including reduction in the number of preterm deliveries, higher patient participation and satisfaction, and increased initiation of breastfeeding.<sup>19</sup> Also, a series of six prenatal education classes are available in English and Spanish. In addition, registered nurse educators routinely provide individual prenatal education on nutrition, stress reduction, infant care and other topics important for healthy outcomes. In addition, PCC AmeriCorps team members who are trained as health promoters provide education and support for healthy living and breastfeeding during regular clinic visits, and also during home visits for selected patients. Birth Center patients will receive an early postpartum visit from birth center staff, and if risks develop can choose to receive home visits from a PCC Community Health Nurse. Patient care reviews involving providers and support staff are conducted regularly throughout the perinatal period, assuring problems are identified and addressed in a timely manner.

Behavioral health professionals are available on site for consultation and patient visits during prenatal and postpartum visits, and available for additional services according to individual need. Depression screens are conducted during each trimester and regularly through twelve months postpartum. Likewise, oral health professionals are available for consultation and oral health care. This integrated model assures continuity of care, improves follow-up for referrals, and provides care in a setting and with staff who patients know and are comfortable with.

PCC Birth Center will provide intensive support for breastfeeding. Patients will receive education from their midwives, registered nurses and health promoters, as well as hands on assistance immediately after birth. Patients will have the opportunity to receive a home visit from a community health nurse during the first couple of days postpartum to assist with initial problems that could otherwise lead to early discontinuation. In addition, a Certified Lactation Consultant is available to assist new mothers when needed, and a breastfeeding “hotline” is available for new mothers to use.

- *PCC’s Birth Center model will minimize the need for Cesarean sections*  
The Birth Center model minimizes use of technologies and interventions that can increase the possibility of complications. Midwives are trained to assist women through the experience of birth using natural methods, enabling women to take advantage of their own strength and ability to support the normal process of labor and delivery. Historically, the Cesarean section rate at birth centers has been found to be as low as 4.4% in comparison to 19% for low risk women delivering in hospitals, and complications are fewer than for hospital deliveries.<sup>20</sup> The lower Cesarean section rate for midwives in general has been consistently demonstrated since the early nineties when a large study found 8.5% for midwife patients and 8.9% for physician patients.<sup>21</sup>
- *PCC Birth Center will improve satisfaction of patients*  
Patients served by birth centers have expressed a high degree of satisfaction with their experience. In one study over 97% of patients reported that they were extremely or very satisfied<sup>20</sup>
- *PCC Birth Center will provide culturally competent care*  
PCC’s Birth Center will provide care that is grounded in respect for a patient’s cultural background. All new employees receive Cultural Competence education during the orientation process and in ongoing activities, and many employees reside in the communities being served. Since the patient population will include patients and families who are best served by Spanish speaking staff, employees who interact with patients will be bilingual.
- *Summary*  
PCC Birth Center offers a model of care that will improve the health and well-being of women, infants and families in our service area communities. A Cochrane Collaborative review of research on birth center outcomes concluded that evidence supports an association between alternative settings and fewer medical interventions, increased likelihood of spontaneous vaginal birth, increased maternal satisfaction, and higher breastfeeding rates at one to two months postpartum.<sup>22</sup> The Birth Center model combined with PCC’s integrated model of primary, behavioral health and oral health care, multiple points of patient education and support throughout the perinatal period, intensive breastfeeding education and support, and systematic care reviews enhance the quality of care for improving health and well-being.

### **Goal and Objectives**

Goal: Provide a safe family-centered labor and delivery environment that utilizes minimum technology

#### *Objectives*

1. Provide labor and delivery services for a minimum of 180 women during the first year of operation, 220 in year 2 and 250 for year 3.
2. Maintain an annual maximum transfer rate of 12% of women beginning labor care at PCC Birth Center.
3. Maintain a minimum average overall satisfaction score of 3.5 out of 4.0 possible on anonymous patient surveys by the end of year one.
4. Implement Orientation, Childbirth and Parenting Education and Support sessions that meet monthly by the end of the first year.
5. Organize a community advisory committee consisting of a minimum of six members, two of whom are community members, that meets quarterly by the end of year 1.

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**Criterion 1110.230 – Background, Purpose of the Project, and Alternatives**  
**Attachment 11: Alternatives**

No alternatives to the proposed plan were considered because the space for PCC Birth Center is currently not being utilized, and is available and ready for use. Any other plan would incur costs that would add additional expense and not be cost-effective.

**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space  
Attachment 12**

**SIZE OF PROJECT**

The total square feet for PCC Birth Center space, with 2 birthing rooms, equals 1765.75 square feet, which is well below the maximum of 2750 per birthing room.

One of the two births rooms is 310.75 and the other is 308.00 square feet, including bathrooms and storage. The space is enough for standard furnishings and equipment for family-centered care. These consist of a queen size bed, rocking chair, love seat, cabinets for family items, emergency equipment, and birth and newborn care supplies. In addition to furnishings and equipment, the space is adequate for ensuring comfort of the mother and her companion as well as health care staff working with the family. The family room, with shower and food storage facilities, will also be available to family and support person accompanying the mother.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
PCC Birth Center	DGSF = 1765.75 for 2 birthing rooms (883 average each)	Max. 2750 bgsf per birthing room	-1867 DGSF	Yes

**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space  
Attachment 13**

**PROJECT SERVICES UTILIATION**

<b>UTILIZATION</b>					
	<b>DEPT./ SERVICE</b>	<b>HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.</b>	<b>PROJECTED UTILIZATION</b>	<b>STATE STANDARD (1500 hours per room)</b>	<b>MET STANDARD?</b>
<b>YEAR 1</b>	<b>PCC Birth Center</b>	<b>0</b>	<b>100 days @ 16 hrs. per each of 2 rooms</b>	<b>1600</b>	<b>Yes</b>
<b>YEAR 2</b>	<b>PCC Birth Center</b>	<b>0</b>	<b>145 days at 16 hrs. per each of 2 rooms</b>	<b>2320</b>	<b>Yes</b>

The projections are based on stated interest of current prenatal patients, many of whom will request birth center services if available at the time they deliver. PCC Community Wellness Center provided prenatal care to approximately 2700 women in 2011, and in addition "word of mouth" about the birth center is likely to attract additional women from the community. We do not expect difficulty in meeting our utilization goal of 290 by the end of year 3.

**Review Criteria  
Attachment 16**

**Criterion 77 IAC 1110.3120 (a) – “Location”**

PCC Birth Center is located at 6201 West Roosevelt Road, Berwyn, IL 60402. Documentation that this is in the geographic area of the Obstetric Health Service Area and A-06 Health Planning Area is a Mapquest map indicating the exact location of the address found in Appendix 6.

Documentation that the property is owned by PCC Community Wellness Center, a Federally Qualified Health Center is found in Appendix 2 .

**Criterion 77 IAC 1110.3120 (b) – “Service Provision to a Health Professional Shortage Area”**

PCC Community Wellness Center and PCC Birth Center define their service area by Chicago Community Area and suburban township. These include the Chicago communities of Austin, Belmont-Cragin, East Garfield Park, Hermosa, Humboldt Park, Logan Square, North Lawndale, West Town and West Garfield Park, and the suburban communities of Bellwood, Berwyn, Cicero, Maywood, Melrose Park, Oak Park, and Stone Park. Of the 233 Census Tracts within PCC Birth Center’s service area communities, 176 have been designated as Health Professional Shortage Areas by the U.S. Department of Health and Human Services.<sup>1</sup> In addition, 206 Census Tracts have been designated as Mental Health Professional Shortage Areas and 207 as Dental Health Professional Shortage Areas. Not all census tracts in PCC service area communities have been designated as HPSAs, but pockets of low income residents live in many neighborhoods in these communities. PCC targets residents who live at or below 200% of the Federal Poverty Level.

PCC patient data verifies that we are serving residents in our service area who are most in need. Of the 42,275 patients served by PCC in 2011, an estimated 81% lived at or below the 2011 Federal Poverty Level (FPL) and another 13% lived between 100% and 200% of the FPL. These data are drawn from our patient Electronic Health Records. Income for patients qualifying for sliding scale fees is verified and income for other patients is self-reported.

1. U. S. Department of Health Resources and Services Administration. [www.hpsafind.hrsa.gov/HPSASearch](http://www.hpsafind.hrsa.gov/HPSASearch). Accessed 4/8/2012. Note: Although 2010 census tracts are somewhat different than Year 2000, the later are used for counts since the U.S. Department of Health Resources and Services Administration has not yet updated its HPSA and MUA/MUP website to reflect 2010 census tract changes.

**Criterion 77 IAC 1110.3120 (c) – “Admission Policies”**

PCC Community Wellness Center, including PCC Birth Center, has an open admission policy for accepting patients into any of its services.

**PCC Admission Policy**

It is PCC Community Wellness’s policy to serve all persons without regard to race, color, gender, sexual identity, handicap, national origin or religious creed. Admission to any of PCC’s services, including PCC Birth Center, will not be restricted due to any of these factors. A statement certifying that PCC Birth Center will comply with this policy, signed by PCC’s President and CEO, is included as Appendix 7.

**Criterion 77 IAC 1110.3120 (d) – “Bed Capacity”**

The architectural plan labeling the two birth rooms in the building first floor layout of the building is found in Appendix 3.

**Criterion 77 IAC 1110.3120 (e) – “Staffing Availability”**

PCC Community Wellness Center currently employs five midwives, three at 1.0 FTE and two at 0.5 FTE. The midwives are providing birthing services at our partner hospital, Vanguard West Suburban Medical Center. Upon licensure and opening of PCC Birth Center the midwives will shift a portion of their birthing services to the birth center, and therefore PCC does not need to employ additional midwives to staff the center upon opening. Each patient who delivers at PCC Birth Center will receive care from a Primary Midwife, a Secondary Midwife, a Birth Assistant and a Doula. We estimate 16 hours as the maximum average facility use per birth. The average estimated time per birth for the Primary Midwife is 16 hours, 7 hours for the Secondary Midwife, 4 hours for the birth assistant and 16 hours for the Doula.

***Primary Midwife: Certified Nurse Midwife***

The Primary Certified Nurse Midwife will admit women in labor and stay with her until discharged. The Primary Midwife takes primary responsibility for clinical care throughout the client’s stay at the Birth Center. Midwives filling the Primary Midwife role come from the pool of midwives who currently provide perinatal care at a PCC clinic site and will rotate being on-call for PCC Birth Center births. An estimated 1.5 FTEs are required for this position during the first year of operation, and this will increase to 2.25 FTEs by the third year.

***Secondary Midwife: Certified Nurse Midwife***

The Secondary Certified Nurse Midwife will be present during the last hours of labor, during the delivery, and during the immediate postpartum period. This midwife will assist with clinical care of clients during the birth. Midwives filling the Secondary Midwife role also come from the pool of midwives who currently provide perinatal care at a PCC clinic site and will rotate being on-call for PCC Birth Center births. An estimated 1.0 FTE is required for this position during the first year of operation, and this will increase to 1.25 FTEs by the third year.

***Birth Assistants***

There will be a Birth Assistant also on call for Birth Center Births. They will be trained health care professionals, such as a registered nurse. Birth Assistants will be salaried employees who rotate being on call for PCC Birth Center births. They will provide health care support during the active labor and delivery phase of patient time at the Birth Center, for an estimated 4 hours per birth. In addition, Birth Assistants will provide a home visit to clients during the 24 hour period following discharge from the Birth Center. FTEs required for this position during the first year of operation are estimated at 0.75 FTE, and this will increase to 1.0 FTE by the third year.

***Doulas***

Certified Doulas will provide support for women during labor, delivery and immediate postpartum period, staying with women throughout their stay at the Birth Center. The Doulas will be salaried employees who rotate being on call for Birth Center births. An estimated 1.75 FTEs are required for this position during the first year of operation, and this will increase to 2.25 FTEs by the third year.

***Clinical Director***

The 0.25 FTE Birth Center Clinical Director position will be filled by PCC's Director of Advanced Practice Nurses. She will be the Clinical Administrator and supervisor of midwives for the Birth Center.

***Operations/Program Director***

The Operations/Program Director will be responsible for managing the office as well as Birth Center Programs such as Doula services, Education and Birth Center Development activities. The person filling this position will be responsible for a number of significant administrative tasks during the first year, including completing the licensing and AABC Accreditation processes. The Operations/Program Director will also supervise non-clinical staff. The position will begin with 0.5 FTEs for the first year of operation, and will increase to 0.80 FTE by year 3.

***Patient Care Representative***

The 0.25 FTE Patient Care Representative will be responsible for patient registration, communication, scheduling tours and classes, and light clerical work.

***Administrative Assistant***

The 0.25 Administrative Assistant will provide support for the Clinical and Operations/Director. This staff member will assist with licensing and accreditation applications, program development and maintaining the data collection system.

**Criterion 77 IAC 1110.3120 (f) – “Emergency Surgical Backup”**

A contract with Vanguard West Suburban Medical Center that states their agreement to accept maternal and neonatal transfers from PCC Birth Center has been signed. A copy of our agreement can be found in Appendix 8, and a copy of West Suburban Hospital's Maternity Service Plan is in Appendix 9. A Mapquest map verifying that the distance between PCC Birth Center and Vanguard West Suburban Medical Center is 2.15 miles and requires 6 minutes of travel time is found in Appendix 10.

**Criterion 77 IAC 1110.3120 (g) – “Education”**

PCC Community Wellness Center provides in-house comprehensive education and support throughout the perinatal period. In addition to education and support provided by midwives during clinic appointments and during their labor and delivery stay, PCC Birth Center clients will have access to the following services:

- Centering Pregnancy group care, intended to maximize patient participation in care, provide peer support and improve outcomes
- Individual prenatal education by Registered Nurse Educators on topics including nutrition, exercise, danger signs during pregnancy, prenatal care recommendations, breastfeeding and other topics.
- Prenatal Classes: a series of six sessions covering nutrition, health lifestyles, labor and birth, early infant care and safety, breastfeeding, and other topics.
- Individualized education and support by AmeriCorps team members who are trained as Health Promoters. The health promoters provide basic nutrition and healthy lifestyle education and support. Health promoters identify patients to offer services to during clinic appointments, and provide more intensive services, including home visits, to patients with particular needs.

- Peer Breastfeeding Counselor support by AmeriCorps team members who have acquired certification. The Peer Counselors work with patients during prenatal and postpartum visits, provide follow-up calls early postpartum to prevent early breastfeeding discontinuation, and provide home visits when needed.
- Education and support during an early postpartum home visit made by a Birth Center midwife.
- Additional postpartum home visits by Community Health Nurses if high level postpartum risks are identified or if additional breastfeeding assistance is needed.
- Monthly parenting support sessions
- Breastfeeding assistance when needed from our Certified Lactation Consultant.

PCC Community Wellness Center also participates in numerous community health promotion events, such as health fairs held at community centers and churches. Our Development Department staff coordinates PCC staff participation who provide information to the public about PCC services, and provide preventive health support. In addition, PCC Birth Center clients will have access to PCC's seasonal Community Farmer's Markets held in our Austin Family Health Center clinic parking lot.

**Criterion 77 IAC 1110.3120 (h) – “Inclusion in Perinatal System”**

A copy of the contract signed by PCC Community Wellness Center and Vanguard West Suburban Hospital can be found in Appendix 8. The contract refers to transfer of neonates, as well as mothers, when hospital care is needed. PCC will transfer neonates needing hospital care to West Suburban's emergency department. At this point the infants will be West Suburban Hospital patients. West Suburban transfers neonates who need Level III care to Northwestern Hospital (Lurie Children's Hospital), with whom they have had a long standing agreement.

**Criterion 77 IAC 1110.3120 (i) – “Medicare/Medicaid Certification”**

All of PCC clinic sites are certified for Medicaid and Medicare services. PCC South Family Health Center's Medicaid number is 363828320005 and its Medicare number is 14-1031. We are currently in communication with the Illinois Medicaid office to determine the process for obtaining separate numbers for PCC Birth Center if required.

PCC Birth Center midwife staff provider numbers for Medicaid are as follows:

Ceal Bacom	209-001981
Lorna Davis	209-003582
Christa Jackson	209-008317
Danielle Kraessig	209-003008
Annette Payot	209-006749
Marybeth Waldorf	209-007156

PCC Birth Center midwife staff National Provider Identifier for Medicare are as follows:

Ceal Bacom	1932141637
Lorna Davis	1720097538
Christa Jackson	1760791230
Danielle Kraessig	1306962121
Annette Payot	1376730366
Marybeth Waldorf	1336395805

**Criterion 77 IAC 1110.3120 (j)- “Charity Care”**

Uninsured patients are referred to a PCC Community Wellness Center Financial Aid Counselor for sliding fee assignment, and patients are billed for services accordingly. However, when charges for uninsured or any other patient are not collected, costs are allocated to bad debt. A copy of PCC Community Wellness Center’s Charity Care Policy can be found in Appendix 11.

**Criterion 77 IAC 1110.3120 (k) – “Quality Assurance”**

PCC Birth Center Performance Improvement Program (Quality Assurance) can be found in Appendix 12.

**Criterion 1120.120 – “Availability of Funds”  
Attachment 17**

**AVAILABILITY OF FUNDS**

The costs of PCC’s Birth Center Project will be covered with internal cash resources. To document the availability of funds, PCC’s most recently audited financial statement is included as Appendix 13.

**Criterion 1120.130 – “Financial Viability”**  
**Attachment 18**

**FINANCIAL VIABILITY WAIVER**

This section is not applicable to PCC’s Birth Center application because all project capital expenditures are completely funded through internal resources. PCC’s Fiscal Year 2011, the most recent audited financial statement is included in Appendix 13.

**Criterion 1120.140 – “Economic Feasibility”  
Attachment 20**

**ECONOMIC FEASIBILITY**

**A. Reasonableness of Financing Arrangements**

I, Robert Urso, President and CEO of PCC Community Wellness Center, attest 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 or funded depreciation.

  
SIGNATURE

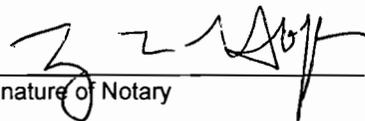
Robert Urso  
PRINTED NAME

President and Chief Executive Officer  
PRINTED TITLE

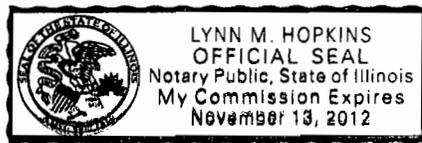
Notarization:

Subscribed and sworn to before me

this 25 day of September 2012

  
Signature of Notary

Seal



**B. Conditions of Debt Financing**

This section is not applicable to PCC Birth Center Project because no debt will be incurred.

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

This section is not applicable to PCC Birth Center Project because the project does not involve new construction or modifications of existing structures.

**D. Projected Operating Costs**

The Direct Operating Costs per Patient for Year 3 when Birth Center is at full utilization of 290 patients is projected to be \$3,099.

Operational Expenses				
	Year 1	Year 2	Year 3	Year 3 Cost Per Patient
<b>Personnel</b>				
Provider Salaries	200,000	266,500	294,176	
Other Staff Salaries	155,525	184,398	213,566	
Employer Taxes/Benefits	69,861	88,601	99,771	
<b>Personnel Total</b>	<b>425,386</b>	<b>539,499</b>	<b>607,513</b>	
<b>Supplies</b>				
Clinical Supplies	14,107	17,634	23,841	
Medications	9,133	11,416	15,434	
Office Supplies	1,000	1,250	1,690	
<b>Supplies Total</b>	<b>23,240</b>	<b>29,050</b>	<b>39,275</b>	
<b>Other Costs</b>				
Provider Continuing Medical Education	5,588	5,588	5,588	
Dues and Licenses	3,299	6,959	6,959	
Recruitment	750	750	750	
Marketing	5,000	5,000	5,000	
Patient Transportation	430	538	548	
Patient / Clients Incentives	430	538	548	
Employee Travel (Parking, Mileage)	500	625	638	
Food & Beverages	1,000	1,250	1,275	
Staff Development	2,000	2,500	3,340	
Staff Retention	350	350	350	
Software Purchase	5,000			
Medical Waste Removal	1,500	1,995	1,913	
Billing Services	16,469	20,626	25,085	
Scavenger	507	634	646	
Security	25,041	31,301	31,927	
Utilities	3,483	4,354	4,441	
Telephone/Pagers/Network Connectivity	876	1,095	1,117	
Postage and Messenger Delivery	283	354	361	
Cleaning Services	3,029	3,786	3,862	
Maintenance Services	1,528	1,910	1,948	
Copier/Fax Lease	4,329	5,758	7,229	
Depreciation	4,407	4,407	4,407	
Accreditation Costs	2,710	3,850	4,526	
IL License	800		1,336	
AABC Membership	500	500	835	
<b>Other Costs Total</b>	<b>89,809</b>	<b>104,666</b>	<b>114,629</b>	
<b>Bad Debt @ 4%</b>	<b>36,397</b>	<b>45,633</b>	<b>55,555</b>	
<b>Net Margin of Error @ 10%</b>	<b>57,483</b>	<b>71,885</b>	<b>81,697</b>	
<b>TOTAL OPERATIONAL COSTS</b>	<b>632,315</b>	<b>790,733</b>	<b>898,670</b>	<b>3,099</b>

**E. Total Effect of the Project on Capital Costs**

There are no projected capitalized costs for Year 3 when PCC Birth Center is fully utilized. Capitalized Costs of \$107,358 are projected for Year 1.

**Criterion 1110. Safety Net Impact Statement  
Attachment 21**

**SAFETY NET IMPACT STATEMENT**

PCC's proposed Birth Center Project will provide perinatal services to low risk women who meet medical admission requirements. This is an out-of-hospital alternative for births, which would otherwise occur at local hospitals. We project 120 births during the first year of operation and 250 births annually by the end of year 3. While the Birth Center will provide delivery services to women who are likely to deliver elsewhere in the Obstetric Services Service Area, it is a new service that offers an alternative to women who historically have not had access to Birth Center services.

<b>Safety Net Information per PA 96-0031</b>			
<b>CHARITY CARE</b>			
<b>Charity (# of patients)</b>	<b>FY Year2012</b>	<b>FY Year2011</b>	<b>FY Year2010</b>
Inpatient	459	439	403
Outpatient	7,696	7,113	6,472
<b>Total</b>	<b>8,155</b>	<b>7,552</b>	<b>6,875</b>
<b>Charity (cost In dollars)</b>			
Inpatient	\$188,079	\$97,047	\$413,764
Outpatient	\$1,875,834	\$1,770,516	\$1,809,874
<b>Total</b>	<b>\$2,063,913</b>	<b>\$1,867,563</b>	<b>\$2,223,638</b>
<b>MEDICAID</b>			
<b>Medicaid (# of patients)</b>	<b>FY Year2012</b>	<b>FY Year2011</b>	<b>FY Year2010</b>
Inpatient	3,354	3,803	2,985
Outpatient	25,806	23,869	21,291
<b>Total</b>	<b>29,160</b>	<b>27,672</b>	<b>24,276</b>
<b>Medicaid (revenue)</b>			
Inpatient	\$1,541,421	\$1,700,781	\$1,414,362
Outpatient	\$9,739,425	\$9,522,728	\$7,966,863
<b>Total</b>	<b>\$11,280,846</b>	<b>\$11,223,509</b>	<b>\$9,381,225</b>

**Criterion 1110. Charity Care Information**  
**Attachment 22**

**CHARITY CARE INFORMATION**

<b>CHARITY CARE</b>			
	<b>FY Year2012</b>	<b>FY Year2011</b>	<b>FY Year2010</b>
<b>Net Patient Revenue</b>			
<b><i>Austin Family Health Center</i></b>			
Amount of Charity Care (charges)	\$355,500	\$377,010	\$334,158
Cost of Charity Care	\$327,022	\$334,302	\$303,872
<b><i>Erie Court Health Center</i></b>			
Amount of Charity Care (charges)	\$32,912	\$26,941	\$21,455
Cost of Charity Care	\$24,376	\$19,226	\$16,558
<b><i>Interfaith House</i></b>			
Amount of Charity Care (charges)	\$35,656	\$55,945	\$56,118
Cost of Charity Care	\$35,492	\$54,236	\$52,038
<b><i>Lake Street Family Health Center</i></b>			
Amount of Charity Care (charges)	\$282,380	\$226,883	\$362,796
Cost of Charity Care	\$245,337	\$182,373	\$314,766
<b><i>Melrose Park Family Health Center(formerly North Avenue FHC)</i></b>			
Amount of Charity Care (charges)	\$57,961	\$67,652	\$53,088
Cost of Charity Care	\$45,528	\$53,100	\$45,046
<b><i>Salud Family Health Center</i></b>			
Amount of Charity Care (charges)	\$495,791	\$568,997	\$695,931
Cost of Charity Care	\$390,244	\$469,096	\$592,682
<b><i>South Family Health Center</i></b>			
Amount of Charity Care (charges)	\$354,425	\$228,655	\$216,638
Cost of Charity Care	\$300,383	\$191,643	\$180,064
<b><i>West Town Family Health Center</i></b>			
Amount of Charity Care (charges)	\$224,969	\$236,292	\$206,585
Cost of Charity Care	\$187,703	\$193,619	\$172,596
<b><i>Walk-in Wellness Center</i></b>			
Amount of Charity Care (charges)	\$367,957	\$312,889	\$150,155
Cost of Charity Care	\$319,749	\$272,921	\$132,252
<b>TOTAL CHARITY CARE</b>			
Total Amount of Charity Care (charges)	\$2,207,551	\$2,101,264	\$2,096,924
Total Cost of Charity Care	\$1,875,834	\$1,770,516	\$1,809,874

# Illinois Floodplain Maps

## Cook County Effective DFIRM Finder

**Instructions:** The DFIRM Finder will help you find the DFIRM for your home or business. To get started, follow the instructions below. Users should download and view the official DFIRM for a more accurate representation of flood risk. **Note:** If the google map application below is not displayed, make sure to enable Javascript on your internet browser.

1. Enter your address in the box below and click "Search Address."
2. Click on the DFIRM panel (outlined in red) for the location you are interested.
3. After the panel is selected, click again for available options, including viewing the official DFIRM.

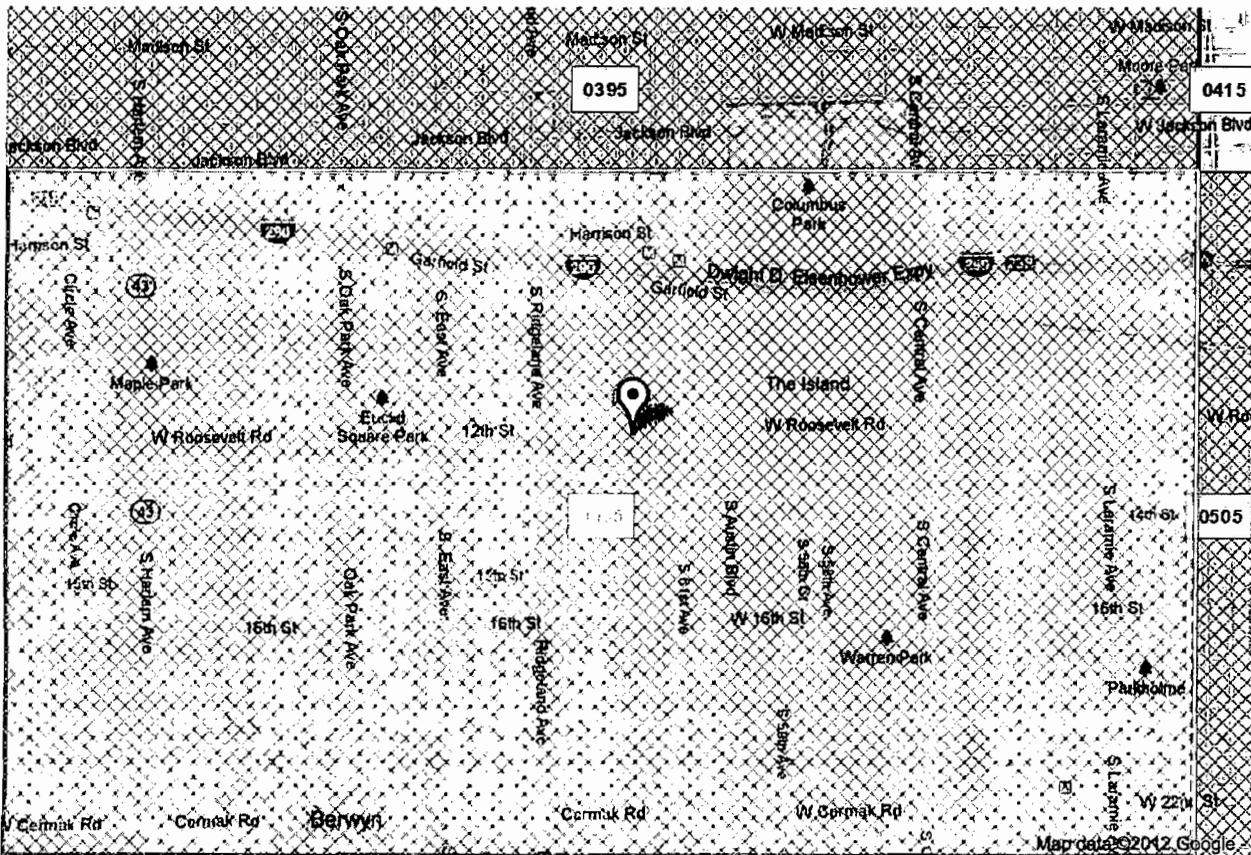
Please note that this **DFIRM Finder is intended to be used as a guide only**. Be sure to view the official DFIRM Panel available through the options (step 3 above), or in the [list at the bottom of the page](#).

Users should check the FEMA Map Service Center for Letters of Map Change (LOMC) that revise this effective Flood Insurance Rate Map (<http://msc.fema.gov>)

6201 Roosevelt Road, Berwyn, IL

Search Address

Refresh Page



**Legend:** DFIRM panel numbers are shown in red. Special Flood Hazard Areas are shown as light blue. DFIRM Panels with salmon or blue dashed hatching have Multiple Panel Revisions available to review. DFIRM Panels with black cross-hatching are not printed and have no DFIRM available for download.

### Downloadable DFIRM Panels

Panels are only created when special flood hazard areas exist within the boundaries of the panel.

- [Panel #0484](#)
- Panel #0485 - Panel not printed - No SFHA
- [Panel #0486](#)
- [Panel #0487](#)
- [Panel #0488](#)
- [Panel #0489](#)
- [Panel #0491](#)
- [Panel #0492](#)
- Panel #0495 - Panel not printed - No SFHA
- [Panel #0503](#)
- [Panel #0504](#)
- Panel #0505 - Panel not printed - No SFHA
- [Panel #0506](#)
- [Panel #0507](#)
- [Panel #0508](#)
- Panel #0509 - Panel not printed - No SFHA
- Panel #0515 - Panel not printed - No SFHA
- Panel #0520 - Panel not printed - No SFHA
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- [Panel #0659](#)
- [Panel #0660](#)
- [Panel #0661](#)



**Illinois Historic  
Preservation Agency**

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • [www.illinois-history.gov](http://www.illinois-history.gov)

Cook County  
Berwyn

Rehabilitation  
6201 W. Roosevelt Rd.  
IHPA Log #005122309

January 5, 2010

Robert J. Urso  
PCC Community Wellness Center  
14 W. Lake Street  
Oak Park, IL 60302

Dear Mr. Urso:

We have reviewed the documentation submitted for the referenced project(s) in accordance with 36 CFR Part 800.4. Based upon the information provided, no historic properties are affected. We, therefore, have no objection to the undertaking proceeding as planned.

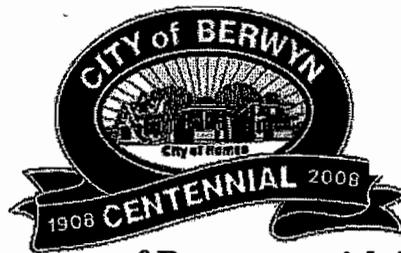
Please retain this letter in your files as evidence of compliance with section 106 of the National Historic Preservation Act of 1966, as amended. This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker  
Deputy State Historic  
Preservation Officer

**Robert J. Lovero**  
Mayor



**Berwyn Historic  
Preservation Commission**

**A Century of Progress with Pride**

6700 West 26<sup>th</sup> Street Berwyn, Illinois 60402-0701 Telephone: (708) 788-2660 Fax: (708) 788-2675  
[www.berwynpreservation.org](http://www.berwynpreservation.org)

July 6, 2012

Robert J. Urso, President and CEO  
PCC Community Wellness Center  
14 Lake Street  
Oak Park, IL 60302

Dear Mr. Urso,

Thank you for your nomination of the PCC South Family Health Center, located at 6201 West Roosevelt Road, as a Berwyn Historic Landmark. The Berwyn Historic Preservation Commission is pleased to inform you that your nomination received a preliminary designation of eligibility at the Commission's June 21, 2012 meeting.

This letter is to inform you that the Berwyn Historic Preservation Commission will conduct a public hearing on Thursday, August 2, 2012 at 7:00 pm at Berwyn's City Hall, 6700 W. 26<sup>th</sup> Street, Berwyn, IL, in the 2<sup>nd</sup> Floor Conference Room.

The purpose of the hearing is to allow any interested parties, including the nominators, the Commissioners, the owner of record, City Council members, and Berwyn residents to give testimony and submit evidence regarding whether this property meets the criteria for designation as a Berwyn Historic Landmark, as set forth in the Berwyn Historic Preservation Ordinance. The Ordinance can be viewed and downloaded from our website at

[http://www.berwynpreservation.org/uploads/6/4/7/5/6475045/berwyn\\_historic\\_preservation\\_ordinance\\_-\\_current\\_as\\_of\\_sept\\_2011.pdf](http://www.berwynpreservation.org/uploads/6/4/7/5/6475045/berwyn_historic_preservation_ordinance_-_current_as_of_sept_2011.pdf)

The Ordinance is also available for public review at City Hall.

We would like to invite you to attend this meeting, and to bring with you a "Narrative Description of Property," "Statement of Significance," and signed "Rights and Responsibilities" form, which are now included in our new nomination form (revised April 2012). I have enclosed a copy for you here. If you should have any questions, please do not hesitate to contact me. You can reach me most easily at home: 708-484-1338 or by email: [rebeccahouze@gmail.com](mailto:rebeccahouze@gmail.com). I will be away from July 16-24, during which time you can reach one of our other commissioners by calling 708-788-2660, choosing extension 3225, and leaving a message on the BHPC voice mail system.

We look forward to meeting you.

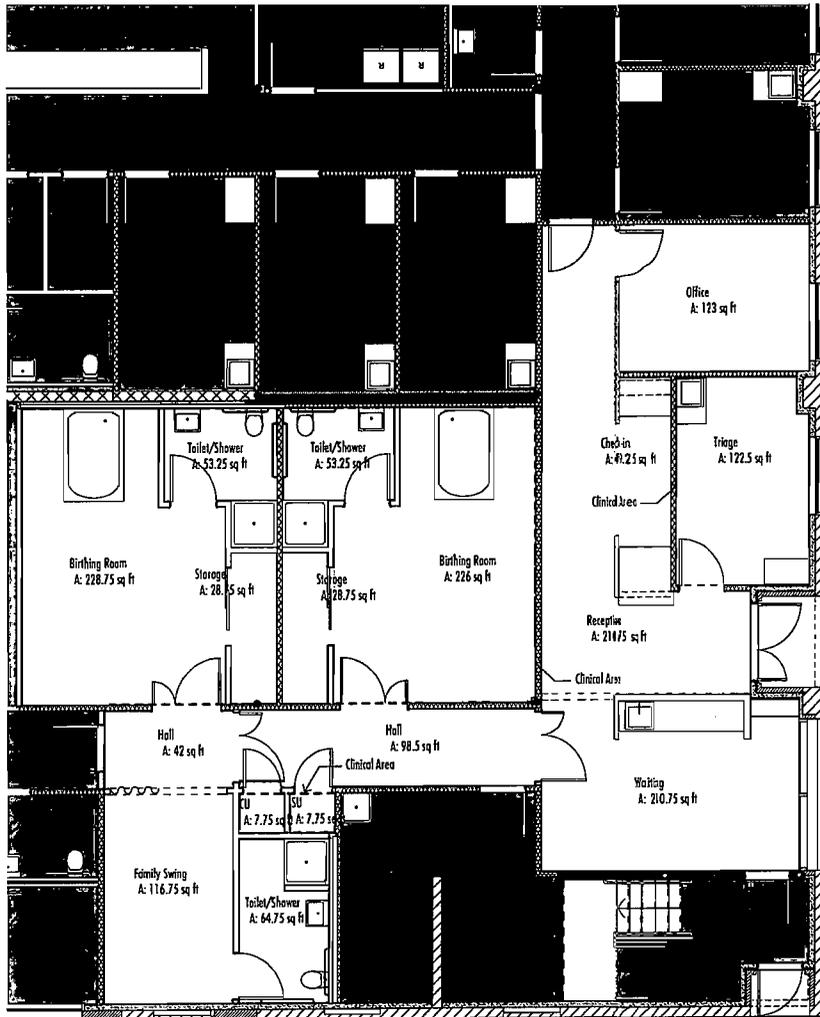
Sincerely,

A handwritten signature in black ink, appearing to read 'Rebecca Houze'.

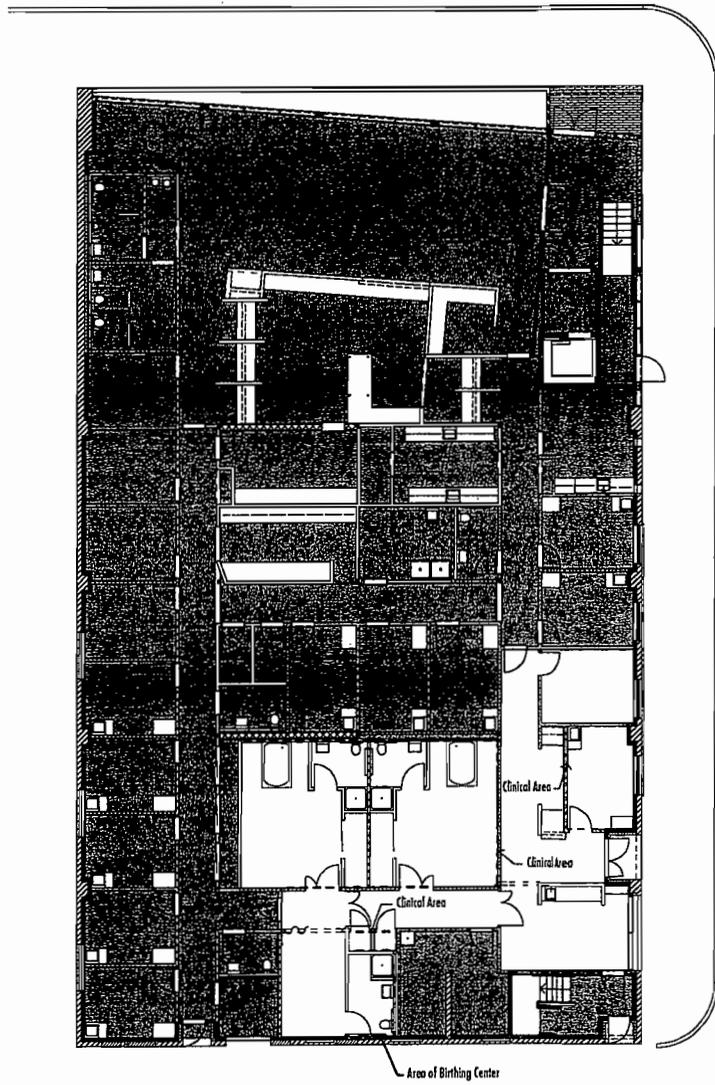
Rebecca Houze, Secretary  
Berwyn Historic Preservation Commission

708-788-2660, ext. 3225  
[berwynpreservation@gmail.com](mailto:berwynpreservation@gmail.com)

CC: Thomas Pavlik, Berwyn City Clerk



• BIRTHING CENTER  
 Total Area:  
 A: 1,765.75 sq ft





September 14, 2011

Robert J. Urso, BSN, MS, MHA  
Chief Executive Officer  
PCC Community Wellness Center  
14 W. Lake Street  
Oak Park, IL 60302

Joint Commission ID #: 448355  
Program: Ambulatory Health Care  
Accreditation  
Accreditation Activity: Measure of Success  
Accreditation Activity Completed: 09/14/2011

Dear Mr. Urso:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

• Comprehensive Accreditation Manual for Ambulatory Health Care

This accreditation cycle is effective beginning March 26, 2011. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin, RN, Ph.D.  
Executive Vice President  
Accreditation and Certification Operations



Administrative Office  
 14 West Lake Street  
 Oak Park, Illinois 60302  
 t. 708.383.0113  
 f. 708.383.1378

September 25, 2012

To Whom it May Concern,

I, Robert Urso, as President and CEO of PCC Community Wellness Center, authorize Illinois HFSRB and DPH access to any documents necessary to verify the information submitted in the Birth Center Application, 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.

Sincerely,

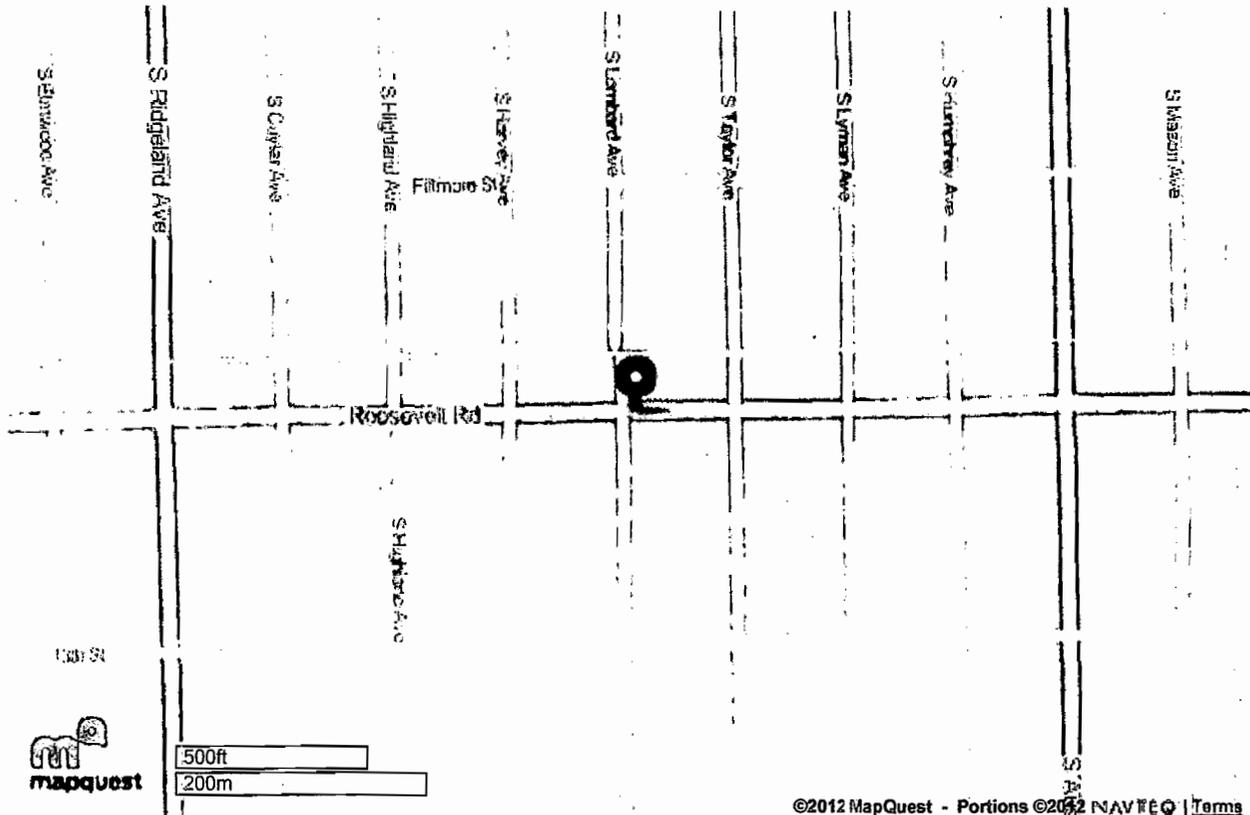
Robert Urso  
 President and CEO

<b>Austin Family Health Center</b>	5425 W. Lake Street	Chicago, Illinois 60644	t. 773.378.3347	f. 773.378.4028
<b>Erie Court Health Center</b>	1 Erie Court, Suite 6040	Oak Park, Illinois 60302	t. 708.386.1301	f. 708.386.3053
<b>Lake Street Family Health Center</b>	14 Lake Street	Oak Park, Illinois 60302	t. 708.383.0113	f. 708.383.9911
<b>Melrose Park Family Health Center</b>	1111 W. Superior Street Suite 207	Melrose Park, Illinois 60160	t. 708.406.3040	f. 708.406.3059
<b>Salud Family Health Center</b>	5359 W. Fullerton Avenue	Chicago, Illinois 60639	t. 773.836.2785	f. 773.836.7381
<b>South Family Health Center</b>	6030 W. Roosevelt Road	Oak Park, Illinois 60304	t. 708.386.0845	f. 708.386.8472
<b>Walk-In Wellness Center</b>	1044 N. Francisco Avenue	Chicago, Illinois 60622	t. 773.292.8348	f. 773.292.8343
<b>West Town Family Health Center</b>	1044 N. Mozart Street, Suite 203	Chicago, Illinois 60622	t. 773.292.8300	f. 773.292.2601



Notes

Map of:  
**6201 Roosevelt Rd**  
Berwyn, IL 60402-1108



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**Administrative Office**  
14 West Lake Street  
Oak Park, Illinois 60302  
t. 708.383.0113  
f. 708.383.1378

September 25, 2012

**PCC Admission Policy**

It is PCC Community Wellness Center's policy to serve all persons without regard to race, color, ethnicity, gender, sexual identity, disability, national origin or religious creed. As President and CEO, I, Robert Urso, certify that admission to any of PCC's services, including PCC Birth Center, will not be restricted due to any of these factors.

Robert Urso  
President and CEO

<b>Austin Family Health Center</b>	5425 W. Lake Street	Chicago, Illinois 60644	t. 773.378.3347	f. 773.378.4028
<b>Erie Court Health Center</b>	1 Erie Court, Suite 6040	Oak Park, Illinois 60302	t. 708.386.1301	f. 708.386.3053
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**Agreement**  
**Maternal and Neonatal Transfers from PCC Birth Center**

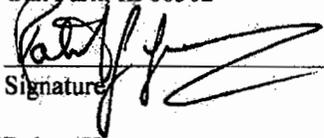
The purpose of this document is to state an agreement between PCC Community Wellness Center and West Suburban Medical Center to expedite maternal and neonatal care for PCC Community Wellness Center Birth Center (PCC Birth Center) patients who require hospital care. PCC Birth Center is located at 6201 West Roosevelt in Berwyn, Illinois, which is approximately 2.15 miles and 6 minutes travel time from the hospital.

West Suburban Medical Center agrees to accept maternal transfers from PCC Birth Center when hospital care, including emergency surgical intervention, is required.

West Suburban Medical Center also agrees to accept to its emergency department transfers of neonates born at PCC Birth Center. Neonates requiring admission to a Level II Neonatal Care Unit will be admitted to West Suburban Medical Center's unit. Neonates requiring a higher level of care will be transferred to Northwestern Memorial Hospital, the Regional Level III Perinatal Center to which West Suburban Medical Center transfers neonates requiring Level III care. West Suburban Medical Center agrees to include PCC Birth Center in its Maternity Care Plan as described in the Illinois Hospital License Act (210 ILCS 3/30).

Authorized Signatures:

PCC Community Wellness Center  
14 West Lake Street  
Oak Park, IL 60302

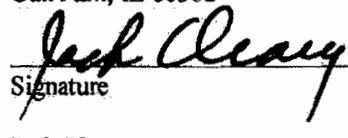
  
\_\_\_\_\_  
Signature

Robert Urso  
\_\_\_\_\_  
Printed Name

President and CEO  
\_\_\_\_\_  
Title

9-20-12  
\_\_\_\_\_  
Date

West Suburban Medical Center  
3 Eric Court  
Oak Park, IL 60302

  
\_\_\_\_\_  
Signature

Jack Cleary  
\_\_\_\_\_  
Printed Name

Chief Executive Officer  
\_\_\_\_\_  
Title

9/20/2012  
\_\_\_\_\_  
Date

WEST SUBURBAN MEDICAL CENTER  
3 ERIE COURT  
OAK PARK, ILLINOIS. 60302

MATERNITY SERVICE PLAN

Director of Maternal/Child Nursing

Patricia Brumsted BSN, MPH

Maternal/Child Manager

Paula L. RMC

Original Date:	December 1990
Revised Data:	October 1993
	May 1997
	November 1998
	September 2012

**WEST SUBURBAN MEDICAL CENTER**

***MATERNITY SERVICE PLAN***

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## I. MATERNITY AND NEONATAL SERVICE PLAN OVERVIEW

This plan has been developed by Patient Care Services and the medical staff and is approved by the governing body of West Suburban Medical Center (WSMC).

This plan is known to be available to the nursing and medical staff and more specifically to the staff involved in the care at the Family Birthing Centre.

A copy of the plan is available on the unit, in nursing administration and the medical staff offices. The plan is to be reviewed and revised as necessary. Recommended changes are discussed first at the OB/GYNE Departmental Meeting and then forwarded to the appropriate bodies for their consideration and approval.

## II. INTRODUCTION

West Suburban Medical Center is a 234-bed community based, teaching hospital dedicated to the provision of acute inpatient care, ambulatory services and preventive care to all patients without regard to race, creed, sex, or socio-economic status.

The Hospital's service areas include the metropolitan Chicago area and near western suburbs/

Although WSMC offers most of the specialties and sub-specialties, it has made special commitments to the development of comprehensive programs in ambulatory care, family medicine, cardiology, renal disease, hematology, oncology, stroke and neurological disorders.

The hospital is committed to education programs of many kinds, including graduate and post-graduate medical education, continuing education, and allied health. A major commitment has been made to nursing education through a number of colleges.

The hospital seeks to develop and maintain a medical staff engaged in the private practice of medicine and to provide facilities, equipment, and technology insofar as are financially prudent and feasible. WSMC supports the concept of cooperative health care planning and seeks to avoid costly and unnecessary duplication of services, equipment, and facilities.

The hospital also seeks to provide care and sensitivity to the patient and to promote health and the quality of life of all individuals in keeping with the long-established tradition of the institution.

The hospital is a partner with other community institutions in furthering the social and economic well-being of the areas, as well as the health of its residents, by supporting and working with local Oak Park and Austin political, social and community organizations in 1980 through the opening of the Parent and Child Center.

The total number of deliveries at WSMC is approximately 2200 per year; 65% of these deliveries are patients of the Maternal-Child Health Service. The remaining patients are those of either private physicians or family medicine attendings (approximately 35%).

### III. GEOGRAPHIC DESCRIPTION

The WSMC Primary and Secondary (shaded) Service Areas as can be seen in the attached map (Exhibit 1).

The population that resides within the WSMC Primary Service Area, is richly diverse (see Exhibit 2); in 2009, the mix of ethnicity for the entire population was estimated as 22.5% White, 32.1% Hispanic, 42.3% Black, 1.7% Asian, and 1.4% other.

The economic differences among the communities that reside within WSMC's Primary Service Area are illustrated in Exhibit 2. The average household income within WSMC's Primary Service Area in 2009 ranged from less than \$15,000 (16.3%) to over \$100,000 (15.1%), with the highest percentage (27.7%) in the \$25,000 to \$50,000 range.

As reported by the Chicago Department of Public Health in the Community Area Health Inventory, 1994-1996, the community of Austin faces significant maternal-related health problems. For example, Austin ranked 22<sup>nd</sup> in infant mortality, 17<sup>th</sup> in percent of low birth weight infants, and 11<sup>th</sup> in highest percent of births with no prenatal care compared to 77 other Chicago communities.

### IV. ORGANIZATION CHART/ACCOMMODATIONS AND FACILITIES

The unit has been opened as the Family Birthing Centre since October 1988. The concept and approval to modernize the obstetrics unit was given by the Health Facilities Planning Board on March 2, 1988. The Family Birthing Centre is under the Director of Nursing and the Manager of Maternal-Child services with 24-hour responsibility. The unit is staffed with RNs, OB Technicians and Unit Secretaries

The Family Birthing Centre practices LDR and PP care. It is located on the 6<sup>th</sup> floor of the main hospital and is separated from the medical/surgical units. The labor patient is admitted to an LDR room where she labors, delivers, and recovers. Following the recovery period, the patient is transferred to a private post partum room where she will spend the remainder of her hospitalization. The family unit is encouraged and a significant other is allowed to stay 24 hours a day with the patient. A separate area of LDR room is designed for the care of the baby during and immediately after delivery, and during the rooming-in-period. It is known as the ante area or nurse server area.

- A. There are 10 rooms designated for LDR care. These rooms all have sinks operated by foot controls.
- B. There are 2 additional Alternative Birthing (AB) rooms for water births.
- C. There are 22 additional rooms designated as private rooms that are used for post partum patients, and other maternity patients should they need hospitalization during the pregnancy. The 2 AB rooms can also be used for post partum stays.
- D. Nursery: One nursery is available to house infants requiring normal care, intermediate care and those needing to be transferred for more intensive care. Three beds are designed intensive/intermediate care beds. Their equipment includes, but is

not limited to, 3 NICU beds, O<sub>2</sub>, suction, compressed air, five cardiac-respiratory monitors, three pulse oximeters, three infusion pumps, and all drugs and equipment necessary for emergencies and neonatal resuscitation.

The remaining beds in the nursery are designed for normal newborn care. Oxygen, suction, and compressed air are also available in this area.

The nursery contains three sinks with foot controls. If isolation facilities are needed, these infants are transferred to the mother's room for rooming-in, segregated to an isolette, or transferred to another facility.

Holding Nursery: In addition to the above nursery, there is a holding nursery available, located on the north end of the 6<sup>th</sup> floor for the purpose of circumcisions, hearing screens or as an overflow nursery.

#### V. LEVEL OF CARE

It is the intent of WSMC maternity department to provide intermediate or Level II, as well as primary care as defined in Part XV (15-3.6) of the rules regarding maternity and neonatal service as adopted by the Illinois Department of Public Health. All aspects of the service are organized to support Level II as well as the primary care; this will be demonstrated throughout the Maternity Service Plan.

#### VI. STAFFING REQUIREMENTS

The Family Birthing Centre is staffed to provide optimal patient care to all of its patients. Professional Registered Nurses and OB Technicians provide nursing needs. The professional RN provides patient care to the mother in labor, delivery and recovery periods and to the mother-baby couplet until the day of discharge. The professional RN also provides nursing care to maternity patients during the antepartum period. The OB Technician provides patient care support to RNs through stocking of supplies and duties assigned to them. The RN staff is also cross-trained to perform the duties of the circulating and recovery room nurse. The OB Technicians are trained to perform the duties of the scrub technician.

#### VII. VISITING REQUIREMENTS

There is a policy and procedure written regarding visiting to the Family Birthing Center (See Appendix A). It includes the following:

- A. Information regarding whom may attend a delivery, the education of those individuals and the consent given by the mother and physician.
- B. Information regarding visitation rights after delivery and the rules that must be followed.

#### VIII. PHYSICAL PLANT REQUIREMENTS

- A. Each LDR and post partum (PP) room houses only one patient and her infant.

- B. Each LDR and PP room meets the minimum requirement for space as set forth in the rules and regulations.
- C. The unit was approved in 1998 and is governed by what was approved at that time.
- D. The hospital participates in a Regional Perinatal Network and is part of the Northwestern Perinatal System. The hospital provides Level IT care and does so according to the Regionalized Perinatal Health Care Code and carries this out in conjunction with Northwestern Memorial Hospital.
- E. The unit also houses two (2) OR suites, which could be used for delivery if necessary. The OR suites are located adjacent to the LDR rooms. There is no need to pass through any other units to arrive at these suites.
- F. The Family Birthing Centre was developed and approved due to the collaborative efforts of the medical and nursing staff.
- G. The bathroom is not included in calculating the clear area or the LDR room. There is a bathroom for each patient room in the Family Birthing Centre. It includes a toilet, bathtub, with shower, and sink. Only one (1) patient uses the bathroom at a time. It is located within the room so that the patient does not need to leave the room.
- H. Staff handwashing - Each LDR room has a sink that is used only for staff prior to, during or after the delivery process. It is properly equipped to allow thorough handwashing. The sink is located in the nurse server area (or ante room) which is adjacent to the patient area. All rooms are equipped foam or gel for hand hygiene.
- I. The facilities in the nursery are available when mothers are unable to care for their infants. Although mother/ baby care in the mother's room is recommended, the infant may remain in the holding nursery when the need arises.
- J. The LDR rooms comply with all the following requirements as found in the Illinois Maternity and Neonatal Rules and Regulations:
  - 1. Mechanical
  - 2. Electrical
  - 3. Wall, ceiling, floor finishes
  - 4. Equipment
    - a. The LDR room is equipped with all the essentials to provide emergency care for mother and infant should the need arise.
    - b. There is a complete set of equipment for every four or fewer rooms. There are at least four (4) sets of equipment to accommodate the 10 LDR rooms. This equipment includes, but is not all inclusive of:
      - i. neonatal intensive care beds
      - ii. additional lighting
      - iii. accessory devices for LDR beds.

c. Equipment is stored in the nurse server or ante room. It is accessible without entering another patient's room.

K. Policies and Procedures have been updated to conform to LDR and PP care. They are located in the Family Birthing Centre Policy and Procedure Manual.

## IX. PURPOSE/PHILOSOPHY

### Purpose:

The purpose of the Family Birthing Centre of WSMC is to provide care, which will meet the needs unique to families during the childbearing period. The services focus on the needs of antepartal, intrapartal and postpartal patients, the neonatal patient, and their families. Recognizing that the physical, emotional, and spiritual needs of our patients vary according their individual life experiences, the staff attempts to assist the patient toward optimum health and well-being.

### Philosophy:

The Family Birthing Centre, as a part of the Patient Care Services Division of West Suburban Medical Center, accepts its purpose and philosophy. In addition, the staff is committed to the responsibility of providing the parturient patient and her family unit an individualized care program. The staff believes that the primary responsibility of the professional Birthing Centre nurse is the delivery of knowledgeable, planned nursing care that recognizes and respects the values, beliefs, and individual human rights of those who come into contact with our program.

The Antepartal services provided for the pregnant woman and her family are a reflection of the Family Birthing Centre unit philosophy of offering progressive birth options through educational programs that support informed consent.

The Postpartal and Neonatal services are organized around a family-centered framework, which permits the care to be individualized according to the needs of the parents. Recognizing that contact between parents and the infant in the early period of infant's life is critical in the process of attachment, parents are encouraged to maintain constant contact with their infant. Self-care is taught to the mother, along with interactive teaching of newborn care so as to assist the parents to gain confidence in their ability to care for their infant. The Intrapartal services focus on providing physical and emotional care and comfort measures to the emerging family within the safe yet relaxed and comfortable environment of the LDRP room. Recognition is given here also to the significance of the early contact between parents and infant; therefore, a private time is provided immediately following the delivery for each new family to begin bonding.

The Family Birthing Centre strives to provide the best birthing options available. This is done through offering LDR and PP maternity care. A family-centered approach is fostered and tailored to meet the individual needs of the family unit. Visiting hours are flexible so that there is ample opportunity for the parents to gain confidence in the care of their infant. Grandparents and siblings are also encouraged to be part of this process.

X. SUPPORTIVE SERVICES – LABORATORY

- A. It is the policy of the clinical laboratory at WSMC to be open 24 hours per day, seven days per week, every day of the year, to provide services in clinical laboratory medicine.

The laboratory is a full-service laboratory, performing routine and special procedures in hematology, microbiology, urinalysis, blood bank, clinical chemistry, cytology, and anatomic pathology.

- B. With respect to perinatal laboratory services, micro-techniques are available for blood chemistry procedures, including glucose, bilirubin, and electrolytes on a STAT basis. Blood pH, PCO<sub>2</sub> are available through the Department of Respiratory Therapy on a STAT basis 24 hours per day. Urinary estriol determinations are available through the clinical laboratory on a STAT basis 24 hours per day.

Pulse Oximetry is available in Intermediate Care Nursery. Blood bases by heel stick, arterial stick or umbilical arterial route are done to correlate results with the monitor.

XI. SUPPORTIVE SERVICES – OTHER

- A. Nutritional Services: A Registered Dietician/Technician is available for consultation.
- B. Social Service Staff: The department is active through WSMC; specifically, social workers are assigned to the Birthing Centre, thus providing continuity. A member of the department is on call at night, weekends and holidays.
- C. Radiology: The department is staffed 24 hours a day with a radiologist on call 24 hours a day.
- D. Pathology: The department provides on call coverage 24 hours a day.
- E. Anesthesiology: The department is directed by a board-certified anesthesiologist with experience and competence in obstetrical anesthesia. Coverage is provided 24 hours/day, 7 days/week.
- F. Respiratory Therapy: Staff is available 24 hours a day, 7 days/week.
- G. Pastoral Care: A Chaplain is available in-house from 8:00 am to 4:30 pm and from 6:00 p.m. to 6:00 a.m. every day.

XII. MEDICAL STAFF ORGANIZATION

- A. Chief of the Maternity Service and Chief of the Newborn Nursery duties and responsibilities:

The Chairperson of the Department of Obstetrics and Gynecology is certified by the American Board of Obstetrics and Gynecology. The Chairperson of the Newborn Nursery is certified by the American Board of Pediatrics.

The responsibilities of the Chairperson of the OB/GYN Department include the following: supervision of the establishment of criteria for admission; adherence to licensing requirements and the identification of procedures requiring consultation. The Maternal-Child Health Service is on call to handle unassigned admissions. However, it is hoped that all patients entering West Suburban Medical Center have had proper prenatal care and do have an attending physician on staff. Every effort is made to screen infectious or contagious patients so that they are not inadvertently admitted to the obstetrical department.

The Neonatologist is responsible for the general supervision of the newborn nursery. Additional responsibilities of both Department Chairpersons are as follows:

1. Accountable for all professional and administrative activities within their departments;
2. A member of the Executive Committee, giving guidance on the overall medical policies of the hospital and making specific recommendations and suggestions regarding their own departments in order to assure quality patient care;
3. Maintain continuing review of the professional performance of all practitioners with clinical privileges in their departments and report regularly thereon to the Executive Committee.
4. Appoint a department committee to conduct the initial phase of patient care review required by the bylaws;
5. Responsible for the enforcement of the hospital bylaws and of the medical staff bylaws, rules, and regulations within their departments;
6. Responsible for implementation within their departments of actions taken by the Executive Committee of the medical staff;
7. Transmit to the credential committee their department's recommendations concerning the staff classification, the reappointment, and the delineation of clinical privileges for all practitioners in their departments;
8. Responsible for the teaching, education, and research program in their department;
9. Participate in every phase of administration of his/her department through cooperation with the nursing service and the hospital administration in matters affecting patient care, including personnel, supplies, special regulations, standing orders, and techniques;
10. Assist in the preparation of such annual reports, including budgetary planning, pertaining to their department as may be required by the Executive Committee, the chief executive officer, or the governing body;
11. Privileges granted individual practitioners are controlled by the Obstetrical Control Committee, a standing committee of the medical staff. This committee functions in such a way as to assure that there is a competent level of care provided for each level of obstetrical difficulty; the Chairperson is a member of this committee.

- B. Privileges (Established, Reviewed, and Controlled): Every initial application for staff appointment must contain a requires for the specific clinical privileges desired

by the applicant. The evaluation of such request shall be based upon the applicant's education, training, experience, demonstrated competence, references and other relevant information, including an appraisal by the clinical department in which such privileges are sought. The applicant shall have the burden of establishing his/her qualifications and competency in the clinical privileges he/she requests.

Periodic redetermination of clinical privileges and the increase or curtailment of same shall be based upon the direct observation of care provided, review of the records of patients treated in this or other hospitals, and review of the records of the delivery of medical care. Again, each person is evaluated by the Obstetrical Control Committee.

Each department shall establish a medical care evaluation committee responsible for conducting a primary retrospective review of completed records of discharged patients and other pertinent departmental sources of medical information relating to patient care for the purposes of selecting cases for presentation at the monthly department meetings that will contribute to the continuing education of every practitioner and to the process of developing criteria to assure optimal patient care. Such review shall be conducted monthly and should include a consideration of selected deaths, unimproved patients, patients with infections, complications, errors in diagnosis and treatment, and such other instances as are believed to be important, such as patients currently in the hospital with unsolved clinical problems.

- C. Provision for analysis and review of the maternity services at regular intervals: Monthly meetings are held by the obstetrical evaluation committee that is responsible for conducting a primary retrospective review of completed records of discharged patients and other pertinent department sources of medical information relating to patient care. Selected cases are presented at the monthly departmental meeting that will contribute to the continuing education of every practitioner and to the process of developing criteria to assure optimal patient care.
- D. Family Practice Residency Program

The Maternal Child Health (MCH) MCH team, consisting of one fellow, one senior resident, three (3) interns, one or more medical students, and, at times, residents on elective, with a Family Medicine Attending as designated, serve as the primary physicians for all patients who are followed at the PCC. The PCC attending is ultimately responsible for care, as is the covering obstetrician who is consulted as needed.

The MCH team helps to provide continuity of care for those perinatal patients at WSMC who are not "Assigned" to a staff physician. The ultimate goal is to identify risk factors for poor perinatal outcomes and facilitate quality interventions. This requires continuity of care and a proactive, non-judgmental approach.

The Family Medicine Resident may work with FM attendings other than the PCC for their primary patients. It must be clear to the patient, nursing staff, and physician involved exactly who is in charge and who will be called. This can be accomplished

by direct communication with those involved and noting coverage in the progress notes. If the patient is evaluation and deemed high-risk or complicated, an OB consultation must be obtained. This should be done by telephone as soon as possible. The resulting plan is then recorded in the chart.

The attending FM physician will supervise all deliveries. Supervision may be indirect when Senior Residents feel competent to perform uncomplicated deliveries alone. Indirect supervision means the attending should be on the unit and readily available to assist with the unanticipated complications that may arise.

Newborns will be admitted to the attending and resident who delivered them or who are on-call at the time of delivery. If a neonatology consult is made, the MCH team will continue to follow the newborn with neonatal backup.

The MCH team will provide 24-hour onsite coverage for the patients on service and any "unassigned" patients that may present to the hospital.

- E. Once established, West Suburban Medical Center will accept maternal transfers from PCC Birth Center when hospital care, including emergency surgical intervention, is required.

West Suburban Medical Center will accept to its emergency department transfers of neonates born at PCC Birth Center. Neonates requiring admission to a Level II Neonatal Care Unit will be admitted to West Suburban Medical Center's unit. Neonates requiring a higher level of care will be transferred to Northwestern Memorial Hospital, the Regional Level III Perinatal Center to which West Suburban Medical Center transfers neonates requiring Level III care. West Suburban Medical Center agrees to include PCC Birth Center in its Maternity Care Plan as described in the Illinois Hospital License Act (210 ILCS 3130).

### XIII. GENERAL POLICIES OF THE FAMILY BIRTHING CENTRE

#### **A. Consultations**

See "Required Consultations, Department of Obstetrics".

#### **B. Presence of Physician at Cesarean Section**

A physician qualified in infant resuscitation is required to be present for the infant at all cesarean sections. This may be a neonatologist, a pediatrician, a resident in family medicine or an attending family practitioner. A registered nurse also attends the c-sections.

#### **C. Medical Records and Reports**

West Suburban Medical Center's Health Information Management Department is directed by a Registered Record administrator. The obstetrical records considered of no less importance than are the records for other patients in the hospital. Daily progress notes are required. A complete and adequate prenatal record must be on file in the department at the time of the patient's admission. The prenatal record

must include all visits, all findings, and indications of possible complications. In addition, HIV, serology, blood type, Rh, Hepatitis B, and Rubella titer are required.

There is a separate labor record, which is kept for the medical record that includes the progress of labor, the status of unborn infant, and the findings of the sterile vaginal examinations. These records are all a permanent part of the mother's chart. Each newborn infant has an individual record, which is compiled first in the delivery room.

Apgar scores are routinely included and all medications given to the infant are recorded. There is a space on this record for recording any pertinent history from the mother that may affect the infant. All congenital abnormalities are noted and the status of the infant is well documented on the infant's chart, along with any orders of care of the infant. This is done before the infant is transferred to the nursery. The infant is measured and weighed in the LDRP room or nursery, with special precautions taken to prevent infection.

A complete record is kept of the births in a binder, which is not a part of the mother's chart, but includes sufficient data to document the birth certificate: the name of the mother; the physician in attendance, the weight and sex of the baby; and the date and time of birth. In addition, a copy of the birth certificate is attached to the mother's chart. The mother is given a complimentary gift certificate with the infant's footprints. The certificate also records the date and time of delivery and is signed by the hospital administrator.

The Family Medicine/Obstetrics/Pediatrics departments hold monthly morbidity and mortality meetings at which time the perinatal report is prepared. The meeting is not a regular obstetrical staff meeting, but is a meeting designed to properly evaluate information sent to the Department of Public Health and to review charts. Representatives from Family Medicine, Nursing and Obstetrics serve as members of this committee.

The Department has an OB joint practice committee. The composition of the group is the Chairpersons of Family Medicine, Neonatology and Obstetrics and representatives from the nursing staff. The purpose of the committee is as follows: problem solve questions concerning patient care, develop new guidelines, policies and procedures as necessary, recommend specific action to the appropriate departments as necessary.

The hospital reports maternal death(s) in accordance with the state Rules and Regulations. A death will be reported immediately to the state Department of Health when it involves any condition associated with normal pregnancy, abortion, or ectopic pregnancy, regardless of where it occurred in the hospital or where the patient delivered (WSMC or elsewhere). The report must be made on the death of any woman within 90 days of the termination of pregnancy.

A death certificate is also filed and a report is made to the Cook County Medical Examiner within 24 hours of the death.

#### D Activity Records

Activity records are kept to facilitate preparation of the Perinatal Activities Reports sent monthly to the Illinois Department of Health.

A Patient Log is kept for each outpatient activity and day of the month. There is also information kept on each inpatient. The log contains the following: name; medical record number; physician; date of admission; admitting, operative and discharge diagnosis; date of discharge; transfers off the floor; and reason for same. An OB daily census report is available that lists the OB patients and empty beds.

#### XIV. FAMILY BIRTHING CENTER VISITING HOURS

Fathers – Anytime

Grandparents only – Anytime

Baby's Siblings only – 11:00 am – 8:30 pm

Unlimited number of visitors in post partum room, but only 2 during labor

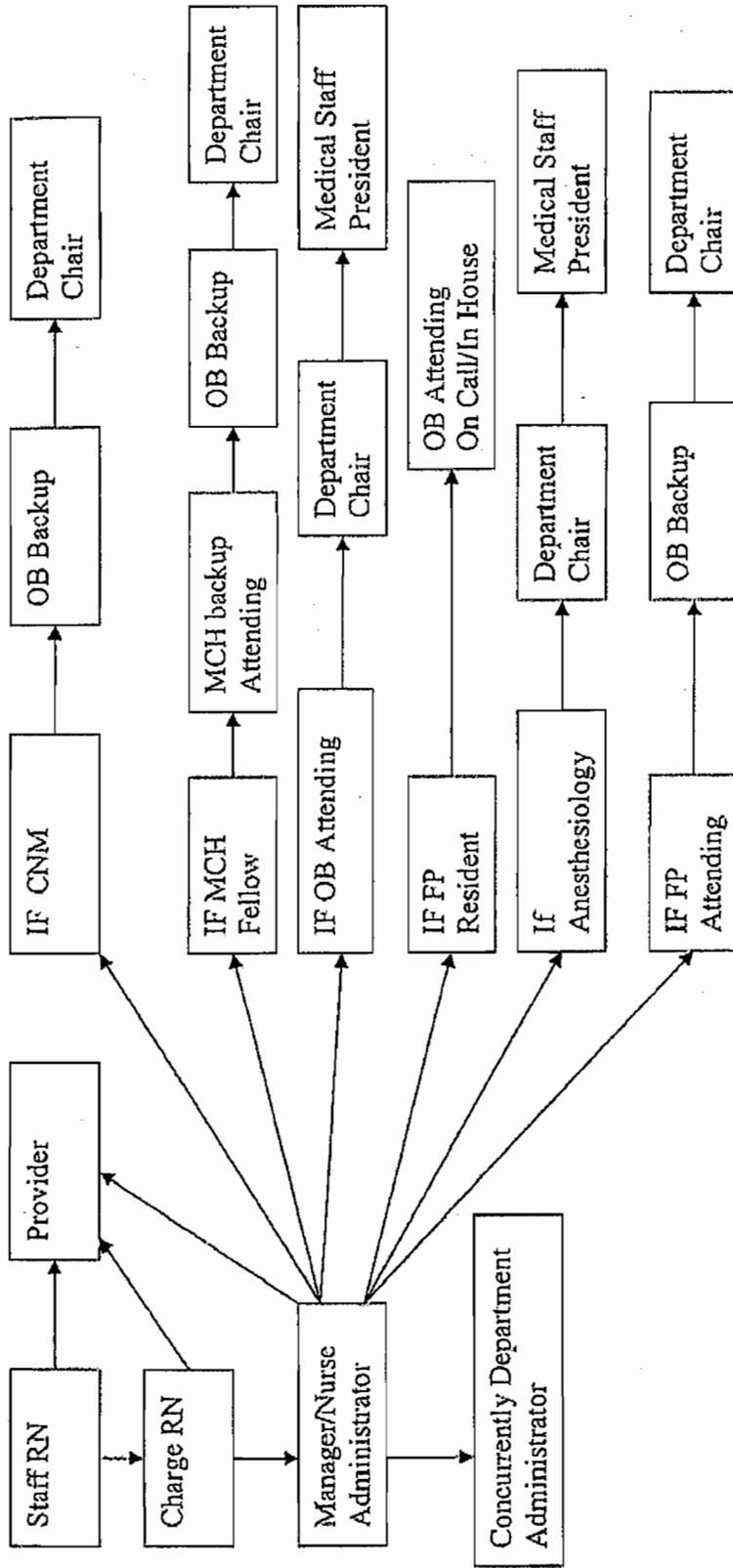
General visitation – 11:00 am – 8:30 pm

(All visitors must alcohol hands)

The nursing staff at West Suburban Medical Center Birthing Unit promotes family togetherness during the patient's stay in the hospital. Dads may visit anytime. Babies are encouraged to be with their moms as much as possible, although they may go back to the Nursery when necessary.

The infant's grandparents and siblings may visit parents and the baby together immediately after delivery. An adult other than the mother must supervise children under 12. Dads, grandparents, and siblings must alcohol their hands before visiting, following the instructions on or near the dispenser. Mothers are informed that ill relatives/friends will not be allowed to visit. Infection Control Policies are followed to prevent these kinds of occurrences.

**FAMILY BIRTHING CENTER CHAIN OF COMMAND**





# EXHIBIT 2 WSMC TOTAL SERVICE AREA DEMOGRAPHICS

2009 Demographic Snapshot  
Area: WSMC PSA  
Level of Geography: ZIP Code

DEMOGRAPHIC CHARACTERISTICS		Selected Area	USA	2009	2014	% Change
Total Population		446,764	281,421,906	205,301	201,764	-1.7%
Total Male Population		426,580	306,624,699	221,279	215,746	-2.5%
Total Female Population		417,510	322,320,436	93,190	86,747	-6.9%
% Change 2009 - 2014		-2.1%	5.1%	11.0%	5.6%	
Average Household Income		\$60,463	\$69,376			
Total Male Population				205,301	201,764	-1.7%
Total Female Population				221,279	215,746	-2.5%
Females, Child Bearing Age (15-44)				93,190	86,747	-6.9%
% Unemployment				11.0%	5.6%	
% USA Unemployment						

POPULATION DISTRIBUTION		Age Distribution		USA 2009	
Age Group	2009	% of Total	2014	% of Total	% of Total
0-14	103,240	24.2%	100,735	24.1%	20.1%
15-17	20,488	4.8%	18,771	4.5%	4.3%
18-24	44,092	10.3%	41,919	10.0%	9.8%
25-34	55,826	13.1%	50,912	12.2%	13.3%
35-54	120,142	28.2%	115,173	27.6%	28.4%
55-64	41,035	9.6%	44,897	10.8%	11.3%
65+	41,757	9.8%	45,103	10.8%	12.9%
<b>Total</b>	<b>426,580</b>	<b>100.0%</b>	<b>417,510</b>	<b>100.0%</b>	<b>100.0%</b>

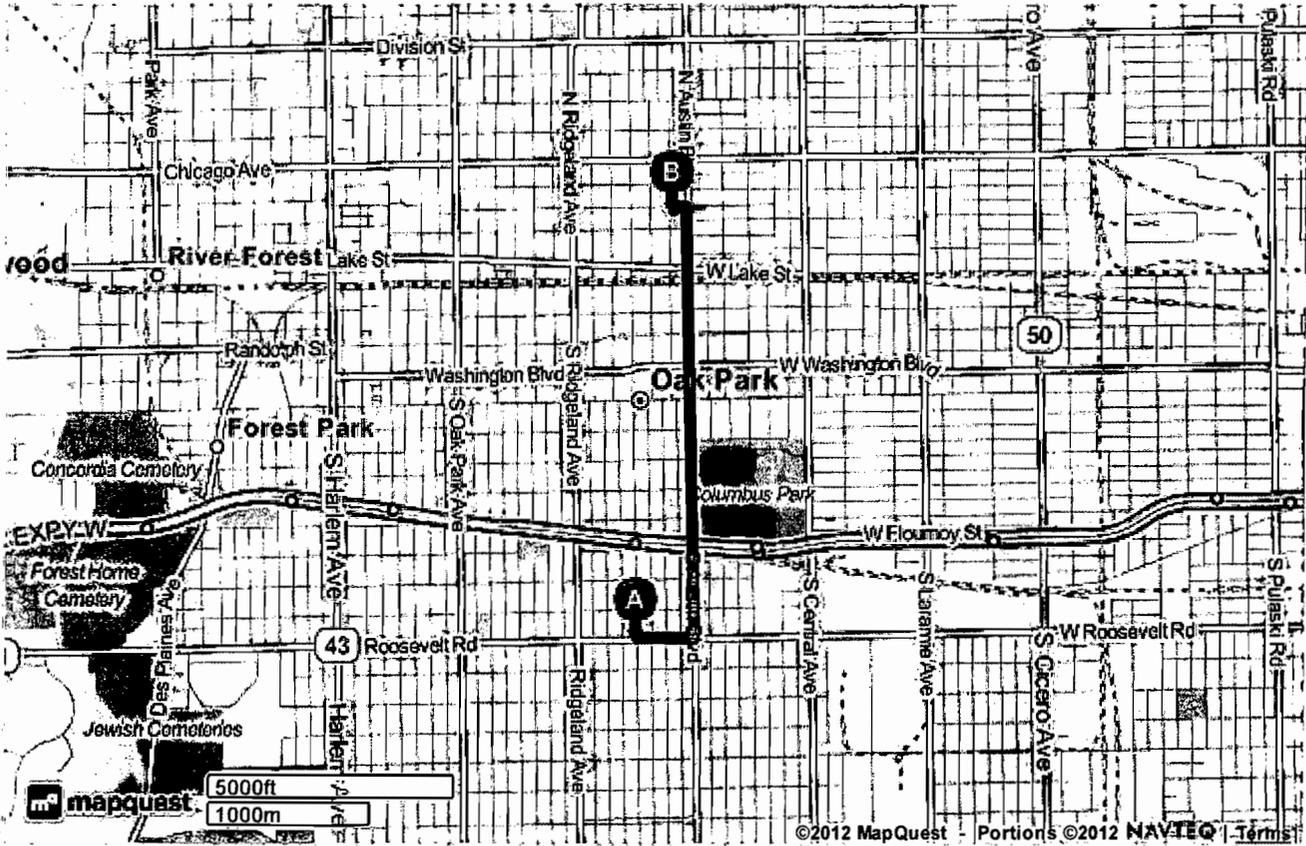
HOUSEHOLD INCOME DISTRIBUTION		Income Distribution		USA	
2009 Household Income	HH Count	% of Total	2009	% of Total	% of Total
<\$15K	22,503	16.3%	22,503	16.3%	12.4%
\$15-25K	14,816	10.7%	14,816	10.7%	10.4%
\$25-50K	38,228	27.7%	38,228	27.7%	26.0%
\$50-75K	26,840	19.5%	26,840	19.5%	19.6%
\$75-100K	14,655	10.6%	14,655	10.6%	12.3%
Over \$100K	20,869	15.1%	20,869	15.1%	19.3%
<b>Total</b>	<b>137,911</b>	<b>100.0%</b>	<b>137,911</b>	<b>100.0%</b>	<b>100.0%</b>

EDUCATION LEVEL		Education Level Distribution		USA	
2009 Adult Education Level	Pop Age 25+	% of Total	2009	% of Total	% of Total
Less than High School	33,631	13.0%	33,631	13.0%	7.5%
Some High School	47,544	18.4%	47,544	18.4%	11.9%
High School Degree	67,690	26.2%	67,690	26.2%	28.3%
Some College/Assoc. Degree	63,844	24.7%	63,844	24.7%	27.7%
Bachelor's Degree or Greater	46,051	17.8%	46,051	17.8%	24.7%
<b>Total</b>	<b>258,760</b>	<b>100.0%</b>	<b>258,760</b>	<b>100.0%</b>	<b>100.0%</b>

RACE/ETHNICITY		Race/Ethnicity Distribution		USA	
Race/Ethnicity	2009 Pop	% of Total	2009	% of Total	% of Total
White Non-Hispanic	95,979	22.5%	95,979	22.5%	65.0%
Black Non-Hispanic	180,622	42.3%	180,622	42.3%	12.2%
Hispanic	136,903	32.1%	136,903	32.1%	15.5%
Asian & Pacific Is. Non-Hispanic	7,048	1.7%	7,048	1.7%	4.5%
All Others	6,028	1.4%	6,028	1.4%	2.8%
<b>Total</b>	<b>426,580</b>	<b>100.0%</b>	<b>426,580</b>	<b>100.0%</b>	<b>100.0%</b>



**Total Travel Estimate: 2.15 miles - about 6 minutes**



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**TOPIC: SLIDING FEE DISCOUNT PROGRAM**

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**PURPOSE:** To insure that a patient's financial status does not present a barrier to obtaining comprehensive, high quality, accessible and affordable health care.

**LEVEL OF RESPONSIBILITIES:**

Patient Care Representatives (PCR)  
Financial Counselors  
Director of Billing  
Chief Financial Officer

**POLICY:** All uninsured and underinsured (insurance coverage is limited or restricted) patients will be evaluated to determine their eligibility for sliding fee scale discounts for health care services provided at PCC clinics or by PCC providers at West Suburban Medical Center, Gottlieb Memorial Hospital, or Norwegian American Hospital. Eligibility will be determined based on household income and family size according to the current Federal Poverty Guidelines.

**PROCEDURE:**

1. Patients without insurance or inadequate insurance will be advised to meet with a financial counselor.
2. The financial counselor will assist the patient with completing the Sliding Fee Discount Program application. The form includes information regarding household size and income (see attached form). All patients will be instructed by clinic staff to bring in proof of income with them to their first appointment if they are uninsured.

**Proof of Identify**

Applicants must bring in proof of identity which may include a State driver's license, State identification card, the Matricula Consular de Alta Seguridad (identification card issued by the Government of Mexico), or similar identification from other countries of origin.

**Members of Household Verification**

Members of household include any dependent children, a spouse, and any individuals over the age of 18 that that applicant has legal responsibility to support. Children attending college up to the age of 26 are also included in determining total number of individuals in a household Birth certificates or a copy of the most recent Federal income tax return can be utilized to verify your dependent children. College schedule or transcripts can be utilized to verify support provided to children ages 18-26. Court documents or a Federal income tax return can be utilized to verify any additional individuals supported over the age of 18.

**Income Verification**

In order to qualify for the sliding fee discount program, income for each person in the household must be verified.

*Proof of Wages:* Individuals currently employed are required to bring proof of earnings for the last 30 days. Proof may include pay stubs or a statement of earnings from a current employer. Self employed individuals are required to bring a copy of the most recent Federal tax return.

*Other Income:* Individuals receiving other income such as alimony, child support, unemployment compensation, disability, social security, public assistance (including food assistance), military allotments, scholarships, etc. will need to bring proof of payments.

*Individuals with no income:* Individuals with no income must complete PCC's Letter of Support form and have it notarized.

Please note: If the applicant is currently **paying** child support or spousal support, a copy of the court order should be submitted.

### **Determining Annual Income**

Annual income is determined as follows:

- **HOURLY** Amount per hour multiplied by the number of hours per day multiplied by the number of days worked per week multiplied by the number of weeks per year

[Example: \$5 (amount per hour) x 8 (hours per day) x 5 (days worked per week) = \$200 (per week). \$200 x 52 (weeks per year) = \$10,400 (annually)]

- **DAILY** Amount per day multiplied by the number of days worked per week multiplied by the number of weeks per year

[Example: \$20 (amount per day) x 5 (days per week) x 52 (weeks per year) = \$5,200 (annually)]

- **WEEKLY** Amount per week multiplied by the number of weeks per year  
[Example: \$100 (amount) per week x 52 (weeks per year) = \$5,200 (annually)]

- **BIWEEKLY** Amount received every two weeks (biweekly) multiplied by 26 (one-half of a 52-week year)

[Example: \$200 (biweekly amount) x 26 (one-half of a 52-week year) = \$5,200 (annually)]

- **SEMI-MONTHLY** Amount received twice a month multiplied by 2 (times each month) multiplied by 12 (months per year)

[Example: \$200 (amount received twice a month) x 2 (times each month) x 12 (months per year) = \$4,800 (annually)]

- **MONTHLY** Amount received once a month multiplied by 12 (number of months per year)

[Example: \$400 (monthly amount) x 12 (months per year) = \$4,800 (annually)]

**Cash** If a person is receiving cash for any work done, a written verification form will be required from the employer. To determine the annual income, use the pay period supplied by the employer and apply the most applicable formula to determine annual income.

**Seasonal:** Is defined as work performed for a specified period of time relative to changes in the weather. Such jobs/professions include: gardener, outdoor lifeguard, farm workers, etc. To determine annual income, the previous year's tax return will need to be submitted. If no tax return has been completed, the annual income will be determined according to verified documentation provided at the time of assessment. A new assessment must be done at the end of the seasonal assignment and changes documented accordingly.

3. Once the Sliding Fee Discount Program application is complete, it is signed by the patient or responsible party.

4. Based upon the patient's annual income and family size, the patient will be assigned to one of four (4) sliding fee scale categories for outpatient services and a percentage discount will be applied for inpatient professional fees. Each outpatient category carries a time-of-service payment which covers all health care services provided at a PCC clinic on a specific date of service. The patient is responsible for this time-of-service payment BEFORE they are seen by their provider.

5. The patient or responsible party will receive a card stating the patient's information, the assigned office visit payment amount, inpatient discount for PCC inpatient professional fees, and the expiration date of the sliding fee discount assignment. The patient or responsible party will be required to sign the card and the attached letter (financial agreement with PCC).

6. All PCC sliding fee discount program patients will be advised to contact a financial counselor at the appropriate hospital to apply for charity care for any hospital services not covered by the PCC sliding fee discount program.

7. New uninsured patients will be assigned to Self Pay status and will be billed full charges until they are assessed by the Financial Counselor. Once the patient's assessment has been completed, the site Financial Counselor will notify the billing department manager to adjust any previous visits the patient has had to reflect the discounted price. Any retroactive assessments for sliding fee discount eligibility will be made retroactive to a date 90 days prior to the date of the initial sliding fee scale evaluation.

8. It is the Financial Counselor's responsibility to add the Sliding Fee Discount information in the Centricity system as soon as the assessment is completed. Beginning and ending dates of the patient's sliding fee scale eligibility must be entered under the CHC Tab in the patient registration module. The Financial Counselor should also add the information and what level the patient is under the Insurance Tab as well. They should make the info active and put a note on the account with their name as well under the alert notes section. If the patient has NOT been assessed, a note should be placed under the alert notes section that the patient MUST see the Financial Counselor at their next visit or be responsible for the full amount of the visit.

9. All patients assigned to the Sliding Fee Discount Program will be reevaluated once a year or any time their financial situation or insurance status changes (for example, their unemployment benefits run out). Once the system flags a patient's account that their Sliding Fee Discount

Program status has expired, the PCR will alert the patient, take their Sliding Fee Discount Program card and notify them that they must see the Financial Counselor to be re-assessed. If the PCR sees the card has expired, the PCR should keep it and give it to the Financial Counselor to notify them to contact the patient for an appointment as soon as possible.

10. At every visit, the PCR staff will still check the MEDI system to see if patient has Medicaid coverage for themselves or their dependents and question the patient if they have had any change in their insurance coverage status. If they have been issued a medical card, the PCR will keep the Sliding Fee Discount Program card and return it to the Financial Counselor to alert them of the change.

11. It is the policy of PCC Community Wellness Center that the patient's office payment will be collected at the time of service. Their portion, determined by the Financial Counselor, will be collected for any type of provider visit (physician, advanced practice nurse, behavioral health consultant) at a PCC site. The patient will not be required to pay the office visit fee for a nurse or medical assistant visit. They are responsible to pay their Sliding Fee Discount Program office visit amount every time they come in for a service. If a patient is unable to pay their full amount, they are to be referred to the Financial Counselor who will meet with the patient to determine why they are not able to pay at time of service. If the Financial Counselor is unavailable, the PCR will send a note/flag to the Financial Counselor and the Financial Counselor will follow up with the patient after the visit. Financial Counselors will then forward that information to the Director of Billing for further review. Please note that only one office payment will be collected per date of service, so if a patient sees two providers, they will only pay one office payment.

12. Patients who lose insurance coverage for any reason must be referred to the Financial Counselor for a sliding fee discount program assessment. Patients who subsequently re-qualify for insurance coverage (i.e. commercial, state funded, etc.) will be removed from the sliding fee discount program.

Original: 3/01

Revised: 7/02, 6/06, 11/09, 10/10

#### **Payment Information for Patients**

Dear Patient:

It is our mission to provide quality medical care to any individual regardless of their financial status. Our policy regarding patient payments was developed to provide financial assistance to you. PCC currently offers the following for our patients:

• Payment Arrangements: All payments are expected at the time of service. If this is not possible, patients must meet with the financial counselor or contact the Billing Department at 708-406-3909 to establish a payment plan.

• Patients with Private Insurance: PCC will verify a patient's private insurance to ensure that it allows the individual to be seen at one of our locations. Patients are responsible for any charges not covered by their insurance plan. Patients are also responsible for any copay or deductible required by their plan. These payments are expected at the time of service.

• Patients without Health Insurance: Patients who do not have private health insurance, are not eligible for Medicaid, or who have a large spend down that they are not able to meet, may apply for the Sliding Fee Discount Program. Determination of eligibility for this program is based on verification of household income and family size. Please see the site financial counselor for more information or to apply.

Financial Counselors are available to help:

PCC Austin Family Health Center	773-378-3347 Ext 4236
PCC Erie Health Center	708-406-3909
PCC Lake Street Family Health Center	708-383-0113 Ext 7689 708-383-0113 Ext 7299
PCC North Avenue Family Health Center	708-406-3040 Ext 1500
PCC Salud Family Health Center	773-836-2785 Ext 6261 773-836-2785 Ext 6228
PCC South Family Health Center	708-386-0845 Ext 1012
PCC West Town Family Health Center & PCC Walk-In Wellness Center	773-292-8300 Ext 2015

PCC Community Wellness Center will accept payment by cash, check, debit card, Visa, Master Card, or Discover Card. Payment may be made by telephone, mail or in person at our Billing Office. If you have any questions regarding a payment plan please contact the Billing Department at 708-406-3909 and we will be happy to assist you.

PCC Community Wellness Center

10/10/10

**PCC COMMUNITY WELLNESS CENTER  
PATIENT PAYMENT AUTHORIZATION**

**PCC Community Wellness Center accepts payment by cash, check, debit card, Visa, Master Card, or Discover Card. Payment may be made at any of our locations, by telephone, mail, or in person at our Billing Office located at 2010 N. Harlem Ave, Elmwood Park, Illinois.**

**To pay by mail, please complete the form below and send to:**

**Global Insight Services  
2010 N. Harlem Avenue  
Elmwood Park, IL 60635  
708-452-1111**

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**I hereby authorize PCC Community Wellness Center to charge the credit card indicated below:**

**Patient Name:** \_\_\_\_\_ **Account #:** \_\_\_\_\_

**Card Holder's Name:** \_\_\_\_\_

**Circle:**  **Visa**       **Master Card**       **Discover**       **Debit Card**

**Charge Card Number:** \_\_\_\_\_

**Visa Card Users please enter the 3 digit number located in the signature block on the back of your credit card:** \_\_\_\_\_

**Expiration Date:** \_\_\_\_\_ **Amount \$** \_\_\_\_\_

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

10/10/10

## **PCC COMMUNITY WELLNESS CENTER SLIDING FEE DISCOUNT PROGRAM INFORMATION**

### **What is a sliding fee?**

Sliding fee refers to the reduction or "slide" of our normal charge to a lower charge for services provided at PCC Community Wellness Center locations by our providers. Patients with household incomes of less than 200% of the Federal Poverty Level are eligible for discounted services. Patients are required to provide documentation of their eligibility. Patients who do not provide the required documentation for family size and income will be ineligible for a discount. Patients are asked to provide their information before their scheduled appointment. If not possible, patients will be allowed to meet with the financial counselor after the visit. However, the visit with the financial counselor should be scheduled immediately after the first visit.

### **How is a reduction in fee determined?**

Sliding fee discount is determined based on your income level and the number of members in your household. Using this information, our financial counselor determines the amount you will pay at each future visit.

### **How can I qualify for a sliding fee?**

To qualify for sliding fee, you will need to provide us with proof of income information and verification of how many people are living in your household under the age of 18. This information must be updated every year or whenever your financial situation changes.

### **What type of documentation do I need to provide?**

**Proof of Identify:** You must bring in proof of identity which may include a State driver's license, State identification card, the Matricula Consular de Alta Seguridad (identification card issued by the Government of Mexico), or similar identification from other countries.

**Income verification:** If you are currently employed, please bring one month's worth of income documentation. This could include pay stubs or a statement of earnings from your current employer. Please also bring documentation of any additional income you receive such as alimony or child support. If you are self-employed please bring a copy of your most recent Federal income tax return (Form 1040 or 1040A).

**Members of Household Verification:** Members of household includes any dependent children, your spouse, and any individuals over the age of 18 that you have legal responsibility to support. Children attending college up to the age of 26 are also included in determining total number of individuals in a household. Birth certificates or a copy of your most recent Federal tax return can be utilized to verify your dependent children. College schedule or transcripts can be utilized to verify support provided to children ages 18-26. Court documents or your Federal tax return can be utilized to verify any additional individuals supported over the age of 18. This information is only used for determining your eligibility for sliding fee discount and is held in strict confidence. Once approved the sliding fee reduction will be good for 12 months.

### **What happens if I don't provide the documentation?**

PCC requires this information in order to meet Federal guidelines. We will not be able to grant you a sliding fee program discount if you cannot provide proof of income and verification of size of household as well.

10/10/10

## **PCC COMMUNITY WELLNESS CENTER SLIDING FEE DISCOUNT PROGRAM APPLICATION**

PCC Community Wellness Center offers a sliding fee discount program for patients who have no health insurance or a limited plan and whose family income is below 200% of the Federal Poverty Level. It may be possible that you qualify for All Kids coverage or Family Healthcare coverage through the Illinois Department of Family Services (Medicaid). Our financial counselors will assist you in completing applications and applying for those programs. **Medicaid ineligibility must be established before you will be eligible for our sliding fee discount program.** Our financial counselors will ask you a few questions to determine whether you might be eligible for these plans.

If you are eligible for our sliding fee discount program, charges for our services will be discounted. Full fees will be charged until an assessment qualifying you for our program is completed. Please note that PCC Community Wellness Center works with outside laboratories that process all of our patient lab tests. Patients may receive a separate bill from these outside labs. (Please see attached letter regarding lab work).

### **PROOF OF IDENTITY**

Applicants must bring in proof of identity which may include a State driver's license, State identification card, the Matricula Consular de Alta Seguridad (identification card issued by the Government of Mexico), or similar identification from other countries.

### **MEMBERS OF HOUSEHOLD VERIFICATION**

Members of household includes any dependent children, your spouse, and any individuals over the age of 18 that you have legal responsibility to support. Children attending college up to the age of 26 are also included in determining total number of individuals in a household. Birth certificates can be utilized to verify your dependent children. College schedule or transcripts can be utilized to verify support provided to children ages 18-26. Court documents can be utilized to verify any additional individuals supported over the age of 18. This information is only used for determining your eligibility for sliding fee discount and is held in strict confidence. Once approved the sliding fee reduction will be good for 12 months.

### **INCOME VERIFICATION**

In order to qualify for our sliding fee discount program, income for each person in your household must be verified. Please provide written verification for yourself and each applicable family member when you meet with the financial counselor.

*Proof of Wages:* Individuals currently employed are required to bring proof of earnings for the last 30 days. Proof may include pay stubs or a statement of earnings from a current employer. Self employed individuals are required to bring a copy of the most recent Federal tax return.

*Other Income:* Individuals receiving other income such as alimony, child support, unemployment compensation, disability, social security, public assistance (including food assistance), military allotments, scholarships, etc. will need to bring proof of payments.

*Individuals with no income:* If you are being supported by another individual, please complete the Letter of Support document and have it notarized.

If you are currently paying child support or spousal support, bring a copy of the court order.

10/4/10

**PCC COMMUNITY WELLNESS CENTER  
SLIDING FEE DISCOUNT PROGRAM APPLICATION  
(CONTINUED)**

Applicant Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Home address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_ Home \_\_\_\_\_ Cell \_\_\_\_\_

Covered by any public or private insurance:  Yes  No

If yes, please explain: \_\_\_\_\_

**Additional Members of Household:**

Name	Date of Birth	Relationship	Income		Source
			Yes	No	

**Please check any sources of income below that you or a member of your household received:**

Source of Income	Person receiving the income	Person receiving the income	Person receiving the income	Total Income Per Month
Wages				
Child Support				
Alimony				
Unemployment				
Disability				
Pension Funds				
Self Employment				
Savings/Trusts				
Social Security				
VA Benefits				
Public Assistance				
Food Stamps				
Housing Allowance				
Training Stipends				
Military Allotments				
Scholarships/Grants				
Allowance/Gifts				
Other				

I certify that the above information is accurate at the time of this application. I understand that if it is determined that I have submitted false information, I may be responsible for full charges for services provided by PCC Community Wellness Center

Applicant signature: \_\_\_\_\_

Date: \_\_\_\_\_

10/4/10

**PCC COMMUNITY WELLNESS CENTER  
SLIDING FEE DISCOUNT PROGRAM  
PATIENT AGREEMENT**

To the best of my knowledge, the financial information I have submitted is true and correct. I give PCC Community Wellness Center permission to verify information about my financial status. I understand this information must be provided to qualify for the Sliding Fee Discount Program. If this information is not provided to PCC Community Wellness Center, I understand that I will be billed the full fee for the visit, which will be due within 30 days from the date of service. I understand that PCC Community Wellness Center expects my patient portion at every visit BEFORE services are rendered. If I am unable to pay my patient portion I will be expected to contact by the PCC Billing Department to arrange a payment plan to settle any outstanding amounts I currently have or will have in the future. I understand this and agree to these conditions:

Patient Name \_\_\_\_\_ Date of Birth \_\_\_\_\_

Legal Guardian Name (if applicable) \_\_\_\_\_

Sliding Fee Discount Program Level \_\_\_\_\_

Payment for Office Visit \_\_\_\_\_ Professional Fee Discount for Inpatient Charges \_\_\_\_\_

Patient/Legal Guardian Signature \_\_\_\_\_

**For office use only:**

Total Household Annual Income \$ \_\_\_\_\_ Verification completed \_\_\_\_\_

Number in Household \_\_\_\_\_ Verification completed \_\_\_\_\_

Verification of Third Party Insurance (if applicable) \_\_\_\_\_

CHC Module Updated \_\_\_\_\_ Copy Sent to Billing Department \_\_\_\_\_

Financial Counselor: \_\_\_\_\_ Date \_\_\_\_\_

Audit completed by: \_\_\_\_\_ Date: \_\_\_\_\_

Account reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Summary: \_\_\_\_\_

## LABORATORY SERVICES

Dear Patient:

During your visit, your provider may recommend laboratory tests. These tests will be sent to an outside laboratory which is not part of PCC. The tests are sent to the laboratory required by your health insurance plan. Labs most frequently utilized by PCC include Quest Diagnostics, West Suburban Medical Center, Gottlieb Memorial Hospital, and Norwegian American Hospital.

When we send tests to an outside lab, we will provide the lab with your insurance information. They will bill your insurance for the lab fees. **If your insurance does not cover the lab fees, the lab may bill you for the portion that is not covered. This is not a bill from PCC Community Wellness Center.**

**If you do not have any insurance coverage you must see the Financial Counselor at your site who can explain your options to you. If you do not see the Financial Counselor and your sample is processed by the outside laboratory, the outside laboratory will bill you for the cost. This is not a bill from PCC Community Wellness Center.**

We want you to be aware of this so you can contact our financial counselor and discuss the options that are available to you. If you have any other questions about the cost of your labwork, please contact the financial counselor for assistance.

Thank you for allowing us to serve you.

Sincerely,

Director of Billing  
PCC Community Wellness Center

***My signature acknowledges that I have received this letter and that I understand that any use of the lab may result in charges which could become my responsibility.***

\_\_\_\_\_  
*Patient Signature*

\_\_\_\_\_  
*Date*

10/10/10

**PCC COMMUNITY WELLNESS CENTER  
ILLINOIS BREAST AND CERVICAL CANCER PROGRAM AND  
STAND AGAINST CANCER PROGRAM**

**IBCCP Program Information:**

The Illinois Breast and Cervical Cancer Program (IBCCP) and Stand Against Cancer (SAC) pays for screening mammograms or pap tests for ANY uninsured woman over the age of 35.

**IBCCP will cover:**

Colposcopies  
LEEPS  
Cryotherapy  
Cone Biopsies

**Diagnostic & Screening Mammograms**

Ultrasounds  
Breast Biopsies  
Breast Excisional Surgeries (as needed and only if approved by the program coordinator)

For those PCC clinics that use the lab company Quest for their pap smears the paps will be free for sliding fee levels 1 – 3.

**The IBCCP Coordinator can be reached directly at 708-383-0113 Ext. 6232.**



**Sliding Fee Discount Program and 340 B Eligibility Card**

Name/DOB:
Sliding Fee Level/Payment:
Inpatient Discount for PCC professional Services: %
Card Expiration:
FC Signature:

I understand as a Self Pay Patient, I will receive full charges but the payment due will be adjusted to the Sliding Fee Discount. I also agree to pursue any insurance, such as the Illinois Dept of Human Services that may become available to me.

Patient Signature: \_\_\_\_\_

**PCC COMMUNITY WELLNESS CENTER  
PAYMENT AGREEMENT FOR PAST DUE BALANCES**

PATIENT: \_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_

DATE(S) OF SERVICE: \_\_\_\_\_

GUARANTOR: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ PHONE: \_\_\_\_\_

CITY, STATE, ZIP: \_\_\_\_\_

TOTAL BALANCE DUE: \_\_\_\_\_

DOWN PAYMENT: \_\_\_\_\_ DATE RECEIVED: \_\_\_\_\_

MONTHLY PAYMENT AMOUNT: \_\_\_\_\_

DUE DATE: \_\_\_\_\_

We accept Cash, Check, Debit Card, Visa, MasterCard, Discover, and American Express)

**I agree to be personally responsible for payment of services as outlined above:**

\_\_\_\_\_  
Signature Patient/Guarantor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized by

-----  
Comments: \_\_\_\_\_

**PCC COMMUNITY WELLNESS CENTER  
PAYMENT AGREEMENT FOR ALL PATIENTS**

Name of Patient: \_\_\_\_\_ Date of Birth \_\_\_\_\_

I understand that PCC Community Wellness Center is not a free clinic and that I have a legal obligation to pay my debt in full. If I do not make timely payments or agree to a payment plan with PCC Community Wellness Center, I will be contacted by a PCC account representative.

I am aware of my options (Sliding Fee Scale, All Kids, Medicaid) and that PCC Community Wellness Center has Financial Counselors who can meet with me and help me resolve my account.

Financial Counselors are available to help:

PCC Austin Family Health Center	773-378-3347 Ext 4236
PCC Erie Health Center	708-406-3909
PCC Lake Street Family Health Center	708-383-0113 Ext 7689 708-383-0113 Ext 7299
PCC North Avenue Family Health Center	708-406-3040 Ext 1500
PCC Salud Family Health Center	773-836-2785 Ext 6261 773-836-2785 Ext 6228
PCC South Family Health Center	708-386-0845 Ext 1012
PCC West Town Family Health Center & Walk-In Wellness Center	773-292-8300 Ext 2015

\_\_\_\_\_  
Signature of Patient/Legal Guardian

\_\_\_\_\_  
Date

## PCC Birth Center Performance Improvement Program (Quality Assurance)

- A. PCC Birth Center Director and staff representatives annually review
  - a. protocols, policies and procedures.
  - b. appropriateness of the risk criteria for determining eligibility for admission to and continuation in the birth center program of care
  - c. appropriateness of diagnostic and screening procedures, such as laboratory studies, sonography, non-stress tests as they impact on quality of care and cost to clients
  - d. appropriateness of medications prescribed, dispensed or administered in the birth center
- B. PCC Birth Center clinical staff conduct peer review-self evaluations quarterly.
- C. Clinical and support staff will conduct care reviews of clients on a monthly basis to make recommendations for improving the plan for care.
- D. Clinic staff review all transfers of mothers and neonates to hospital care to determine the appropriateness and quality of the transfer.
- E. Clinical staff review and evaluate all problems or complications of pregnancy, labor and postpartum and the appropriateness of the clinical judgment of the practitioner in obtaining consultation and attending to the problem.
- F. PCC Birth Center staff be evaluated on ability to manage emergency situations by periodic drills for fire, maternal/newborn emergencies, power failures, and natural disasters, that are held semi-annually.
- G. The quality improvement program for maintaining a safe, home-like environment includes but is not limited to:
  - a. routine testing of the efficiency and effectiveness of all equipment (e.g. sphygmomanometer, doptones, sterilizers, resuscitation equipment, transport equipment, oxygen equipment, communication equipment, heat source for newborn, smoke alarms, fire extinguishers), as required by AABC and Joint Commission Standards..
  - b. routine review of housekeeping procedures and infection control
  - c. evaluation of maintenance policies and procedures for heat, ventilation, emergency lighting, waste disposal, water supply and laundry and kitchen equipment according to PCC Environment of Care Joint Commission Standards.
- H. The quality improvement program collects data for effectively monitoring quality of care, including but not limited to:
  - a. Utilization of the following services:
    - 1) orientation sessions
    - 2) childbirth related educational programs
    - 3) time in birth center before birth
    - 4) time in center after birth
    - 5) home visits postpartum
    - 6) follow-up office visits postpartum (mother)
    - 7) follow-up office visits for newborn
    - 8) neonatal morbidity
    - 9) maternal morbidity

- b. Outcomes of care provided:
  - 1) women registered for care
  - 2) antepartum attrition rate
  - 3) antepartum transfer rate
  - 4) women admitted to center for intrapartum care
  - 5) births in the center
  - 6) births enroute to the center
  - 7) maternal intrapartum transfer rate
  - 8) maternal postpartum transfer rate
  - 9) newborn transfer rate
  - 10) type of delivery: NSVD or other
  - 11) episiotomies
  - 12) third and fourth degree lacerations
  - 13) c-section and operative vaginal delivery rates
  - 14) infants with birth weight:less than 2500 gms or greater than 4500 gms
  - 15) Apgar scores 6 and below at five minutes
  - 16) neonatal mortality and morbidity
  - 17) maternal mortality and morbidity
- c. Reasons for transfers:
  - 1) antepartum
  - 2) intrapartum, including pre-admit transfers
  - 3) postpartum
  - 4) newborn
- I. Client satisfaction is evaluated through anonymous surveys, and Birth Center staff demonstrate a plan to address issues/concerns raised by clients.
- J. When appropriate, consultation/expertise from PCC's Chief Operating Officer is sought to review problems identified by the quality improvement program. Action to resolve problems is initiated and includes but is not limited to:
  - 1) Administrative or supervisory action
  - 2) In-service education
  - 3) Modification of policies and procedures
  - 4) Revision of risk criteria
  - 5) Revision of health record or other record forms.
  - 6. Re-evaluation to determine that action taken has resolved the identified problem.

**PCC COMMUNITY WELLNESS CENTER AND  
SUBSIDIARY**

**Consolidated Financial Statements and  
OMB Circular A-133 Reports and Schedules  
For the Year Ended June 30, 2011  
With Report of Independent Auditors**





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Fax: +1 312 332 0181  
www.mitchelltitus.com

## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
PCC Community Wellness Center and Subsidiary

We have audited the accompanying consolidated statement of financial position of PCC Community Wellness Center and Subsidiary (the Organization) as of June 30, 2011, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the PCC Community Wellness Center's 2010 financial statements and, in our report dated January 25, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the U.S. and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of PCC QALICB, LLC, the subsidiary, were not audited in accordance with *Government Auditing Standards*. We were not engaged to perform an audit of the Organization's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of PCC Community Wellness Center and Subsidiary as of June 30, 2011, and the consolidated change in their net assets and their cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2012, on our consideration of the Organization's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Our audit was conducted for the purpose of forming an opinion on the Organization's consolidated financial statements taken as a whole. The supplemental schedules of consolidating 2011 information are presented for purposes of additional analysis of the 2011 consolidated financial statements and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Mitchell & Titus, LLP

January 31, 2012

A member firm of Ernst & Young Global Limited

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Consolidated Statement of Financial Position

As of June 30, 2011

(With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 4,530,358	\$ 4,245,159
Accounts receivable, net	2,239,291	2,446,806
Accrued interest receivable	35,159	-
Grants and other receivables	1,058,997	1,831,906
Prepaid expenses	167,184	29,234
Inventories	32,165	32,165
Deposits	17,240	7,052
Total current assets	<u>8,080,394</u>	<u>8,592,322</u>
Long-term note receivable	4,687,800	25,000
Investments-other	-	126,957
Property and equipment, net	11,395,769	8,641,098
Deferred financing costs, net	156,786	-
Total assets	<u>\$ 24,320,749</u>	<u>\$ 17,385,377</u>
<b>LIABILITIES AND NET ASSETS</b>		
<i>Current Liabilities:</i>		
Accounts payable	\$ 579,739	\$ 353,390
Accrued payroll and payroll taxes	779,409	806,196
Interest payable	47,004	-
Deferred revenue	152,962	77,710
Notes payable, current portion	100,493	2,275,877
Total current liabilities	<u>1,659,607</u>	<u>3,513,173</u>
Accrued vacation	618,043	600,725
Notes payable, long-term portion	7,338,521	1,102,692
Total liabilities	<u>9,616,171</u>	<u>5,216,590</u>
<i>Net assets</i>		
Unrestricted	13,262,478	11,559,029
Temporarily restricted	1,442,100	609,758
Total net assets	<u>14,704,578</u>	<u>12,168,787</u>
<b>Total liabilities and net assets</b>	<u>\$ 24,320,749</u>	<u>\$ 17,385,377</u>

The accompanying notes are an integral part of these consolidated financial statements.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Consolidated Statement of Activities

For the Year Ended June 30, 2011

(With Comparative Totals for 2010)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2011</u>	<u>2010</u>
<b>SUPPORT AND REVENUE</b>				
Patient services, net	\$ 16,518,235	\$ -	\$ 16,518,235	\$ 17,191,766
Grant revenue	615,928	6,864,155	7,480,083	7,152,040
Contributions	194,311	-	194,311	164,000
Interest income	56,090	-	56,090	52,275
Other income	145,004	-	145,004	14,299
Net assets released from restrictions	<u>6,031,813</u>	<u>(6,031,813)</u>	<u>-</u>	<u>-</u>
 Total support and revenue	 <u>23,561,381</u>	 <u>832,342</u>	 <u>24,393,723</u>	 <u>24,574,380</u>
<i>Expenses</i>				
Medical	17,788,563	-	17,788,563	16,997,688
Grants and contracts	<u>509,876</u>	<u>-</u>	<u>509,876</u>	<u>521,929</u>
 Total program services	 <u>18,298,439</u>	 <u>-</u>	 <u>18,298,439</u>	 <u>17,519,617</u>
<i>Support services</i>				
Management and general	3,555,133	-	3,555,133	3,466,565
Fundraising	<u>4,360</u>	<u>-</u>	<u>4,360</u>	<u>23,909</u>
 Total support services	 <u>3,559,493</u>	 <u>-</u>	 <u>3,559,493</u>	 <u>3,490,474</u>
 Total expenses	 <u>21,857,932</u>	 <u>-</u>	 <u>21,857,932</u>	 <u>21,010,091</u>
 Change in net assets	 1,703,449	 832,342	 2,535,791	 3,564,289
Net assets at beginning of year	<u>11,559,029</u>	<u>609,758</u>	<u>12,168,787</u>	<u>8,604,498</u>
 Net assets at end of year	 <u>\$ 13,262,478</u>	 <u>\$ 1,442,100</u>	 <u>\$ 14,704,578</u>	 <u>\$ 12,168,787</u>

The accompanying notes are an integral part of these consolidated financial statements.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2011

(With Comparative Amounts for 2010)

	<u>2011</u>	<u>2010</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,535,791	\$ 3,564,289
<i>Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities</i>		
Depreciation and amortization expense	396,628	379,818
Bad debt expense	272,036	765,045
Loss from write-off of fixed assets	366,845	-
<i>Changes in assets and liabilities</i>		
Increase in accounts receivable	(64,521)	(2,343,925)
Increase in accrued interest receivable	(35,159)	-
Decrease (increase) in grants and other receivables	772,909	(917,890)
(Increase) decrease in prepaid expenses	(137,950)	18,168
Increase in inventories	-	(25,756)
Increase in deposits	(10,188)	(4,682)
Increase in long-term note receivable	(4,662,800)	-
Increase in accounts payable	226,349	51,845
Decrease in accrued payroll and payroll taxes	(26,787)	(66,346)
Increase in interest payable	47,004	-
Increase (decrease) in deferred revenue	75,252	(77,088)
Increase in accrued vacation	17,318	-
Net cash (used in) provided by operating activities	<u>(227,273)</u>	<u>1,343,478</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(3,513,664)</u>	<u>(4,645,966)</u>
Net cash used in investing activities	<u>(3,513,664)</u>	<u>(4,645,966)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable	6,370,000	126,256
Proceeds from drawdowns on line of credit from bank	-	2,127,913
Payment of notes payable	(2,309,555)	(19,051)
Payment of financing costs	(161,266)	-
Proceeds from sale of investments	126,957	897,670
Net cash provided by financing activities	<u>4,026,136</u>	<u>3,132,788</u>
Net increase (decrease) in cash and cash equivalents	285,199	(169,700)
Cash and cash equivalents at beginning of year	<u>4,245,159</u>	<u>4,414,859</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 4,530,358</u>	<u>\$ 4,245,159</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION</b>		
Interest paid	<u>\$ 121,531</u>	<u>\$ 137,877</u>

The accompanying notes are an integral part of these consolidated financial statements.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**  
 Consolidated Statement of Functional Expenses  
 For the Year Ended June 30, 2011  
 (With Comparative Totals for 2010)

	Program Services			Support Services			2010 Total Expenses
	Medical Services - Community Health Center	Other Grants and Contracts	Total Program Services	General and Administrative	PCC QALICB, LLC	Fundraising	
Salaries, taxes, and benefits	\$ 6,955,840	\$ 206,559	\$ 7,162,399	\$ 2,393,628	\$ -	\$ -	\$ 8,858,713
Physicians fees	5,942,083	33,802	5,975,885	-	-	-	5,496,301
Total personnel cost	12,897,923	240,361	13,138,284	2,393,628	-	-	14,355,014
Consultants	612,657	-	612,657	218,799	-	-	899,985
Contractual services	1,334,816	55,601	1,390,417	373,755	21,000	4,360	1,768,948
Dental services	11,581	-	11,581	-	-	-	64,602
Medical supplies	662,742	7,747	670,489	-	-	-	684,392
Occupancy	370,142	-	370,142	12,960	-	-	421,599
Repairs and maintenance	70,193	-	70,193	335	-	-	52,862
Insurance	75,175	-	75,175	23,221	-	-	75,987
Office supplies	167,755	14,551	182,306	49,838	-	-	257,439
Postage and delivery	33,702	35	33,737	25,716	-	-	76,212
Utilities	95,989	-	95,989	1,273	-	-	81,888
Telephone	143,859	59	143,918	13,685	-	-	157,950
Training, travel and transportation	82,656	-	82,656	17,621	-	-	69,719
Dues and licenses	75,077	342	75,419	104,713	-	-	98,220
Patient transportation	2,533	12,801	15,334	-	-	-	13,379
Miscellaneous	300	-	300	17,963	220	-	39,361
Interest expense	97,704	-	97,704	3,362	67,469	-	137,877
Stipends	-	170,079	170,079	-	-	-	157,423
Staff expenses	7,349	7,887	15,236	46,554	-	-	302,377
Property taxes	79,500	-	79,500	-	-	-	70,392
Equipment lease	94,835	-	94,835	-	-	-	79,102
Bad debts	271,623	413	272,036	-	-	-	765,045
Total expenses before depreciation and amortization and loss from write-off of fixed assets	17,188,111	509,876	17,697,987	3,303,423	88,689	4,360	21,094,459
Depreciation and amortization	233,607	-	233,607	4,639	158,382	-	396,628
Loss from write-off of fixed assets	366,845	-	366,845	-	-	-	366,845
<b>Total expenses</b>	<b>\$ 17,788,563</b>	<b>\$ 509,876</b>	<b>\$ 18,298,439</b>	<b>\$ 3,308,062</b>	<b>\$ 247,071</b>	<b>\$ 4,360</b>	<b>\$ 21,857,932</b>
							<u>\$ 21,010,091</u>

The accompanying notes are an integral part of these consolidated financial statements.

## PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2011

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### NOTE 1 NATURE OF ACTIVITIES

The accompanying consolidated financial statements of PCC Community Wellness Center and Subsidiary (collectively referred to as the "Organization") include the financial statements of the following organizations:

PCC Community Wellness Center (the Center) was incorporated on April 14, 1992, to promote healthcare service programs and community health centers in order to serve medically underserved members of the community. The majority of the Center's Board of Directors is comprised of active users of the Center and representatives of the community served by the Center. On January 14, 1994, the Center was designated as a Federally Qualified Health Center by the U.S. Department of Health and Human Services. Major funding is received from patient services revenue, various purchase services agreements, and government and foundation grants.

PCC QALICB, LLC (the LLC) was formed as a limited liability company under the laws of the State of Illinois on July 14, 2010, pursuant to the New Market Tax Credit (NMTC) transaction to serve as the Qualified Active Low-Income Community Business (QALICB) that provides charitable activities in the distressed community. The LLC obtained financing from an investor (the Sub-CDE) under the NMTC structure (see Note 6). The LLC's principal business objective is to acquire, lease, operate, finance, and manage office and commercial real estate as a qualified health center in the Austin neighborhood of Chicago, Illinois, in accordance with the LLC's Operating Agreement dated July 14, 2010. The sole member of the LLC is the Center. The LLC shall continue to be in full force until terminated pursuant to the Operating Agreement or law.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the U.S.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2011

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted, which are defined as:

- *Unrestricted net assets*—Net assets that are not subject to donor-imposed stipulations.
- *Temporarily restricted net assets*—Net assets subject to donor-imposed stipulations that must be met either by actions of the Organization and/or through the passage of time.
- *Permanently restricted net assets*—Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

The Organization did not have permanently restricted net assets at June 30, 2011 and 2010. The Organization had temporarily restricted net assets of \$1,442,100 and \$609,758 at June 30, 2011 and 2010, respectively.

Principles of Consolidation

The consolidated financial statements include the accounts of the Center and LLC. All significant intercompany account balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2011

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Equipment

Property and equipment are stated at cost when purchased or, if donated, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Building	40
Leasehold improvements	7
Furniture and fixtures	7
Office equipment	3-7
Medical equipment	7
Security system	7

Leasehold improvements are amortized over the estimated useful life of the improvement or the remaining life of the lease term, whichever is shorter.

Asset Impairment

The Organization's management considers whether indicators of impairment in their investments in long-lived assets are present and performs the necessary tasks to determine if the carrying value of such an asset is appropriate. Recoverability is measured by comparing the carrying amount of the property to the future net undiscounted cash flow expected to be generated by the property and any estimated proceeds from the eventual disposition of the property. Impairment write-downs are recognized in the financial statements at the time the impairment is identified. There was no impairment loss in long-lived assets in 2011 and 2010.

Receivables

Receivables are stated at their net realizable value. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of patients or third-party payors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. The Organization's policy is to charge off uncollectible accounts receivables when management determines the receivable will not be collected. Allowance for doubtful accounts has not been provided for grants and note receivables since management believe that they are fully collectible.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2011

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Contributions, grants, and contracts received are recorded as unrestricted, temporarily restricted, or permanently restricted support and revenue, depending on the existence and nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless restricted specifically by donors. Unrestricted contributions are recognized when received.

All donor-restricted support and revenue are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (e.g., a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted grant revenue represents resources that the Board of Directors has discretionary control over. The Organization uses the resources to carry out its operations in accordance with its bylaws and rules.

Accrued Vacation

A liability is accrued for vacation earned, but not taken, at year end. Management and employees may accrue vacation time up to 150% of their annual allotment. Vacation time earned but not taken in excess of the stipulated level will be lost unless extenuating circumstances are approved by the Chief Executive Officer.

Donated Services

The Organization receives donated services from various volunteers. Contributed services are recorded at fair value in both revenue and the related expenses.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2011

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Functional Allocation of Expenses

The costs of providing the various programs and other supporting services have been summarized on a functional basis in the statement of activities and are detailed in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited in reasonable ratios determined by management.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the U.S. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Certain 2010 amounts have been reclassified to conform to the current year's presentation.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid debt investments with maturities of three months or less when purchased.

Inventories

Inventories, consisting primarily of pharmaceuticals and supplies, are stated at the lower of cost on the first-in, first-out method or fair value.

Tax-Exempt Status

The Center is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the Code) and related State of Illinois statutes. Therefore, it has made no provision for federal income taxes in the accompanying financial statements.

No provision or benefit for income taxes has been included in the financial statements for the LLC as it is treated as a division of the Center for income tax reporting purposes.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**  
Notes to Consolidated Financial Statements  
June 30, 2011

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Uncertain Tax Positions

The Organization adopted the requirements in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2009-06 regarding uncertain tax positions. ASU 2009-06 defines how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. The authoritative guidance requires entities to recognize a tax benefit from an uncertain tax position only if it is more likely than not that the position is sustainable based solely on its technical merits and consideration of the relevant taxing authority's widely understood administrative practices and precedents. The Organization has evaluated their tax positions taken or expected to be taken to determine whether the tax positions are more likely than not to be sustained by the applicable taxing authority, and has determined that they currently do not have any uncertain tax positions. The Organization's management believes that the Organization is no longer subject to income tax examinations for the years prior to 2008.

Recently Issued Accounting Standards

In August 2010, the FASB issued ASU 2010-23, *Measuring Charity Care for Disclosure*, amendments to the FASB Accounting Standards Codification (ASC) 954, *Health Care Entities* (ASU 2010-23). The provisions of ASU 2010-23 are intended to reduce the diversity in how charity care is calculated and disclosed by healthcare entities that provide it. Charity care is required to be measured at cost, defined as the direct and indirect costs of providing the charity care. Funds received to offset or subsidize the cost of charity care provided, for example, from gifts or grants restricted for charity care, should be separately disclosed. As a healthcare entity does not recognize revenue when charity care is provided, this Standard will only require enhanced disclosures and will have no effect on the statement of activities and changes in net assets. This new guidance is effective for fiscal years beginning after December 15, 2010, with retroactive application required and early application permitted. The Organization will adopt this guidance in fiscal year 2012.

In August 2010, the FASB issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24). ASU 2010-24 prohibits the netting of insurance recoveries against a related claim liability and requires the claim liability to be reported without consideration of insurance recoveries unless a right of offset exists. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010 with early application permitted. The Organization will adopt this guidance in fiscal year 2012. The Organization is evaluating the effect this guidance will have on its financial statements.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**  
Notes to Consolidated Financial Statements  
June 30, 2011

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In July 2011, the FASB issued ASU 2011-07, *Presentation of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* (ASU 2011-07). ASU 2011-07 amends ASC 954, *Health Care Entities*, and requires healthcare entities that recognize patient service revenue at the time of services to assess the patient's ability to pay and present the provision for bad debts related to patient service revenue as a deduction from patient service revenue on the statement of activities. In addition, enhanced disclosures about the entity's policies for recognizing revenue and assessing bad debts, including disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts, is required. This new guidance is effective for the first annual period ending after December 15, 2012, and interim and annual periods thereafter, with early adoption permitted. The Organization will adopt the guidance in fiscal year 2013. The Organization is evaluating the effect this guidance will have on its financial statements.

**NOTE 3 PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Building	\$ 5,768,834	\$ 6,281,360
Land	519,000	340,000
Construction in progress	3,636,292	740,858
Leasehold improvements	1,861,287	1,859,210
Equipment and furniture	<u>2,457,765</u>	<u>1,874,931</u>
	14,243,178	11,096,359
Less: Accumulated depreciation and amortization	<u>2,847,409</u>	<u>2,455,261</u>
Property and equipment, net	<u>\$ 11,395,769</u>	<u>\$ 8,641,098</u>

Depreciation and amortization expense for the years ended June 30, 2011 and 2010 was \$396,628 and \$379,818, respectively.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2011

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**NOTE 4 PROFESSIONAL LIABILITY INSURANCE**

The Center obtained the Federal Tort Claims Act (FTCA) coverage for its professional liability claims under the Federally Supported Health Centers Assistance Act of 1995. The FTCA coverage is comparable to an occurrence policy without a monetary cap. The Center renews its FTCA coverage annually. The FTCA coverage is available to the Center as long as it continues to receive funding under Section 330 of the Public Health Service Act from the Health Resources and Services Administration (HRSA).

**NOTE 5 SERVICE AGREEMENTS WITH WEST SUBURBAN HOSPITAL AND MEDICAL CENTER**

The Center has a residency program and professional service agreements with West Suburban Hospital and Medical Center. In fiscal years 2011 and 2010, the Center received \$1,154,053 and \$990,369, respectively, from West Suburban Hospital and Medical Center.

**NOTE 6 RELATED-PARTY TRANSACTIONS**

On August 31, 2010, the Center entered into a \$6 million leveraged NMTC transaction under the Community Renewal Tax Relief Act of 2000 and as codified in Section 45D of the Code to obtain permanent financing for its newly constructed Austin Medical Building, where health services are being provided to the distressed community. Investors that make a qualified equity investment in a community development entity (CDE) are able to receive a tax credit over a seven-year period. Under the NMTC transaction, title of the Austin Medical Building was transferred to LLC, a wholly owned subsidiary of the Center, and the building is then leased to the Center, which is the sole tenant. The building, together with additional borrowings from CDF Suballocatee VII, LLC obtained by the LLC, forms the qualified low-income community investment (QLICI) in the NMTC transaction. The Center and the LLC provide an NMTC indemnification or guaranty in the event the transaction violates the NMTC rules during the compliance period resulting in recapture of the NMTCs. In addition, the Center also guarantees the principal and interest payments of the \$6,370,000 note payable of the LLC to CDF Suballocatee VII, LLC, the sub-CDE.

On August 31, 2010, in conjunction with the NMTC transaction, the Center entered into an agreement with the LLC, whereby the LLC paid off the Center's \$2,080,529 construction loan on the Austin Medical Building under the Center's line of credit with American Chartered Bank.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2011

**NOTE 6 RELATED-PARTY TRANSACTIONS (continued)**

The LLC leases 100% of its building to the Center under a master lease agreement from August 31, 2010 to August 31, 2040. In accordance with the lease, the Center or tenant shall make annual rent payments as defined in the master lease agreement, which are payable in annual installments on December 1 of each year, beginning on December 1, 2010 through December 1, 2016. Thereafter, annual rent payments will be due on each August 31 through August 31, 2040. Under the master lease agreement, monthly rent is \$5,000 with annual lease escalations. During the year ended June 30, 2011, the Center paid \$50,123 in rent to the LLC. Rent expense and the related deferred rents have been eliminated in consolidation.

**NOTE 7 ACCOUNTS RECEIVABLE**

Accounts receivable consist primarily of health service fees due from patients and third-party payors and are reported at their estimated net realizable value. Accounts receivable by location at June 30, 2011 and 2010 were as follows:

	<u>2011</u>	<u>2010</u>
Lake	\$ 1,789,948	\$ 2,464,377
Austin	427,377	500,504
Salud	476,537	723,057
Erie Court	276,533	198,892
South Family Center	221,100	321,783
Interfaith House	20,579	19,462
West Town Family Health Center	258,877	271,365
Walk in Wellness Center	169,525	272,537
North Avenue	252,308	152,048
Thrive	<u>5,449</u>	<u>-</u>
	3,898,233	4,924,025
Less: Allowance for doubtful accounts	<u>1,658,942</u>	<u>2,477,219</u>
Accounts receivable, net	<u>\$ 2,239,291</u>	<u>\$ 2,446,806</u>

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2011

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**NOTE 8 CONTRACTUAL ARRANGEMENTS WITH THIRD-PARTY PAYORS AND PROVISIONS FOR COMMUNITY SERVICE AND CHARITY CARE**

The Center's agreements with third-party payors provide for reimbursement at amounts different from their established rates. Contractual adjustments under third-party reimbursement programs principally represent the differences between the Center's billings at list price and the amounts reimbursed by Medicare, Medicaid, Blue Cross Blue Shield of Illinois, and certain other third-party payors; they also include any differences between estimated retroactive third-party reimbursement settlements for prior years and subsequent final settlements.

A summary of the basis of reimbursement with major third-party payors follows:

*Medicare:* The Center is paid for inpatient acute care and outpatient services rendered to Medicare program beneficiaries under prospectively determined rates. The rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. The Center's classification of patients under the prospective payment systems, as well as the appropriateness of patient admissions, are subject to validation reviews by the Medicare peer review organization, which is under contract with the Center to perform such reviews.

For services rendered to Medicare beneficiaries for outpatient services and psychiatric services, the Center is reimbursed based upon prospectively determined rates. The rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors.

*Medicaid:* The Center is paid for inpatient acute care services rendered to Medicaid program beneficiaries based on a fee for service. The prospectively determined rates are not subject to retroactive adjustment. The Center also receives incremental Medicaid reimbursement for specific programs and services at the discretion of the State of Illinois Medicaid program. Such incremental reimbursement approximated \$3,253,000 and \$1,351,000 for the years ended June 30, 2011 and 2010, respectively.

*Blue Cross Blue Shield of Illinois:* The Center participates as a provider for healthcare services under a reimbursement agreement with Blue Cross Blue Shield of Illinois. The provisions of this agreement stipulate that services will be reimbursed at established charges and that final reimbursement for these services is determined after the submission of an annual cost report by the Center and a review by Blue Cross Blue Shield of Illinois.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2011

**NOTE 8 CONTRACTUAL ARRANGEMENTS WITH THIRD-PARTY PAYORS AND PROVISIONS FOR COMMUNITY SERVICE AND CHARITY CARE (continued)**

*Managed care organizations:* The Center also provides healthcare services under various agreements with health maintenance organizations (HMOs) and preferred provider organizations (PPOs). The terms of each contract vary, but typically include a negotiated discount offered by the Center for services provided to contracted HMO and PPO patients.

*Charity care:* Charity care and unreimbursed costs incurred in providing care to indigent patients by the Center amounted to \$12,017,352 and \$10,748,794 for the years ended June 30, 2011 and 2010, respectively.

Patient service revenue was comprised of the following:

	<u>2011</u>	<u>2010</u>
Gross patient charges at established rates	\$ 28,535,587	\$ 27,940,560
Contractual and other allowances	<u>(12,017,352)</u>	<u>(10,748,794)</u>
Patient service revenue, net	<u>\$ 16,518,235</u>	<u>\$ 17,191,766</u>

Reported costs and/or services provided under certain arrangements are subject to retroactive audit adjustments. The laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility the recorded estimates will change by a material amount in the near term. Changes in Medicare and Medicaid programs and a reduction of funding levels could have an adverse effect on the Center.

Provision has been made in the accompanying consolidated financial statement for contractual adjustments, which represents the difference between the standard charges for services and the actual or estimated payments.

The mix of net patient service revenue from patients and third-party payors was as follows:

	<u>2011 (%)</u>	<u>2010 (%)</u>
Medicare	6	5
Medicaid	76	65
Blue Cross Blue Shield of Illinois	7	8
Other managed care	5	13
Other third-party payors	5	8
Patients	<u>1</u>	<u>1</u>
	<u>100%</u>	<u>100%</u>

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2011

**NOTE 9 LONG-TERM NOTE RECEIVABLE**

On August 31, 2010, as part of the NMTC transaction, the Center entered into a note agreement with Chase NMTC PCC Wellness Investment Fund, LLC, a Delaware limited liability company (the Investment Fund), whereby the Center loaned a maximum principal amount of \$4,687,800 to the Investment Fund to be used to return a portion of the investor's capital contribution to the investor in the Investment Fund. The note receivable has a 30-year term, bears interest at 1% per year and is secured by a pledge of the Investment Fund's interest in CDF Suballocattee VII, LLC, the Sub-CDE. During the period commencing August 31, 2010 through August 31, 2017, the note receivable requires interest payments only from the Investment Fund, payable annually to the Center. Thereafter, the note requires annual principal and interest payments in the amount of \$311,151 continuing until August 31, 2040, the maturity date. On the maturity date, all outstanding principal and accrued interest receivable are due and payable by the Investment Fund to the Center. At June 30, 2011, the note receivable was \$4,687,800 and accrued interest receivable was \$35,159.

**NOTE 10 GRANT REVENUE**

During fiscal years 2011 and 2010, the Center received the following grant revenue:

	<u>2011</u>	<u>2010</u>
<b>Unrestricted</b>		
Christian Community Health Center	\$ 3,750	\$ 5,000
Norwegian American Hospital	87,310	169,611
The Northern Trust Company	12,500	37,500
Chicago Community Trust	-	30,000
Grant Healthcare Foundation	20,000	49,000
Gottlieb Community Health Services	150,000	209,713
Lloyd A. Fry Foundation	50,000	-
University of Illinois—Motherhood Project	79,211	34,632
University of Illinois—Kristen Rankin Project	7,628	-
W.P. and H.B. White Foundation	17,000	15,000
VNA Foundation	-	60,000
Illinois Department of Public Health—		
Expansion Grant	-	315,000
Healthy Birth for Healthy Community	-	174,266
Targeted Intensive Parental Case Management	91,970	114,064
Village of Oak Park Minority AIDS Grant	28,156	49,635
Norwegian American Hospital Foundation	63,503	41,741
Children's Memorial Hospital	-	1,473
Public Health Institute Grant	-	21,863
Illinois Primary Health Care	3,900	-
Washington Square Foundation	1,000	10,161
	<u>615,928</u>	<u>1,338,659</u>

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**  
Notes to Consolidated Financial Statements  
June 30, 2011

**NOTE 10 GRANT REVENUE (continued)**

	<u>2011</u>	<u>2010</u>
<b>Temporarily restricted</b>		
IDHS—AmeriCorps	\$ 191,396	\$ 185,035
Access—Healthy & SAC	92,363	117,408
DHHS/HRSA Federal 330 Grant	3,152,122	2,974,996
Michael Reese Foundation	92,087	30,000
Polk Bros. Foundation	30,000	30,000
Illinois Children's Healthcare Foundation	-	200,000
DHHS/HRSA ARRA—IDS	748	243,859
DHHS/HRSA ARRA—CIP	-	1,380,640
DHHS/HRSA ARRA—FIP	2,806,938	110,030
Green Roof Top Garden	-	50,600
Circle of Service Foundation	1,667	8,333
Prince Charitable Trust	25,000	25,000
Illinois Department of Public Health— Breast and Cervical Cancer Program	289,388	356,230
Austin Parking Lot	42,423	-
HIV/AIDS Prevention	108,671	-
Thrive Counseling Center	10,760	-
Northwestern University	20,592	-
Illinois Clean Energy Foundation	-	101,250
	<u>6,864,155</u>	<u>5,813,381</u>
<b>Total grant revenue</b>	<u>\$ 7,480,083</u>	<u>\$ 7,152,040</u>

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2011

**NOTE 11 REVENUE FROM CORPORATE AND INDIVIDUAL CONTRIBUTORS**

During fiscal years 2011 and 2010, the Center received contributions from the following:

	<u>2011</u>	<u>2010</u>
Fresh Market Place	\$ 100	\$ -
John Snow, Inc.	1,900	-
Chicago Community Trust	500	-
University Of Illinois	500	-
Pearsall Family Foundation	2,000	-
West Suburban Hospital	49,000	-
Local Initiatives Support	15,000	-
Washington Square Foundation	-	500
Sodexo Inc.	-	380
First United Methodist Church	2,600	-
Rotary Club of Oak Park—River Forest	1,500	1,500
Target Corporation	2,000	3,000
First Congregation	-	500
Oak Park Women's Guild	1,000	1,000
DD&A, Inc.	1,500	-
City of Chicago	69,000	-
First United Church of Oak Park	6,000	-
Northwestern University	697	-
OnShore Network of Illinois, LLC	4,000	-
Mesirow Financial	-	1,000
Citizen's to Elect L Ford	-	1,150
American Chartered Bank—Austin FHC	-	2,000
Evanston Church	-	328
Special events	13,701	31,922
Individual contributors	<u>23,313</u>	<u>120,720</u>
	<u>\$ 194,311</u>	<u>\$ 164,000</u>

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**  
Notes to Consolidated Financial Statements  
June 30, 2011

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**NOTE 12 NOTES PAYABLE**

	2011	2010
<p>On December 4, 2007, the Center entered into a promissory note agreement in the sum of \$1,000,000 with a managed care organization to be repaid on or before December 31, 2012. The note bears an interest rate of 5.0% per year and is collateralized by all receivables. Beginning on January 1, 2008, payments are paid in quarterly installments of \$17,482 for principal and interest.</p>	\$ 782,350	\$ 944,736
<p>On October 24, 2008, the Center obtained a participating line of credit of \$4,500,000 (\$3,700,000 from the City of Chicago and \$800,000 from a bank) at an interest rate at 4.35%, to finance the construction of the new Austin Medical Building. PCC QALICB, LLC paid the loan in full to the bank on August 31, 2010 as part of the NMTC transactions (see Note 6).</p>	-	2,080,529
<p>On February 19, 2010, the Center obtained a line of credit from a bank. The interest rate is at 4.75% on funds drawn. The line of credit has a maximum borrowing of \$1,250,000.</p>	92,858	110,737
<p>On February 23, 2009, the Center entered into a promissory note agreement with Washington Square Health Foundation for a maximum borrowing of \$263,616. The interest rate is 5% per year, with \$26,865 payable in May 2010 through 2014 and \$34,024 in October 2010 through 2014.</p>	193,806	242,567

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2011

**NOTE 12 NOTES PAYABLE (continued)**

	<u>2011</u>	<u>2010</u>
PCC QALICB, LLC entered into a loan agreement with CDF Suballocatee VII, LLC on August 31, 2010 to borrow \$6,370,000, of which the maximum amount was drawn as of December 31, 2010. Pursuant to the loan agreement, the note bears interest at a rate of 1.271%, beginning on August 31, 2010. During the period commencing August 31, 2010 and continuing until August 31, 2017, payments of interest only in arrears shall be due and payable monthly. During the period commencing on August 31, 2017 and continuing until August 31, 2040, the maturity date, principal and interest payments in the amount of \$321,151 shall be due and payable annually. On the maturity date, the outstanding principal, together with any accrued and unpaid interest, is due and payable. Prepayment of the loan may not occur prior to August 31, 2017. The Center is the guarantor of this loan.	\$ 6,370,000	\$ -
Total	<u>\$ 7,439,014</u>	<u>\$ 3,378,569</u>

Future maturities of notes payable at June 30, 2011, are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 100,493
2013	837,407
2014	98,709
2015	32,405
2016	-
Thereafter	<u>6,370,000</u>
	<u>\$ 7,439,014</u>

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**  
Notes to Consolidated Financial Statements  
June 30, 2011

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**NOTE 13 TEMPORARILY RESTRICTED NET ASSETS**

At various times during fiscal years 2011 and 2010, the Center received grants in support of healthcare-related programs. The grants were restricted for salaries, personnel benefits, supplies, training and education. During the years ended June 30, 2011 and 2010, restrictions were satisfied and \$6,031,813 and \$5,203,623, respectively, were released from restrictions.

The balance of temporarily restricted net assets was \$1,442,100 and \$609,758 at June 30, 2011 and 2010, respectively.

**NOTE 14 COMMITMENTS**

The Center leases space at various locations under multiyear leases, expiring through July 2015.

Future minimum lease payments for the non-cancelable leases with lease terms in excess of one year at June 30, 2011 are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 316,422
2013	116,188
2014	69,125
2015	63,682
2016	<u>53,068</u>
	<u>\$ 618,485</u>

Occupancy cost for 2011 and 2010 was \$383,102 and \$421,599, respectively.

**NOTE 15 CONCENTRATION OF CREDIT AND MARKET RISK**

Financial instruments that potentially expose the Organization to concentration of credit risk consist primarily of cash and cash equivalents with major financial institutions, of which all are interest-bearing. The account balances may exceed the Federal Deposit Insurance Corporation limits and subject the Organization to concentration of credit risk. However, the Organization's management monitors this risk on a regular basis.

The Center may also have risk associated with its patient care services, as the Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements.

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**  
Notes to Consolidated Financial Statements  
June 30, 2011

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**NOTE 16      SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through January 31, 2012, the date the consolidated financial statements were available for issuance and has determined that there were no subsequent events to be recognized or disclosed in these consolidated financial statements.

## **CONSOLIDATING SCHEDULES**

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**  
 Consolidating Schedule of Financial Position  
 As of June 30, 2011

	<u>CENTER</u>	<u>PCC QALICB, LLC</u>	<u>Intercompany Elimination</u>	<u>Consolidated</u>
<b>ASSETS</b>				
<i>Current assets</i>				
Cash and cash equivalents	\$ 4,297,920	\$ 232,438	\$ -	\$ 4,530,358
Accounts receivable, net	2,239,291	-	-	2,239,291
Accrued interest receivable	35,159	-	-	35,159
Grants and other receivables	1,058,997	-	-	1,058,997
Prepaid expenses	167,184	-	-	167,184
Lease payment receivable	-	35,000	(35,000)	-
Inventories	32,165	-	-	32,165
Deposits	17,240	-	-	17,240
Total current assets	<u>7,847,956</u>	<u>267,438</u>	<u>(35,000)</u>	<u>8,080,394</u>
Long-term note receivable	4,687,800	-	-	4,687,800
Property and equipment, net	5,589,937	5,805,832	-	11,395,769
Deferred financing cost	-	156,786	-	156,786
Deferred lease asset	-	219,169	(219,169)	-
Total assets	<u>\$ 18,125,693</u>	<u>\$ 6,449,225</u>	<u>\$ (254,169)</u>	<u>\$ 24,320,749</u>
<b>LIABILITIES AND NET ASSETS</b>				
<i>Current liabilities</i>				
Accounts payable	\$ 604,739	\$ 10,000	\$ (35,000)	\$ 579,739
Accrued payroll and payroll taxes	779,409	-	-	779,409
Accrued interest payable	-	47,004	-	47,004
Deferred revenue	152,962	-	-	152,962
Notes payable, current portion	100,493	-	-	100,493
Total current liabilities	<u>1,637,603</u>	<u>57,004</u>	<u>(35,000)</u>	<u>1,659,607</u>
Accrued vacation	618,043	-	-	618,043
Notes payable, long-term portion	968,521	6,370,000	-	7,338,521
Total liabilities	<u>3,224,167</u>	<u>6,427,004</u>	<u>(35,000)</u>	<u>9,616,171</u>
<i>Net assets</i>				
Unrestricted	13,459,426	22,221	(219,169)	13,262,478
Temporarily restricted	1,442,100	-	-	1,442,100
Total net assets	<u>14,901,526</u>	<u>22,221</u>	<u>(219,169)</u>	<u>14,704,578</u>
<b>Total liabilities and net assets</b>	<u>\$ 18,125,693</u>	<u>\$ 6,449,225</u>	<u>\$ (254,169)</u>	<u>\$ 24,320,749</u>

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**  
 Consolidating Schedule of Activities  
 For the Year Ended June 30, 2011

	<u>CENTER</u>	<u>PCC QALICB, LLC</u>	<u>Intercompany Elimination</u>	<u>Consolidated</u>
<b>SUPPORT AND REVENUE</b>				
Patient services, net	\$ 16,518,235	\$ -	\$ -	\$ 16,518,235
Grant revenue	7,480,083	-	-	7,480,083
Contributions	194,311	-	-	194,311
Interest income	56,090	-	-	56,090
Rental income	-	269,292	(269,292)	-
Other income	145,004	-	-	145,004
<b>Total support and revenue</b>	<u>24,393,723</u>	<u>269,292</u>	<u>(269,292)</u>	<u>24,393,723</u>
<i>Expenses</i>				
Medical	17,838,686	-	(50,123)	17,788,563
Grants and contracts	509,876	-	-	509,876
<b>Total program services</b>	<u>18,348,562</u>	<u>-</u>	<u>(50,123)</u>	<u>18,298,439</u>
<i>Support services</i>				
Management and general	3,308,062	247,071	-	3,555,133
Fundraising	4,360	-	-	4,360
<b>Total support services</b>	<u>3,312,422</u>	<u>247,071</u>	<u>-</u>	<u>3,559,493</u>
<b>Total expenses</b>	<u>21,660,984</u>	<u>247,071</u>	<u>(50,123)</u>	<u>21,857,932</u>
Change in net assets	2,732,739	22,221	(219,169)	2,535,791
Net assets at beginning of year	12,168,787	-	-	12,168,787
<b>Net assets at end of year</b>	<u>\$ 14,901,526</u>	<u>\$ 22,221</u>	<u>\$ (219,169)</u>	<u>\$ 14,704,578</u>

## **SINGLE AUDIT REPORTS**

**PCC COMMUNITY WELLNESS CENTER AND SUBSIDIARY**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2011

Federal Grantor/ Pass-Through Grantor/Program Title	Identifying Number	Federal CFDA Number	Grant Period	Grant Amount	Federal Expenditures
U.S. Department of Health and Human Services Pass-through from Bureau of Primary Health Care Consolidated Health Centers*	H80CS00276-09-05	93.224	06/01/2010-05/31/2011	\$ 3,007,689	\$ 3,007,689
ARRA - Increase Services to Health Centers*	H88CS12210-01-01	93.703	03/27/2009-03/26/2011	392,313	123,439
ARRA - Facility Investment Program*	C80CS16993-01-01	93.703	12/09/2009-12/08/2011	4,053,042	2,806,938
				<u>4,445,355</u>	<u>2,930,377</u>
Pass-through from Illinois Department of Public Health Breast and Cervical Cancer Program*	6180044	93.283	07/01/2009-06/30-2010	356,230	4,832
Breast and Cervical Cancer Program*	6180025	93.283	07/01/2010-06/30-2011	333,100	98,571
				<u>689,330</u>	<u>103,403</u>
Total U.S. Department of Health and Human Services				<u>8,142,374</u>	<u>6,041,469</u>
Corporation for National and Community Service Pass-through from Illinois Department of Human Services AmeriCorps/Formula	823434900	94.006	08/01/2009-09/30/2010	188,997	35,632
AmeriCorps/Formula	823434900	94.006	08/01/2010-09/30/2011	194,994	155,764
Total Corporation for National and Community Services				<u>383,991</u>	<u>191,396</u>
<b>Total Federal awards</b>				<u>\$ 8,526,365</u>	<u>\$ 6,232,865</u>

\*Denotes major program.

See Notes to Schedule of Expenditures of Federal Awards.

**PCC COMMUNITY WELLNESS CENTER**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011

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**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal pass-through grant activity of the Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, the amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the consolidated financial statements.

**NOTE 2 NON-CASH ASSISTANCE**

The Center did not receive non-cash assistance for the year ended June 30, 2011.

**NOTE 3 INSURANCE**

The Center did not receive insurance assistance to reimburse losses for the year ended June 30, 2011.

**NOTE 4 LOANS AND LOAN GUARANTEES**

The Center did not receive loans or loan guarantees for the year ended June 30, 2011.

**NOTE 5 SUBRECIPIENTS**

The Center did not have subrecipients for its federal awards during the year ended June 30, 2011.



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**REPORT OF INDEPENDENT AUDITORS ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
PCC Community Wellness Center and Subsidiary

We have audited the consolidated financial statements of PCC Community Wellness Center and Subsidiary (the Organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated January 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of PCC QALICB, LLC, the Subsidiary, were not audited in accordance with *Government Auditing Standards*.

**Internal control over financial reporting**

Management of the Organization is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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**Compliance and other matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, others within the Organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mitchell & Titus, LLP*

January 31, 2012

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors  
PCC Community Wellness Center and Subsidiary

**Compliance**

We have audited PCC Community Wellness Center's (the Center) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2011. The Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Center's compliance with those requirements.

In our opinion, the Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

**Internal control over compliance**

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Center's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB

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Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors, management, others within PCC Community Wellness Center and Subsidiary, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mitchell & Titus, LLP*

January 31, 2012

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**PCC COMMUNITY WELLNESS CENTER**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2011**

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**SECTION I: SUMMARY OF AUDITORS' RESULTS**

**1. Financial Statements**

Type of auditors' report issued	<b>Unqualified</b>	
Internal control over financial reporting		
• Material weaknesses identified?	__ yes	<u>X</u> no
• Significant deficiencies identified that are not considered to be material weaknesses?	__ yes	<u>X</u> none reported
Noncompliance material to financial statements noted?	__ yes	<u>X</u> no

**2. Federal Awards**

Internal control over major programs		
• Material weaknesses identified?	__ yes	<u>X</u> no
• Significant deficiencies identified that are not considered to be material weaknesses?	__ yes	<u>X</u> none reported
Type of auditors' report issued on compliance for major programs	<b>Unqualified</b>	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	__ yes	<u>X</u> no

Identification of major programs

<b><u>Federal CFDA No.</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
93.224	U.S. Department of Health and Human Services-- <i>Pass through from Bureau of Primary Health Care</i>
93.703	Consolidated Health Centers
93.703	ARRA - Increase Services to Health Centers
	ARRA - Facility Investment Program
	<i>Pass through from Illinois</i>
	<i>Department of Public Health</i>
93.283	Breast and Cervical Cancer Program

**PCC COMMUNITY WELLNESS CENTER**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011

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**SECTION I: SUMMARY OF AUDITORS' RESULTS** *(continued)*

Dollar threshold used to distinguish  
between Type A and Type B programs

\$300,000

Auditee qualified as a low-risk auditee?

yes

no

**SECTION II: FINDINGS—FINANCIAL STATEMENT AUDIT**

None.

**SECTION III: FINDINGS—MAJOR FEDERAL PROGRAM AUDIT**

None.

**SECTION IV—SUMMARY OF PRIOR-YEAR AUDIT FINDINGS**

None.

## Birth Centers

- The birth center is a home-like facility existing within a healthcare system with a program of care designed in the wellness model of pregnancy and birth.
- Birth centers are guided by principles of prevention, sensitivity, safety, appropriate medical intervention, and cost effectiveness.
- Birth centers provide family-centered care for healthy women before, during, and after normal pregnancy, labor, and birth.
- The quality of care in birth centers reported in "The National Birth Center Study" reflects the low overall intrapartum and neonatal mortality rate of 1.3/1000 births; 0.7/1000 lethal anomalies are excluded. These rates are comparable to studies of low-risk, in-hospital births.<sup>1</sup>
- The cesarean section rate for women receiving care in birth centers averages 4.4%, approximately one half that in studies of low risk, in-hospital births.<sup>1</sup>
- Birth centers, nationally, have consistently displayed charges for care for normal birth that average up to 50% less than regular hospital stays and 30% less than short stays, including practitioner fees.<sup>2,3</sup> More recent figures indicate that a typical vaginal birth with no complications on average costs \$2,277 at a birth center<sup>4</sup> compared to \$8,920 for an uncomplicated vaginal birth at a hospital.<sup>5</sup>
- Most major health insurers contract with birth centers for reimbursement. Because charges reflect cost, and since the birth center is a single service unit, there is no opportunity for cost shifting or operating the birth center as a "loss leader" to other services.
- 98.8 percent of women using a birth center would recommend it to friends and/or would return to the center for a subsequent birth.<sup>1</sup>
- The birth center approaches pregnancy and birth as a normal family event until proven otherwise. While attending to the possibility that a problem may arise that will require medical intervention or care in the acute care setting of a hospital, the program encourages family intervention and provides a safe environment for families to experience the social, emotional, and spiritual renewal inherent in bringing forth new life.
- Birth centers are showing that the majority of women can safely proceed through pregnancy and birth using acute care services only as needed.
- Birth centers offer obstetricians an opportunity to develop teams of professional care providers that will improve primary care services to families and better use their specialist skills.
- Safety and Quality of Care are assured in birth centers by using established policies and procedures for the screening and transfer of women with problems to acute care services, and through state regulations and licensure, national standards and accreditation by the Commission for the Accreditation of Birth Centers.
- By providing "high touch" rather than "high tech" care, birth centers minimize the overuse of technology.
- Birth centers minimize costs by providing a program of primary care that emphasizes education, wellness, prevention, self-help and self-reliance in family health maintenance.
- Birth centers minimize costs by using staff efficiently; staff are only in-house when a mother is in-house.
- Currently, pregnant women throughout Illinois lack the option to give birth at a freestanding birth center. Also, national figures indicate that when birth centers are available, they are less accessible to race and ethnic minorities. Of the 12,169 birth center births in the U.S. during 2009, 82.5% were to White women, and only 4.4% to African American/Black women, 10.1% to Hispanic women and 3.0% to other race/ethnicities.<sup>5</sup>
- Birth centers operated by Federally Qualified Community Health Centers will serve underserved populations, who have previously not had access to this service.

## References

1. Rooks, J., et al., "Outcomes of Care in Birth Centers: The National Birth Center Study", *New England Journal of Medicine*, 321:1804-1811, (December 28), 1989
2. Health Insurance Association of America, *Source Book of Health Insurance Data - 1996*, 1996, Washington, DC.
3. American Association of Birth Centers *Annual Survey Report of Birth Center Experience, 2000*, Perkiomenville, PA.
4. American Association of Birth Centers. *Birth Center Savings*. Data from American Association of Birth Centers Uniform Data Set. Data is for 2010.
5. U.S. Agency for Healthcare Research and Quality, *HCUPnet, Healthcare Cost and Utilization Project*. Rockville, MD: AHRQ. Available at: <http://hcupnet.ahrq.gov/>. Facility labor and birth charges by site and mode of birth, United States, 2007-2009. Data is for 2009.