

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT**

**RECEIVED**

DEC 13 2013

HEALTH FACILITIES &  
SERVICES REVIEW BOARD**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION****This Section must be completed for all projects.****Facility/Project Identification**

Facility Name: NorthPointe Health and Wellness Campus Ambulatory Surgical Treatment Center			
Street Address: 5605 East Rockton Road			
City and Zip Code: Roscoe 60173			
County: Winnebago	Health Service Area	1	Health Planning Area: B-01

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

Exact Legal Name: Beloit Health System, Inc.
Address: 1969 W. Hart Road, Beloit, Wisconsin 53511
Name of Registered Agent: Gregory K. Britton
Name of Chief Executive Officer: Gregory K. Britton
CEO Address: 1969 W. Hart Road, Beloit, Wisconsin 53511
Telephone Number: 608-364-5104

**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 or inquiries)**

Name: Timothy M. McKeveitt
Title: President
Company Name: Beloit Health System, Inc. d/b/a Beloit Memorial Hospital
Address: 1969 West Hart Road, Beloit, Wisconsin 53511
Telephone Number: 608-365-5685
E-mail Address: <a href="mailto:tmckeveitt@beloitmemorialhospital.org">tmckeveitt@beloitmemorialhospital.org</a>
Fax Number: 608-364-5356

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

Name: Jason W. Dotson, MBA, CMPE
Title: Vice President of Physician Clinics
Company Name: Beloit Health System.
Address: 1905 E. Huebbe Parkway, Beloit, Wisconsin 53511
Telephone Number: 608-364-1477
E-mail Address: <a href="mailto:jdotson@beloithealthsystem.org">jdotson@beloithealthsystem.org</a>
Fax Number: 608-363-7398

**Additional Contact**

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

Name: Edwin W. Parkhurst, Jr.
Title: Managing Principal
Company Name: PRISM Healthcare Consulting, Inc.
Address: 800 Roosevelt Road, Building E, Suite 110, Glen Ellyn, Illinois 60137
Telephone Number: 630-790-5089
E-mail Address: <a href="mailto:eparkhurst@consultprism.com">eparkhurst@consultprism.com</a>
Fax Number: 630-790-2696

**Post Permit Contact (Primary)**

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

Name: Timothy M. McKeveatt
Title: President
Company Name: Beloit Health Systems, Inc. d/b/a Beloit Memorial Hospital
Address: 1969 W. Hart Road Beloit, Wisconsin 53511
Telephone Number: 609-365-5685
E-mail Address: <a href="mailto:tmckeveatt@beloitmemorialhospital.org">tmckeveatt@beloitmemorialhospital.org</a>
Fax Number: 608-364-5356

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Beloit Health Systems, Inc. and Beloit Memorial Hospital (d/b/a)
Address of Site Owner: 1969 W. Hart Road Beloit, Wisconsin 53511
Street Address or Legal Description of Site: 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 <u>ATTACHMENT-2</u> , 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: Beloit Health System, Inc. d/b/a Beloit Memorial Hospital
Address: 1969 W. Hart Road, Beloit, Wisconsin 53511
<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
<ul style="list-style-type: none"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>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.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>
APPEND DOCUMENTATION AS <u>ATTACHMENT-3</u> , 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.

**Post Permit Contact (Secondary)**

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

Name: Jason W. Dotson, MBA, CMPE
Title: Vice President of Physician Clinics
Company Name: Beloit Health System.
Address: 1905 E. Huebbe Parkway, Beloit, Wisconsin 53511
Telephone Number: 608-364-1477
E-mail Address: <a href="mailto:jdotson@beloithealthsystem.org">jdotson@beloithealthsystem.org</a>
Fax Number: 608-363-7398

Jim Doyle  
Governor

Karen E. Timberlake  
Secretary



**State of Wisconsin**  
Department of Health Services

**DIVISION OF QUALITY ASSURANCE**

1 WEST WILSON STREET  
P O BOX 2869  
MADISON WI 53701-2869

Telephone: 608-266-8481  
FAX: 608-267-0352  
TTY: 888-241-8432  
dhs.wisconsin.gov

December 10, 2010

Mr. Aaron Wiersema  
Beloit Health System  
1969 West Hart Road  
Beloit, Wisconsin 54511-2230

Dear Mr. Wiersema:

The enclosed Certificate of Approval (COA # 67) is hereby being issued under Chapter 50, Wisconsin Statutes, and Chapter HFS 124, Wisconsin Administrative Code, for your 256 bed hospital. This hospital is located in space addressed as 1969 West Hart Rd in Beloit, Wisconsin.

The revised COA has an effective date of 11/01/2010, the date in which you reported closure of the Rehabilitation Unit. Those beds have been returned to the general acute care census. It remains in effect unless suspended or revoked. This certificate should be framed and placed in a conspicuous place such as a lobby, admitting or business office.

If you have any questions regarding your licensure, please contact Tracy Ellingson at (608) 266-7297.

Sincerely,

A handwritten signature in cursive script that reads "Lora Quinn".

Lora Quinn, Chief  
Technology, Licensing and Education  
Division of Quality Assurance

Enclosure

cc: Centers for Medicare and Medicaid Services  
NGS

*Wisconsin.gov*



# The State of Wisconsin

Department of Health Services  
Division of Quality Assurance

## CERTIFICATE OF APPROVAL

This is to certify that **BELOIT HEALTH SYSTEM, INC**  
doing business as **BELOIT MEMORIAL HOSPITAL**  
at the location **1969 W HART RD**  
**BELOIT, WI 53511**

License Number: **67**  
Effective Date: **11/01/2010**  
Initial Date: **01/02/1966**

is licensed to operate a **GENERAL ACUTE HOSPITAL** in **ROCK COUNTY, WISCONSIN**

License Type: **REGULAR**

This license is granted for a maximum capacity of **256 total beds.**

General beds: **256**      Alcohol beds: **0**  
Psychiatric beds: **0**      Rehab beds: **0**

The Facility Profile/Biennial Report is available at this facility for inspection upon request.  
This license will remain in effect unless expired, suspended, revoked or voluntarily surrendered. Any and all exceptions, stipulations, or conditions to this license shall be posted next to the license certificate.

*Karen E. Timberlake*  
Karen E. Timberlake, Secretary DHS

This license is not transferrable or assignable

**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**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

 Substantive Non-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.

Beloit Health System, Inc., Beloit, Wisconsin, proposes to expand and modernize its existing NorthPointe Health and Wellness Campus at 5606 East Rockton Road, Roscoe, Illinois.

This campus was originally developed by Beloit Memorial Hospital, Inc. after due consideration by the Illinois Health Facilities Planning Board (now the Health Facilities and Services Review Board) at its January 23, 2006 meeting (see meeting transcript pages 248 and 249).

Beloit Health System, Inc. is a fully integrated healthcare provider with facilities in the Southern Wisconsin, Northern Illinois state-line region. It is comprised of Beloit Memorial Hospital, the Beloit Clinic, several satellite clinics in the region, and also assisted living facilities in Wisconsin and Illinois. The System has a regional cancer care center currently under construction.

This project proposes to add approximately 32,000 bgsf in a two level expansion to the south of the existing NorthPointe facility. The first level approximates 19,500 bgsf and will house an ASTC, Pharmacy, equipment cleaning and storage department, as well as requisite support space. The second level, approximating 12,500 bgsf, will be shelled in anticipation of housing physician offices for the Beloit Clinic at some future, undetermined date.

The proposed multi-specialty ASTC will house 2-operating rooms and 2 GI procedure rooms with an anticipated project cost approximating \$16,339,587. The surgical and GI cases which justify the proposed 4 room ASTC will be relocated from Beloit Memorial Hospital to NorthPointe in order for the Hospital to decompress and ultimately modernize its existing surgical suite, over time. These respective ASTC cases are supported by physician referral letters as required by the State Agency.

The Project is substantive in that it proposes to establish a Non-Hospital Based Ambulatory Surgery Center (ASTC) Category of Service.

## ASTC Support Letters

## List of Attached Letters

Joe Sosnowski, State Representative	Illinois House of Representatives, 69 <sup>th</sup> District
Scott H. Christiansen, County Board Chairman	County of Winnebago
David A. Krienke, Village President	Village of Roscoe
Jamie Evans, Chief of Police	Village of Roscoe Police Department
Dale Adams, Mayor	Village of Rockton
Michael M. Duffy, Mayor	City of South Beloit
Donald Shovelin	Harlem-Roscoe Fire Protection District #1
Mickey Heinzeroth, Executive Director	Roscoe Area Chamber of Commerce
Jason Naill, Branch Manager	Republic Mortgage Home Loan
Thomas L. Sink, Business Manager/Financial Secretary	IBEW, Local Union 364 Rockton, Illinois
David Whitmore, Business Manager/Financial Secretary/ Treasurer	IBEW, Local Union 498 Rockford, Illinois
Joseph S. Eaton, President	Special Power, Inc.
Rick Beck, Business Manager	United Association of Plumbers, Pipefitters & Refrigeration Fitters Local 23
Susan A Carlson, President	Virgil Cook & Son, Inc.
Rick Lundvall, Executive Vice President	Piping Industry Council Rockford Area
Mitch Terhaar	Union Local No. 11 Roofers and Waterproofers
Brad Long, Business Agent	Carpenter's Local Union 792
Brad Long, President	Northwestern Illinois Building & Construction Trades Council

ILLINOIS HOUSE OF REPRESENTATIVES

DISTRICT OFFICE:  
305 AMPHITHEATER DRIVE  
ROCKFORD, ILLINOIS 61107  
815-547-3436  
815-516-8434 FAX



CAPITOL OFFICE:  
227-N STRATTON BUILDING  
SPRINGFIELD, ILLINOIS 62706  
217-782-0548  
217-782-1141 FAX

**JOE SOSNOWSKI**  
STATE REPRESENTATIVE  
69TH DISTRICT

November 15, 2013

Timothy M. McKevevtt  
President  
Beloit Health System, INC.  
1969 West Hart Road  
Beloit WI, 53511

Dear Mr. McKevevtt,

I am pleased to send this letter of support for the development of an Ambulatory Surgical Center on NorthPointe's Health and Wellness campus in Roscoe, Illinois.

In addition to providing a more efficient and cost effective outpatient surgery experience for existing patients of Beloit Health System, this development would provide much needed construction jobs and create an additional 28 regional and permanent positions that would work at the Ambulatory Surgery Center. By shifting outpatient surgical cases currently performed in your Surgery Department at Beloit Memorial Hospital, you will be able to provide outpatient surgery at lower cost, and higher quality of care than you are able to perform today.

NorthPointe Health and Wellness offers high quality healthcare services and this project would further deliver those services by providing outpatient surgery in a setting that is constructed to be more efficient for the surgeons and patients. You have my full support of this much needed expansion, and your application for a Certificate of Need.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Sosnowski", with a long horizontal stroke extending to the right.

Joe Sosnowski  
State Representative  
69<sup>th</sup> District

RECYCLED PAPER - SOYBEAN INKS



## Scott H. Christiansen

County Board Chairman

### County of Winnebago

November 14, 2013

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

Dear Ms. Avery,

As Chairman of the Winnebago County Board, I am sending this letter in support of the plans for the development of an Ambulatory Surgical Treatment Center at NorthPointe Health and Wellness Campus in Roscoe, Illinois.

As Beloit Memorial Hospital was constructed in 1968 as an acute care inpatient facility the needs of the patient population have changed over time to demand more outpatient care services. Redesign of the existing OR space at the hospital today would disrupt current patient care and would provide a much greater financial burden on the Health System and ultimately the patients within the community. By relocating cases to a facility off site of Beloit Memorial Hospital's campus, the hospital will be able to decompress its surgery program to allow for inpatient surgery procedural growth and inpatient surgery modernization.

The development of an Ambulatory Surgery Center at NorthPointe responds to patient demands for outpatient surgical care that can be provided in a more cost effective manner than remodeling or expanding its existing surgical suite. This center would enhance the continuum of care on NorthPointe's campus without impacting other caregivers as cases currently being performed at Beloit Memorial would be relocated to NorthPointe's campus.

The approval of a Certificate of Need for a Surgery Center at NorthPointe will enhance economic development. This project would put construction workers back to work for over one year and create an additional 28 permanent positions that would work at this new center. These jobs are greatly needed in our Stateline communities.

404 Elm Street • Room 533 • Rockford, IL 61101

Phone (815) 319-4225 • Fax (815) 319-4226

E-mail: [countyboardchairmansoffice@wincoil.us](mailto:countyboardchairmansoffice@wincoil.us)

Website: [www.wincoil.us](http://www.wincoil.us)

It is our mission to provide high quality services and promote a safe community for all people in Winnebago County.

NorthPointe Health and Wellness is committed to improving the health status of the communities it serves. It's medically integrated fitness facility was one of the first of its kind in the area and the addition of an ambulatory surgery center on NorthPointe' s campus is the next step in developing a comprehensive integrated healthcare system.

I respectfully request that you grant a Certificate of Need for this project to allow Beloit Memorial Hospital to modernize more cost effectively and ultimately provide residents in Winnebago County a safer and more cost effective environment for outpatient surgery cases to be performed in a facility that patients desire. I appreciate your consideration of my request.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Christiansen". The signature is fluid and cursive, with a long horizontal stroke at the end.

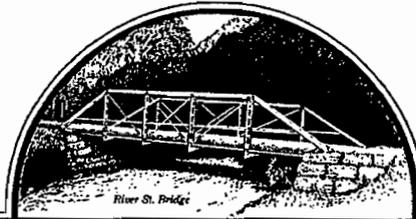
Scott Christiansen, Chairman  
Winnebago County Board

cc: Timothy McKeveatt, President, Beloit Health System, INC.

David A. Krienke  
President

Don Elliott  
Treasurer

Christina K. Marks  
Clerk



**TRUSTEES**

Robert Baxter  
Carol A. Gustafson  
Dale L. Keller  
Stacy Mallicoat  
Kevin Muradian  
Susan Petty

---

## VILLAGE of ROSCOE

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November 7, 2013

Timothy M. McKeveatt  
Beloit Health System, Inc.  
1969 West Hart Road  
Beloit WI 53511

Dear Mr. McKeveatt,

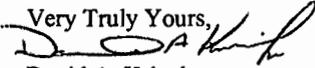
On behalf of myself and the Board of Trustees of the Village of Roscoe, I am providing this letter of support for the development of an Ambulatory Surgical Center on NorthPointe's Health and Wellness campus in Roscoe, Illinois.

As Village President for the Village of Roscoe, I am proud to have such a distinguished asset located within our community, and am excited to learn of Beloit Health System's plans for expansion of the NorthPointe Campus. Since NorthPointe's opening in 2007, it has become obvious that Beloit Health System strives not only to just do business in the Village, but to really integrate itself into, and become part of, our community. Not only have they partnered with Hononegah High School to assist with its sports and fitness programs, they have also been involved in bringing community awareness to health and wellness issues to our residents at community events throughout the Village.

The expansion of the NorthPointe campus continues to fill the need for a community based healthcare center that not only provides a high quality of care for our residents, but one that is also conveniently located within our community. The NorthPointe expansion and the creation of an ambulatory surgery center will increase the services and care available to residents of the Village of Roscoe, and the whole northern Illinois region as well. It will fill a gap in the availability of health services that are needed and desired by our community.

The Village of Roscoe is proud to be able to support the proposed expansion of Beloit Health System's NorthPointe Health and Wellness campus in the Village Roscoe, and sincerely hopes that its expansion is approved without delay, so that Beloit Health System and NorthPointe are able remain a vital and active part of our community for years to come.

Very Truly Yours,

  
David A. Krienke  
Village President  
Roscoe, Illinois

10631 Main Street • P.O. Box 283 • Roscoe, Illinois 61073 • Phone 815-623-2829 • Fax 815-623-1360

**VILLAGE OF ROSCOE, ILLINOIS  
RESOLUTION NO. 2013-R43**

**A RESOLUTION SUPPORTING THE EXPANSION OF THE BELOIT HEALTH  
SYSTEM, INC. NORTHPOINTE HEALTH AND WELLNESS CAMPUS**

**WHEREAS**, the Village of Roscoe wishes to protect the health, welfare and safety of its residents by ensuring access to safe, convenient and efficient health care services for its residents; and

**WHEREAS**, there is currently a void in the health care services available within the Village of Roscoe and the surrounding communities of the Northern Illinois region; and

**WHEREAS**, since opening in 2007, the NorthPointe Health and Wellness Campus has been an asset to the Village of Roscoe, not only providing a high quality of care to our residents, and doing so in a manner and location conveniently located within our Village and community; and

**WHEREAS**, the development of an Ambulatory Surgical Center on NorthPointe's Health and Wellness campus in Roscoe, Illinois will bring to the facility, and into the Village, two operation rooms, two procedure rooms and twelve ambulatory care rooms, which will allow for outpatient surgery's in a convenient and lower stress environment; and

**WHEREAS**, the creation and use of the NorthPointe Ambulatory Surgical Center will allow patients to have procedures performed in a more private and accessible location which, in turn, will provide for a better patient experience, and better healthcare for the patients, many of whom will be residents of the Village, or its expanded northern Illinois community; and

**WHEREAS**, the proposed expansion and construction of the Ambulatory Surgical Center additionally provides for space for future development and growth of the NorthPointe Health and Wellness Campus, which will allow NorthPointe to remain a vital and active part of our community for years to come; and

**WHEREAS**, the Beloit Health System, Inc. expansion of the NorthPointe Health and Wellness Campus will additionally assist in the economic development of the Village by not only providing construction jobs during its expansion and construction, but also by bringing an additional 28 new jobs into the community; and

**WHEREAS**, said expansion will assist Beloit Health System, Inc. in the retention of its physicians, many of whom currently reside within our community, patronize Village businesses, own Village property, and participate as active citizens and residents of our community; and

**WHEREAS**, the President and Board of Trustees of the Village of Roscoe consider the convenient and affordable access to high quality healthcare for its residents to be a vital concern of the Village and of the highest priority; and

**WHEREAS**, Village desires to support its local businesses, and the jobs and economic benefits they provide for the Village of Roscoe and its community; and

**WHEREAS**, the President and Board of Trustees of the Village of Roscoe additionally believe such a project to be a fundamental part of the future development of the Rockton Road and Willowbrook development area, as well as an important impetus to economic growth within the Village; and

**NOW THEREFORE BE IT RESOLVED** by the President and Board of Trustees of the Village of Roscoe, that the Village of Roscoe fully supports, and is in favor of, the Beloit Health System, Inc. development of an Ambulatory Surgical Center on NorthPointe's Health and Wellness campus in Roscoe, Illinois, and is proud to have such a distinguished asset located within the community.

PASSED UPON MOTION BY: *Trustee Muradian*

SECONDED BY: *Trustee Mallicoat*

**BY ROLL CALL VOTE THIS 7TH DAY OF NOVEMBER, 2013 AS FOLLOWS:**

VOTING "AYE": *Trustees Baxter, Keller, Gustafson, Mallicoat, Muradian, Petty*

VOTING "NAY": *Ø*

ABSENT, ABSTAIN, OTHER: *Ø*

**APPROVED NOVEMBER 7, 2013:**

**ATTEST:**

*D. A. Knoll*  
VILLAGE PRESIDENT

*Christina K. Marks*  
VILLAGE CLERK



## VILLAGE OF ROSCOE POLICE DEPARTMENT

10595 Main Street  
P.O. Box 312  
Roscoe, IL 61073  
Phone (815) 623-7338  
Fax (815) 623-7254

**Jamie Evans**  
Chief of  
Police

November 6, 2013

Dear Mr. McKeveatt,

I am writing this letter in support of NorthPointe Wellness and their expansion. I have been a member of NorthPointe Wellness for the last four years. NorthPointe has the most amazing staff and the facility is a home away from home for me.

I have also visited NorthPointe's medical facility along with my family and feel it is one of the best facilities for medical care in the area. In addition to providing a more efficient and cost effective outpatient surgery experience for residents of our local community and Wisconsin this development would offer much needed construction jobs for over a year during the NorthPointe expansion. Another benefit of this project is the addition of 28 new jobs to the area.

I have recommended several family members and friends to the NorthPointe facilities. I believe the Village of Roscoe has benefited from the development of the NorthPointe Health and Wellness campus since its opening in 2007 by having high quality healthcare services provided locally.

In addition, we have found the Beloit Health System to be an active and responsible community partner and value this and any future projects that would further benefit patients and their families within our community.

Sincerely,

Jamie Evans  
Chief of Police

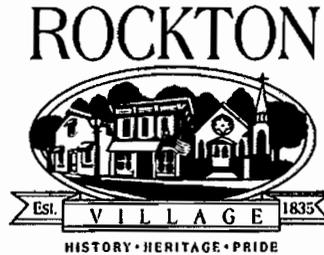
**VILLAGE PRESIDENT**

Dale Adams

**VILLAGE CLERK**

Sarah Francis

October 23, 2013



**TRUSTEES**

Scott Fridly  
Patrick Hoey  
Cory Magnus  
Trisha Nelson  
John Peterson  
Dave Winers

Illinois Health Facilities & Services Review Board  
525 West Jefferson St., 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

Re: NorthPointe Wellness Expansion

Illinois Health Facilities & Services Review Board:

I am writing to express my support for the expansion of North Pointe Wellness to accommodate emergency and outpatient medical services. North Pointe Wellness is a phenomenal asset to the residents of Rockton, and many of our residents are members and patients of the facility.

A high quality of life is extremely important to the residents of Rockton. Allowing North Pointe Wellness to expand into outpatient ambulatory surgical services will afford the residents of the Rockton / Roscoe area first rate emergency treatment in the immediate vicinity rather than potentially life-threatening commutes to other area emergency units.

As Mayor of the Village of Rockton, I strongly endorse the significant capital investment North Pointe Wellness is proposing for their facility to better serve the residents of the Village of Rockton and the rest of the northern Illinois region.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale Adams", written over a faint circular stamp.

Mayor Dale Adams  
Village of Rockton

[www.rocktonvillage.com](http://www.rocktonvillage.com)

110 East Main Street • Rockton, Illinois 61072

Fax 815.624.0418  
Phone 815.624.7600

*The Village of Rockton is committed to provide leadership, services and direction for growth while preserving our unique community.*

29 October 2013

Tim McKeveitt  
NorthPointe Health and Wellness  
5605 E. Rockton Rd.  
Roscoe, Il.  
61073

Dear Mr. McKeveitt:

I am writing this letter of support for the addition of the Ambulatory Surgical Center at the NorthPointe Health and Wellness Center located in Roscoe Illinois.

The addition of this center will provide needed services to the City of South Beloit and all of its approximately 12,000 associated residents. South Beloit citizen's have always depended on the care they receive from the Beloit Hospital Center and will be better served by having an Ambulatory Surgical Center in closer proximity to the City of South Beloit. This is my first tenure as Mayor of South Beloit and one of the charges that the citizens of South Beloit have requested from me, is to obtain health care services for the City of South Beloit. This Ambulatory Surgical Center will be a welcomed step in that direction.

We expect that Beloit Health System will continue to be a responsible community partner with the City of South Beloit. I, as the Mayor of South Beloit, vigorously support the development of an Ambulatory Surgical Center at the NorthPoint Health and Wellness campus in Roscoe.

Sincerely,



Michael M. Duffy  
Mayor  
South Beloit

HARLEM-ROSCOE  
FIRE PROTECTION DISTRICT #1

Donald Shovelin  
Fire Chief

---

P.O. BOX 450 \* ROSCOE, ILLINOIS 61073-0450  
Administration # (815) 623-7867 Fax # (815) 623-8831

NOV - 4 2013

November 1, 2013

Tim McKeveatt  
Beloit Health Systems  
1969 W Hart Road  
Beloit WI 53511

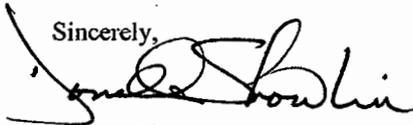
Mr. McKeveatt,

On behalf of the fire protection district, I am writing to express my support of the development of an ambulatory surgical center on your NorthPointe campus located in Roscoe Illinois.

Having a center of this magnitude would not only be cost effective for patients and their insurance companies, but would offer numerous trade jobs needed in the area. There is also the projection of the addition of 28 new jobs.

Since the inception of the NorthPointe Campus in 2007, we have found them as well as the Beloit Health Systems to be very active within our community, and supportive to the community as a whole. I could only vision this project as well as any future ones to be beneficial to the patients and families of our community.

Sincerely,



Donald Shovelin

*Protection of Life and Property is our Business*



Mr. Jason W. Dotson  
Beloit Health System  
1905 E. Huebbe Parkway  
Beloit, WI 53511

Dear Mr. Dotson,

I am pleased to provide a letter expressing my support for the proposed Ambulatory Surgical Treatment Center project for the NorthPointe Health & Wellness Campus.

It is my hope that the State of Illinois' Health Facilities Planning Commission will approve this important project to allow the NorthPointe Campus the ability to expand to include an Ambulatory Surgical Treatment Center.

This project will not only provide patients with surgical options, but will improve patient care and privacy. Employment opportunities for the center will include 28 permanent jobs along with numerous construction jobs.

The new Ambulatory Surgical Treatment Center will be an asset to our community and will provide a valuable service locally and to surrounding areas. I look forward to learning of approval being granted for this project.

Sincerely,

A handwritten signature in black ink that reads "Mickey Heinzeroth". The signature is written in a cursive style with a large, prominent initial "M".

Mickey Heinzeroth,  
Executive Director  
Roscoe Area Chamber of Commerce

5310 Williams Dr • Roscoe • Illinois • 61073 • 815-623-9065 • Fax 815-623-1755 • [info@roscoechamber.com](mailto:info@roscoechamber.com)



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**REPUBLIC MORTGAGE  
HOME LOANS**

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Mr. Jason W. Dotson  
Beloit Health Systems  
1905 E. Huebbe Parkway  
Beloit, WI 53511

RE: Support for the Ambulatory Surgical Treatment Center

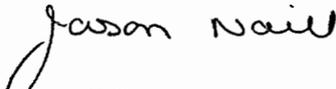
Dear Mr. Dotson,

I hope this letter finds you well. I am writing to express my support in hopes the Health Facilities Planning Commission will approve the upcoming project at North point Health and Wellness. As President of the Roscoe Chamber of Commerce, a local small business owner and a resident of Roscoe, IL I feel it would be in the best interest for the state to approve this upcoming project due the needs of the community.

This project will allow many new patients to have closer access for their medical needs and create a more comfortable environment for people to receive these types of treatments. As a patient of North pointe Health and Wellness I feel this type of expansion would be great for our community.

As a small business owner and the current president of the Roscoe Chamber I would also like to add this would be a great source for job creation. Adding the new facility and creating local jobs at the same time would greatly benefit this community.

I fell this project is a win-win for our community and I look forward to hearing more about this project being approved.

  
Jason Naill

Branch Manager  
Republic Mortgage Home Loans  
Email: [jnaill@republicmortgage.com](mailto:jnaill@republicmortgage.com)  
Cell: 815.540.6270



**ROCKFORD BRANCH | NMLS# 878764**

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Office (815) 312-5820 | Fax (815) 312-5821 | [www.republicmortgage.com](http://www.republicmortgage.com)  
420 Financial Court Suite 110 | Rockford, Illinois 61107



International  
Electrical



Brotherhood  
Workers

**Local Union 364**

6820 Mill Road • Rockford, IL 61108  
Telephone (815) 398-6282  
Fax (815) 398-1203



November 15, 2013

Mr. Tim McKeveitt  
1969 West Hart Road  
Beloit, WI 53511

Dear Mr. McKeveitt,

On behalf of the Electrical Workers of IBEW, Local Union 364 I am providing this letter of support for the development of an Ambulatory Surgical Center on North Pointe's Health and Wellness campus in Roscoe, Illinois. IBEW, Local Union 364 covers nine counties surrounding the Rockford Metro area and has experienced severe unemployment in the last few years. This project while providing medical services for the region would help to put many of our members to work.

In addition to providing a more efficient and cost effective outpatient surgery experience for residents of our local community and Wisconsin, this development would offer much needed construction jobs for over a year during the North Pointe expansion. Another benefit of this project is the addition of 28 new full time jobs to the area.

The Residents of the Rockton, Roscoe, and South Beloit community have benefited from the development of the North Pointe Health and Wellness campus since its opening in 2007 by having high quality healthcare services provided locally.

In addition, we have found the Beloit Health System to be an active and responsible community partner and value this and any future projects that would further benefit patients and their families within our community.

Sincerely,

A handwritten signature in cursive script that reads "Thomas L. Sink".

Thomas L. Sink  
Business Manager/Financial Secretary  
IBEW, Local Union 364  
6820 Mill Rd.  
Rockford, IL. 61108  
815-398-6282 ext. 228  
815-398-1203 fax

THE INTERNATIONAL ASSOCIATION OF  
**Bridge, Structural, Ornamental, and Reinforcing Iron  
Workers**



David Whitmore  
Business Manager  
Financial Secretary-Treasurer

**LOCAL UNION 498**

5640 Sockness Drive - Rockford, Illinois 61109  
Phone (815) 873-9180 - Fax (815) 873-0317

Mark Richeson  
President



Keith Gahl  
Recording Secretary

November 15, 2013

Mr. Tim McKeveatt  
1969 West Hart Road  
Beloit, WI 53511

Dear Mr. McKeveatt,

On behalf of the Ironworkers Local Union 498 I am providing this letter of support for the development of an Ambulatory Surgical Center on North Pointe's Health and Wellness campus in Roscoe, Illinois. Ironworkers Local Union 498 covers ten counties surrounding the Rockford Metro area as well as 3 counties in Southern Wisconsin and has experienced severe unemployment in the last few years. This project while providing medical services for the region would help to put many of our members to work.

In addition to providing a more efficient and cost effective outpatient surgery experience for residents of our local community and Wisconsin, this development would offer much needed construction jobs for over a year during the North Pointe expansion. Another great benefit of this project is the addition of 28 new full time jobs to the area.

The Residents of the Rockton, Roscoe, and South Beloit community have benefited from the development of the North Pointe Health and Wellness campus since its opening in 2007 by having high quality healthcare services provided locally and this expansion would be a welcomed addition.

In addition, we have found the Beloit Health System to be an active and responsible community partner and value this and any future projects that would further benefit patients and their families within our community.

Sincerely,

A handwritten signature in cursive script that reads "David Whitmore".

David Whitmore  
Business Manager Financial Secretary/Treasurer  
IronWorkers Local Union 498  
5640 Sockness Dr.  
Rockford IL, 61109  
815-873-9180  
815-8730317 fax



# Special Power, Inc.

Commercial & Industrial Electrical Contractors  
1226 18th Avenue, Rockford, IL 61104

November 18, 2013

Mr. Tim McKeveatt  
1969 West Hart Road  
Beloit, WI 53511

Dear Mr. McKeveatt,

On behalf of the Electrical Workers of IBEW, Local Union 364 I am providing this letter of support for the development of an Ambulatory Surgical Center on North Pointe's Health and Wellness campus in Roscoe, Illinois. IBEW, Local Union 364 covers nine counties surrounding the Rockford Metro area and has experienced severe unemployment in the last few years. This project, while providing medical services for the region, would help to put many of our members to work.

In addition to providing a more efficient and cost effective outpatient surgery experience for residents of our local community and Wisconsin, this development would offer much needed construction jobs for over a year during the North Pointe expansion. Another benefit of this project is the addition of 28 new full time jobs to the area.

The Residents of the Rockton, Roscoe, and South Beloit community have benefited from the development of the North Pointe Health and Wellness campus since its opening in 2007 by having high quality healthcare services provided locally.

In addition, we have found the Beloit Health System to be an active and responsible community partner and value this and any future projects that would further benefit patients and their families within our community.

Sincerely,

Joseph S. Eaton, President  
Special Power, Inc.

phone: (815) 962-1210 • fax: (815) 962-2190 • [www.specialpower.com](http://www.specialpower.com)



## United Association of Plumbers, Pipefitters & Refrigeration Fitters Local 23

4525 Boeing Drive  
Rockford, IL 61109

[www.ualocal23.org](http://www.ualocal23.org)  
Phone: 815-397-0350

November 18, 2013

Mr. Tim McKeveatt  
1969 West Hart Road  
Beloit, WI 53511

RE: *Ambulatory Surgical Center on NorthPointe's Health and Wellness campus in Roscoe, Illinois*

Dear Mr. McKeveatt:

I am writing this letter on behalf of Plumbers & Pipefitters Local 23 in support of the development of Ambulatory Surgical Center on NorthPointe's Health and Wellness campus in Roscoe, Illinois.

In addition to creating 28 jobs in the Roscoe area, this development would create much needed construction jobs for a year while the expansion is being build, as well as providing a more efficient and cost effective outpatient facility for residents and neighboring communities.

Since it's opening in 2007, our community has benefited from the development of the Northpointe Health and Wellness campus by having access to superb healthcare services that are lacking in other nearby communities.

In addition, we have found the Beloit Health System to be a dynamic and responsible community partner and support this and any future projects that would further assist families, patients and potential future employees within our community.

Kind Regards,

Rick Beck  
Business Manager

# VIRGIL COOK & SON, Inc.

*Electrical Contractors* ELECTRICAL SUPPLIES & EQUIPMENT



Phone: DeKalb 815/756-4854 • P. O. Box 805 • 119 North Eighth Street • DE KALB, IL 60115-0805  
FAX 815/756-4289 • vcookson@aol.com

November 19, 2013

Mr. Gus Larson  
Director North Pointe Health & Wellness  
5605 East Rockton Road  
Roscoe, IL 61073

Dear Mr. Larson –

Virgil Cook & Son, Inc. is an electrical contractor whose employees are members of IBEW Local Union 364. I am providing this letter of support for the proposed North Pointe Ambulatory Surgical Center in Roscoe, IL.

IBEW Local Union 364 covers nine counties surrounding the Rockford metro area and has experienced severe unemployment in the last few years. This project while providing medical services for the region would help to put many of the local members to work. This development would offer much needed construction jobs for over a year.

I understand the Beloit Health System to be an active and responsible community partner.

Sincerely,

Susan a. Carlson  
President  
VIRGIL COOK & SON, INC.

*Over "50" Years of Service*



# PIPING INDUSTRY COUNCIL ROCKFORD AREA

BETTENDORF, IOWA 52722

1983 Spruce Hills Drive

PHONE (563) 345-6450 (866) 788-1800 Email: [contractorsassn@yahoo.com](mailto:contractorsassn@yahoo.com) FAX (563) 345-6452

November 20, 2013

Mr. Tim McKeveitt  
1969 West Hart Road  
Beloit, WI 53511

RE: NorthPointe's Ambulatory Surgical Treatment Center (ASTC) in Roscoe, IL

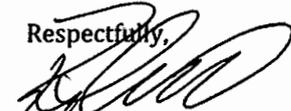
Dear Mr. McKeveitt:

On behalf of the Piping Industry Council Rockford Area I wanted to express our support for the development of the Ambulatory Surgical Center (ASTC) campus in Roscoe, Illinois.

This development would provide a great benefit to the entire community with the services that will be offered to the residents in the area as well as surrounding communities. In addition to the many individuals that will be employed at this facility, this development will also provide opportunities for local contractors and their employees to work on this construction project which is much needed and would help the community.

We feel the Beloit Health System is a tremendous community partner and we would support this and any future projects that would benefit our community.

Respectfully,



Rick Lundvall  
Executive Vice President





United Union  
of Roofers,  
Waterproofers  
and  
Allied Workers  
Local No. 11

Affiliated with AFL-CIO

9838 West Roosevelt Road  
Westchester, Illinois 60154  
708/345/0970  
Fax: 708/345-0981



November 18, 2013

Mr. Tim McKeveitt  
1969 West Hart Road  
Beloit, WI 53511

Dear Mr. McKeveitt:

On behalf of the United Union of Roofers, Waterproofers & Allied Workers, Local No. 11 I am providing this letter of support for the development of an Ambulatory Surgical Center on North Pointe's Health and Wellness campus in Roscoe, Illinois. Roofers & Waterproofers Union Local No. 11 covers thirteen counties surrounding the Rockford Metro area and has experienced severe unemployment in the last few years. This project while providing medical services for the region would help to put many of our members to work.

In addition to providing a more efficient and cost effective outpatient surgery experience for residents of our local community and Wisconsin, this development would offer much needed construction jobs for over a year during the North Pointe expansion. Another benefit of this project is the addition of 28 new full time jobs to the area.

The residents of the Rockton, Roscoe and South Beloit community have benefited from the development of the North Pointe Health and Wellness campus since its opening in 2007 by having high quality healthcare services provided locally.

In addition, we have found the Beloit Health System to be an active and responsible community partner and value this and any future projects that would further benefit patients and their families within our community.

Respectfully,

MITCH TERHAAR  
Vice President  
Roofers & Waterproofers  
Union Local No. 11  
Cell (608)289-7027  
Office (708)345-0970

MT:sb



"BUILDING WITH QUALITY AND PRIDE"

## Carpenter's Local Union 792

AFFILIATED WITH THE CHICAGO REGIONAL COUNCIL OF CARPENTERS  
AND THE UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

212 South First Street • Rockford, Illinois 61104-2089

Phone: (815) 963-7478

(815) 963-8675

Fax: (815) 963-0208

November 25, 2013

Mr. Tim McKeveatt  
1969 West Hart Rd.  
Beloit, WI 53511

Dear Mr. McKeveatt,

On behalf of Carpenters Local 792, I am providing this letter of support for the development of an Ambulatory Surgical Center on North Pointe's Health and Wellness campus in Roscoe, Illinois. Carpenters Local 792 covers Winnebago, Boone, and a portion of Ogle County, all of which have experienced high unemployment in the last few years. This project, while providing medical services for the region would help put many of our members to work.

In addition to providing a more efficient and cost effective outpatient surgery experience for residents of our local communities and Wisconsin, this development would offer much needed construction jobs for over a year during the North Pointe expansion. Another benefit of this project is the addition of 28 new full time jobs to the area.

The residents of Rockton, Roscoe, and South Beloit communities have benefitted from the development of the North Pointe Health and Wellness campus since its opening in 2007 by having high quality healthcare services provided locally. Additionally, we have found the Beloit Health System to be an active and responsible community partner, and value this and any future projects that would further benefit patients and their families within our community.

Sincerely,

Brad Long  
Business Agent



**Northwestern Illinois  
Building and Construction  
Trades Council**

AFFILIATED WITH THE  
BUILDING AND CONSTRUCTION TRADES DEPT.  
AFL-CIO  


212 South First Street, Suite 106  
Rockford, Illinois 61104

Telephone (815) 965-2282 (BCTC)  
Fax (815) 965-2277

November 25, 2013

Mr. Tim McKeveatt  
1969 West Hart Rd.  
Beloit, WI 53511

Dear Mr. McKeveatt,

On behalf of the Northwestern Illinois Building and Construction Trades Council, I am providing this letter of support for the development of an Ambulatory Surgical Center on North Pointe's Health and Wellness campus in Roscoe, Illinois. The Northwestern Illinois Building and Construction Trades Council is comprised of seventeen craft unions within eight counties in Northwestern Illinois, all of which have experienced high unemployment in the last few years. This project, while providing medical services for the region would help put many of our members to work.

In addition to providing a more efficient and cost effective outpatient surgery experience for residents of our local communities and Wisconsin, this development would offer much needed construction jobs for over a year during the North Pointe expansion. Another benefit of this project is the addition of 28 new full time jobs to the area.

The residents of Rockton, Roscoe, and South Beloit communities have benefitted from the development of the North Pointe Health and Wellness campus since its opening in 2007 by having high quality healthcare services provided locally. Additionally, we have found the Beloit Health System to be an active and responsible community partner, and value this and any future projects that would further benefit patients and their families within our community.

Sincerely,



Brad Long  
President

### 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.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	45,000	20,000	65,000
Site Survey and Soil Investigation	5,600	3,400	9,000
Site Preparation	155,000	66,404	221,404
Off Site Work	0	0	0
New Construction Contracts (Bldg. Only)	4,101,217	5,697,447	9,798,644
Modernization Contracts	48,900	0	48,900
Contingencies	300,000	150,000	450,000
Architectural/Engineering Fees	620,000	203,300	823,300
Consulting and Other Fees	41,800	13,918	55,718
Movable or Other Equipment (not in construction contracts)	2,700,000	301,200	3,001,200
Bond Issuance Expense (project related)	217,000	133,000	350,000
Net Interest Expense During Construction (project related)	253,600	155,400	409,000
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs To Be Capitalized	886,000	221,518	1,107,518
Acquisition of Building or Other Property (excluding land)	0	0	0
<b>TOTAL USES OF FUNDS</b>	<b>9,374,117</b>	<b>6,965,587</b>	<b>16,339,704</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	799,404	0	799,404
Pledges			0
Gifts and Bequests			.0
Bond Issues (project related)	8,574,713	6,965,587	15,540,300
Mortgages			0
Leases (fair market value)			0
Governmental Appropriations			0
Grants			0
Other Funds and Sources			0
<b>TOTAL SOURCES OF FUNDS</b>	<b>9,374,117</b>	<b>6,965,587</b>	<b>16,339,704</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>			

**Note: See Attachment 7, Project Costs and Services, Itemization / Allocation for detail.**

**Related Project Costs**

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price:	\$ _____	
Fair Market Value:	\$ _____	
The project involves the establishment of a new facility or a new category of service		
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, provide the dollar amount of all <b>non-capitalized</b> 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 \$ <u>214,660</u>		

**Project Status and Completion Schedules**

<b>For facilities in which prior permits have been issued please provide the permit numbers.</b>	
Indicate the stage of the project's architectural drawings:	
<input type="checkbox"/> None or not applicable	<input type="checkbox"/> Preliminary
<input checked="" type="checkbox"/> Schematics	<input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>September 16, 2016</u>	
Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):	
<input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.	
<input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies	
<input checked="" type="checkbox"/> Project obligation will occur after permit issuance.	
<b>APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

**State Agency Submittals (Not Applicable, Out of State Hospital)**

Are the following submittals up to date as applicable:
<input type="checkbox"/> Cancer Registry (NA)
<input type="checkbox"/> APORS (NA)
<input type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted (NA)
<input type="checkbox"/> All reports regarding outstanding permits (NA)
<b>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</b>

## 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>							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>							

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

## Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available**. Include **observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

<b>FACILITY NAME:</b> Beloit Memorial Hospital		<b>CITY:</b> Beloit, Wisconsin			
<b>REPORTING PERIOD DATES:</b> From: 1/1/2012 to: 12/31/2012					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	256	2,647	12,886	0	256
Obstetrics	-	672	1,479	-	-
Pediatrics	-	124	223	-	-
Intensive Care	-	552	1,767	-	-
Comprehensive Physical Rehabilitation	-	-	-	-	-
Acute/Chronic Mental Illness	-	-	-	-	-
Neonatal Intensive Care	-	-	-	-	-
General Long Term Care	-	-	-	-	-
Specialized Long Term Care	-	-	-	-	-
Long Term Acute Care	-	-	-	-	-
Other ((identify)	-	-	-	-	-
<b>TOTALS:</b>	256	3,995	16,355	0	256

## Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available**. Include **observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

<b>FACILITY NAME:</b> Beloit Memorial Hospital			<b>CITY:</b> Beloit, Wisconsin		
<b>REPORTING PERIOD DATES:</b> From: 1/1/2011 to: 12/31/2011					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	256	2,940	13,372	0	256
Obstetrics	-	725	1,595	-	-
Pediatrics	-	137	246	-	-
Intensive Care	-	602	1,926	-	-
Comprehensive Physical Rehabilitation	-	-	-	-	-
Acute/Chronic Mental Illness	-	-	-	-	-
Neonatal Intensive Care	-	-	-	-	-
General Long Term Care	-	-	-	-	-
Specialized Long Term Care	-	-	-	-	-
Long Term Acute Care	-	-	-	-	-
Other ((identify)	-	-	-	-	-
<b>TOTALS:</b>	256	4,404	17,139	0	256

**Beloit Memorial Hospital**  
**Surgery and Operating Room Utilization 2012**

Surgical Specialty	Operating Rooms		Surgical Cases		Surgical Hours		Hours per Case		
	Inpatient	Outpatient	Inpatient	Outpatient	Inpatient	Outpatient	Inpatient	Outpatient	
Cardiovascular	0	0	47	0	309.5	0	309.5	6.58	0
Dermatology	0	0	0	1	0	1	1	0	1
General	0	1	350	618	725	802	1527	2.67	1.8
Gastroenterology	0	0	20	13	0	0	0	1.8	1.88
Neurology	0	0	0	1	0	2	2	0	2
OB/Gynecology	0	1	264	384	546.48	702.72	1249.2	2.07	1.83
Oral/Maxillofacial	0	0	2	48	4	88	92	2	1.83
Ophthalmology	0	1	0	653	0	724.83	724.83	0	1.11
Orthopedic	0	1	304	747	752	941.22	1693.22	2.47	1.26
Otolaryngology	0	0	11	369	16.5	290	306.5	1.5	1.28
Plastic Surgery	0	0	0	1	0	0	0	0	0
Podiatry	0	0	14	132	21	217.8	238.8	1.5	1.65
Thoracic	0	0	0	0	0	0	0	0	0
Urology	0	1	97	251	236.68	353.91	590.59	2.44	1.41
Pain Management	0	0	0	250	0	250	250	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>1109</b>	<b>3468</b>	<b>2611.16</b>	<b>4373.48</b>	<b>6734.64</b>	<b>1.9191667</b>	<b>1.337037</b>
<b>Surgical Recovery Stations</b>	<b>Stage 1 Recovery Stations</b>	<b>6</b>	<b>Stage 2 Recovery Stations</b>	<b>13</b>					

**Dedicated and Non-Dedicated Procedure Room Utilization**

Procedure Type	Procedure Rooms		Surgical Cases		Surgical Hours		Hours per Case		
	Inpatient	Outpatient	Inpatient	Outpatient	Inpatient	Outpatient	Inpatient	Outpatient	
Gastrointestinal	0	0	749	2660	749	2660	3409	60	60
Laser Eye Procedures	0	0	0	0	0	0	0	0	0
Pain Management	0	0	0	0	0	0	0	0	0
Cystoscopy	0	0	0	0	0	0	0	0	0

**Beloit Memorial Hospital**  
**Surgery and Operating Room Utilization 2011**

Surgical Specialty	Operating Rooms		Surgical Cases		Surgical Hours		Hours per Case			
	Inpatient	Outpatient	Inpatient	Outpatient	Inpatient	Outpatient	Inpatient	Outpatient		
Cardiovascular	0	0	1	43	2	290.68	4	294.68	6.76	2
Dermatology	0	0	0	0	0	0	0	0	0	0
General	0	0	1	420	599	1612.8	1054.24	2667.04	3.84	1.76
Gastroenterology	0	0	0	21	1	36.33	4	0	1.73	4
Neurology	0	0	0	0	4	0	0	0	0	3
OB/Gynecology	0	0	1	312	401	664.56	593.48	1258.04	2.13	1.48
Oral/Maxillofacial	0	0	0	2	26	4	55.64	59.64	2	2.14
Ophthalmology	0	0	1	0	636	0	699.96	699.96	0	1.1
Orthopedic	0	0	1	322	694	1597	1152.04	2749.04	4.96	1.66
Otolaryngology	0	0	0	24	403	39.36	463.45	502.81	1.64	1.15
Plastic Surgery	0	0	0	0	2	0	4	4	0	2
Podiatry	0	0	0	13	159	19.5	251.22	270.72	1.5	1.58
Thoracic	0	0	0	0	0	0	0	0	0	0
Urology	0	0	1	101	253	235.33	422.51	657.84	2.33	1.67
Pain Management	0	0	0	0	217	0	217	217	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>1258</b>	<b>3397</b>	<b>4499.56</b>	<b>4921.54</b>	<b>9380.77</b>	<b>2.2408333</b>	<b>1.8876923</b>
<b>Surgical Recovery Stations</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
			Stage 1 Recovery Stations	6	Stage 2 Recovery Stations	13				

**Dedicated and Non-Dedicated Procedure Room Utilization**

Procedure Type	Procedure Rooms		Surgical Cases		Surgical Hours		Hours per Case			
	Inpatient	Outpatient	Inpatient	Outpatient	Inpatient	Outpatient	Inpatient	Outpatient		
Gastrointestinal	0	0	2	199	1229	199	1229	1428	1	1
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0
Pain Management	0	0	0	0	0	0	0	0	0	0
Cystoscopy	0	0	0	0	0	0	0	0	0	0

**Beloit Memorial Hospital**  
**Surgery and Operating Room Utilization 2010**

Surgical Specialty	Operating Rooms		Surgical Cases		Surgical Hours		Hours per Case		
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	1	1	34	1	231.88	6.82	1
Dermatology	0	0	0	0	0	0	0	0	0
General	0	0	1	1	412	720	947.6	2.3	1.67
Gastroenterology	0	0	0	0	11	10	18.26	1.66	1.5
Neurology	0	0	0	0	0	0	0	0	0
OB/Gynecology	0	0	1	1	315	404	686.7	2.18	1.4
Oral/Maxillofacial	0	0	0	0	1	15	2.5	2.5	2.26
Ophthalmology	0	0	1	1	0	692	519	0	0.75
Orthopedic	0	0	1	1	339	802	945.81	2.79	1.65
Otolaryngology	0	0	0	0	10	308	17.5	1.75	1.18
Plastic Surgery	0	0	0	0	0	0	0	0	0
Podiatry	0	0	0	0	9	175	14.49	1.61	1.55
Thoracic	0	0	0	0	0	0	0	0	0
Urology	0	0	1	1	108	274	265.68	2.46	1.59
Pain Management	0	0	0	0	0	205	0	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>1239</b>	<b>3606</b>	<b>3130.42</b>	<b>2.0058333</b>	<b>1.4136364</b>

**Surgical Recovery Stations**      Stage 1 Recovery Stations    6    Stage 2 Recovery Stations    13

**Dedicated and Non-Dedicated Procedure Room Utilization**

Procedure Type	Procedure Rooms		Surgical Cases		Surgical Hours		Hours per Case		
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	2	2	213	1205	213	1418	1
Laser Eye Procedures	0	0	0	0	0	0	0	0	0
Pain Management	0	0	0	0	0	0	0	0	0
Cystoscopy	0	0	0	0	0	0	0	0	0

**CERTIFICATION**

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

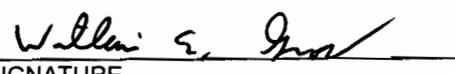
- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

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

  
 \_\_\_\_\_  
 SIGNATURE

Timothy M. McKeve  
 \_\_\_\_\_  
 PRINTED NAME

President, Beloit Health System, Inc.  
 \_\_\_\_\_  
 PRINTED TITLE

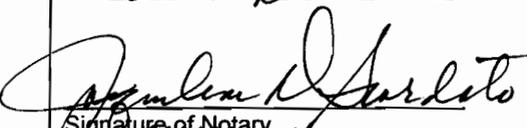
  
 \_\_\_\_\_  
 SIGNATURE

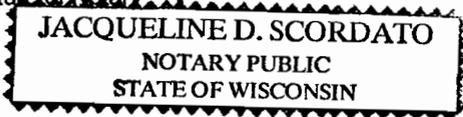
William Groeper  
 \_\_\_\_\_  
 PRINTED NAME

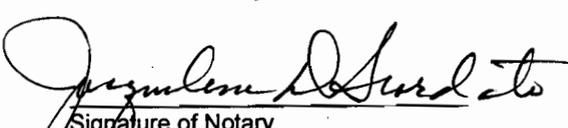
Vice President, Beloit Health System, Inc.  
 \_\_\_\_\_  
 PRINTED TITLE

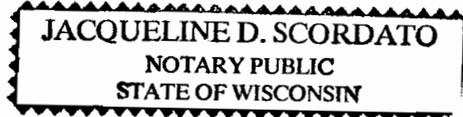
Notarization:  
 Subscribed and sworn to before me  
 this 5 day of December

Notarization:  
 Subscribed and sworn to before me  
 this 5 day of December

  
 \_\_\_\_\_  
 Signature of Notary

Seal 

  
 \_\_\_\_\_  
 Signature of Notary

Seal 

\*Insert EXACT legal name of the applicant

Note: Beloit Health System, Inc. is the applicant on the proposed development on its NorthPointe Health and Wellness Campus, Roscoe, Illinois.

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	42 – 43
2	Site Ownership	44 – 48
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	49 – 51
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	52 – 54
5	Flood Plain Requirements	55 – 57
6	Historic Preservation Act Requirements	58 – 59
7	Project and Sources of Funds Itemization	60 – 72
8	Obligation Document if required	73
9	Cost Space Requirements	74 – 75
10	Discontinuation	NA
11	Background of the Applicant	76 – 84
12	Purpose of the Project	85 – 113
13	Alternatives to the Project	114 – 130
14	Size of the Project	131 – 137
15	Project Service Utilization	138 – 142
16	Unfinished or Shell Space	143
17	Assurances for Unfinished/Shell Space	144 – 146
18	Master Design Project	NA
19	Mergers, Consolidations and Acquisitions	NA
	<b>Service Specific:</b>	
20	Medical Surgical Pediatrics, Obstetrics, ICU	NA
21	Comprehensive Physical Rehabilitation	NA
22	Acute Mental Illness	NA
23	Neonatal Intensive Care	NA
24	Open Heart Surgery	NA
25	Cardiac Catheterization	NA
26	In-Center Hemodialysis	NA
27	Non-Hospital Based Ambulatory Surgery	147 – 187
28	Selected Organ Transplantation	NA
29	Kidney Transplantation	NA
30	Subacute Care Hospital Model	NA
31	Children's Community-Based Health Care Center	NA
32	Community-Based Residential Rehabilitation Center	NA
33	Long Term Acute Care Hospital	NA
34	Clinical Service Areas Other than Categories of Service	188 – 192
35	Freestanding Emergency Center Medical Services	NA
	<b>Financial and Economic Feasibility:</b>	
36	Availability of Funds	193 – 196
37	Financial Waiver	197
38	Financial Viability	198
39	Economic Feasibility	199 – 204
40	Safety Net Impact Statement	205 – 208
41	Charity Care Information	209 – 210
	Audited Financials	211 – 275
	Appendix 1 – MapQuest Drive Times	276 – 293
	Appendix 2 – Physician Referral Attestation Letters and Data	294 – 401
	Appendix 3 – Impact Letters and Delivery Documentation	402 – 430

## ATTACHMENTS

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

**This Section must be completed for all projects.**

**Applicant /Co-Applicant Identification**

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

Exact Legal Name: Beloit Health System, Inc.
Address: 1969 W. Hart Road, Beloit, Wisconsin 53511
Name of Registered Agent: Gregory K. Britton
Name of Chief Executive Officer: Gregory K. Britton
CEO Address:1969 W. Hart Road, Beloit, Wisconsin 53511
Telephone Number: 608-364-5104



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

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

BELOIT HEALTH SYSTEM, INC., INCORPORATED IN WISCONSIN AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON OCTOBER 30, 1991, 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 A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS IN THE STATE OF ILLINOIS.



Authentication #: 1324102300  
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 29TH day of AUGUST A.D. 2013***

*Jesse White*

SECRETARY OF STATE

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Beloit Health System, Inc. successor to Beloit Memorial Hospital, Inc.
Address of Site Owner: 1969 W. Hart Road Beloit, Wisconsin 53511
Street Address or Legal Description of Site: <b>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.</b>
<b>APPEND DOCUMENTATION AS <u>ATTACHMENT-2</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

20175

(BRK) 04-21-200-003  
(BRK) 04-21-176-001  
(BRK) 04-21-126-005

11

Warranty Deed

04-21-200-001  
(Reserved for Recorder's Use Only)

3250.000  
RECEIVED DEC 12 2005  
SA FS

THIS INDENTURE  
WITNESSES, that the  
GRANTOR, FRWC

ROCKTON DEVELOPMENT, L.L.C., an Illinois limited liability company whose address is 4920 Forest Hills Road, Loves Park, Illinois, 61111, for and in consideration of the sum of One Dollar and other good and valuable considerations in hand paid, CONVEYS and WARRANTS to the GRANTEE, BELOIT MEMORIAL HOSPITAL, INC., the property which is LEGALLY DESCRIBED on the attached Exhibit A.

P.I.N. Numbers: 04-21-200-003 (Parcel I)  
04-21-126-005 and 04-21-176-001 (Parcel II)  
04-21-200-001 (Parcel III)

Subject to taxes for 2005 and subsequent years, covenants, restrictions, setbacks, and easements of record, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Dated this 8<sup>th</sup> day of December, 2005.

Affix Transfer Tax Stamp  
or  
"Exempt Pursuant to Section 31-45-B of  
the Real Estate Transfer Tax Law.  
12/8/05 B. [Signature]  
Date Buyer, Seller or  
Representative

FRWC Rockton Development, LLC

By: [Signature]  
V.P./ General Counsel  
William Charles Investments, Inc.  
Member

0574543 12/12/05 09:18A 1 of 4 RHSP  
Ken Staaf, Winnebago County Recorder

RocktonRoad-BeloitMemorial.DOC.12/7/05.CP



Exhibit A

04-21-200-001 } Pt NE 1/4 21-46-2  
04-21-200-003 }  
04-21-176-001 } Pt NW 1/4 21-46-2  
04-21-126-005 }

Part of the North Half (1/2) of Section Twenty-one (21), Township Forty-six (46) North, Range Two (2) East of the Third (3rd) Principal Meridian, bounded and described as follows, to-wit: Beginning at a point in the South line of the Northeast Quarter of said Section which bears South 88°-02'-52" West, 65.00 feet from the Southeast corner of the Northeast Quarter of said Section, said point being in the West Right-of-Way line of Willowbrook Road as said road is now located and laid out; thence South 88°-02'-52" West, along the South line of the Northeast Quarter of said Section, 2600.37 feet to the Southwest corner of the Northeast Quarter of said Section; thence South 88°-02'-52" West, along the South line of the Northwest Quarter of said Section, 1122.23 feet to a point which bears North 88°-02'-52" East, 1552.89 feet from the Southwest corner of the Northwest Quarter of said Section; thence North 01°-14'-31" West, parallel with the West line of said Section, 812.70 feet; thence North 44°-35'-17" East, 1300.00 feet; thence North 19°-24'-17" East, 282.01 feet; thence North 05°-36'-06" East, 634.14 feet to the South line of premises conveyed to the State of Illinois by Instrument recorded on Microfilm No. 6806-1585 in the Recorder's Office of Winnebago County, Illinois; thence North 88°-00'-21" East, along the South line of said last mentioned premises, 26.48 feet to the East line of the Northwest Quarter of said Section; thence North 00°-58'-54" West, along the East line of the Northwest Quarter of said Section and along the Southerly Right-of-Way line of Rockton Road, 10.00 feet; thence North 88°-06'-57" East, along said Southerly Right-of-Way line, 33.00 feet to the East line of the West 2 Rods of the Northwest Quarter of the Northeast Quarter of said Section; thence North 00°-58'-54" West, along the East line of the West 2 Rods of the Northwest Quarter of the Northeast Quarter of said Section, 40.01 feet to the North line of said Section; thence North 88°-06'-57" East, along the North line of said Section, 592.00 feet; thence South 00°-01'-32" West, 815.00 feet; thence South 55°-18'-23" East, 1911.47 feet; thence South 31°-21'-54" East, 430.00 feet; thence South 84°-44'-22" East, 220.00 feet to the West Right-of-Way line of Willowbrook Road as aforesaid; thence South 01°-04'-32" East, along said West Right-of-Way line, 289.82 feet to the point of beginning. Subject to the rights of the public and the State of Illinois in and to those portions thereof taken, used or dedicated for public road purposes. Situated in Winnebago County, Illinois.

0574543 12/12/05 09:18A 3 of 4  
Ken Staaf, Winnebago County Recorder



State of Illinois  
County of Winnebago

### AFFIDAVIT OF EXCEPTION TO THE PLAT ACT

0574543 12/12/05 09:18A 4 -765 ILCS 205  
Ken Staaf, Winnebago County Recorder of 4

Timothy H. Jusielski for FRC Rockton Development, LLC being duly sworn on oath, states that he/she  
resides at 4920 Forest Hills Road, Lakes Park Illinois 61111 and the attached deed represents:

#### Review and Initial the Exemption Which is Applicable to the Attached Deed:

The attached deed does not represent any type of division of an existing parcel of land.

The division or subdivision of land into parcels or tracts of five (5) acres or more in size which does not involve any new streets or easements of access.

The division of lots or blocks of less than one (1) acre in any recorded subdivision which does not involve any new streets or easements of access.

The sale or exchange of parcels of land between owners of adjoining and contiguous land.

The conveyance of parcels of land or interests therein for use as a right of way for railroads or other public utility facilities and other pipe lines, which does not involve any new streets or easements of access.

The conveyance of land owned by a railroad or other public utility which does not involve any new streets or easements of access.

The conveyance of land for highway or other public purpose or grants or conveyances relating to the dedication of land for public use or instruments relating to the vacation of land impressed with a public use.

The conveyance is made to correct descriptions in prior conveyances.

The sale or exchange of parcels or tracts of land following the division into no more than two (2) parts of a particular parcel or tract of land existing on July 17, 1959, and not involving any new streets or easements of access.

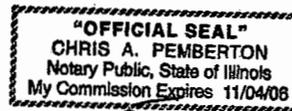
The sale of a single lot of less than five (5) acres from a larger tract when a survey is made by an Illinois Registered Land Surveyor; provided, that this exemption shall not apply to the sale of any subsequent lots from the same larger tract of land, as determined by the dimensions and configuration of the larger tract on October 1, 1973, and provided also that this exemption does not invalidate any local requirements applicable to the subdivision of land.

Note: Winnebago County's zoning ordinance states that newly created agriculture parcels with less than six (6) acres or frontage of less than 250 ft. requires a Special Use Permit. See the Regional Planning & Economic Development Department, Zoning Division, Room 301, for details.

Section 765 ILCS 205/5 of the Illinois Compiled Statutes states that whoever knowingly submits a false affidavit is in violation and may be prosecuted. This non-compliance may also result in your revision not being processed.

Affiant further states that this affidavit is made and submitted for the purpose of inducing the Recorder of Winnebago County, Illinois to accept the attached deed for recording.

Timothy H. Jusielski for FRC Rockton Development, LLC  
Signature



Subscribed and Sworn to Before Me On This 8th Day of December, 2005.

Notary: Chris Pemberton Notary's Signature (Notary seal)

This affidavit only ensures the Recorder's Office compliance with the State Plat Act. If the property is located within a municipality or within 1/2 miles of a municipality, local ordinances may apply. For your protection, it is recommended that you have this land division reviewed and approved by the municipality.

Name of Municipality Where Property is Located: \_\_\_\_\_

Municipal Planning Official's Signature	Print Name	Date
_____	_____	_____
Municipal Addressing Official's Signature (may be same as Planning Official)	Print Name	Date
_____	_____	_____

Property Address(es) is (are) attached:  Yes  No

Winnebago County Recorder's Office, Kenneth W. Staaf, Recorder  
404 Elm Street, Room 405, Rockford, IL 61101; Phone: 815-987-3100; FAX: 815-961-3261  
Form effective date: August 1, 2002

This form provided by:

**Operating Identity/Licensee**

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

Exact Legal Name: Beloit Health System, Inc. d/b/a Beloit Memorial Hospital

Address: 1969 W. Hart Road, Beloit, Wisconsin 53511

- |                                     |                           |                          |                     |                          |       |
|-------------------------------------|---------------------------|--------------------------|---------------------|--------------------------|-------|
| <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.
- o **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

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



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

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

BELOIT HEALTH SYSTEM, INC., INCORPORATED IN WISCONSIN AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON OCTOBER 30, 1991, 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 A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS IN THE STATE OF ILLINOIS.

***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 29TH day of AUGUST A.D. 2013***



Authentication #: 1324102300  
Authenticate at: <http://www.cyberdriveillinois.com>

*Jesse White*

SECRETARY OF STATE

**Illinois Business Authorization**

**BELOIT MEMORIAL HOSPITAL INC**  
**DBA: NORTHPOINTE HEALTH & WELLNESS**  
**5605 E ROCKTON RD**  
**ROSCOE IL 61073-7601**

**Loc. Code: 101-0007-5-001**  
**Roscoe**  
**Winnebago County**

**Certificate of Registration**

**Expiration Date:**  
**12/1/2017**

**Sales and use taxes and fees**

**(1262-2516)**

  
Director  
**DEPARTMENT OF REVENUE**  
**Issued Date: 12/01/2012**

IDOR-50-A (N-01/07)  
 IL-482-4163

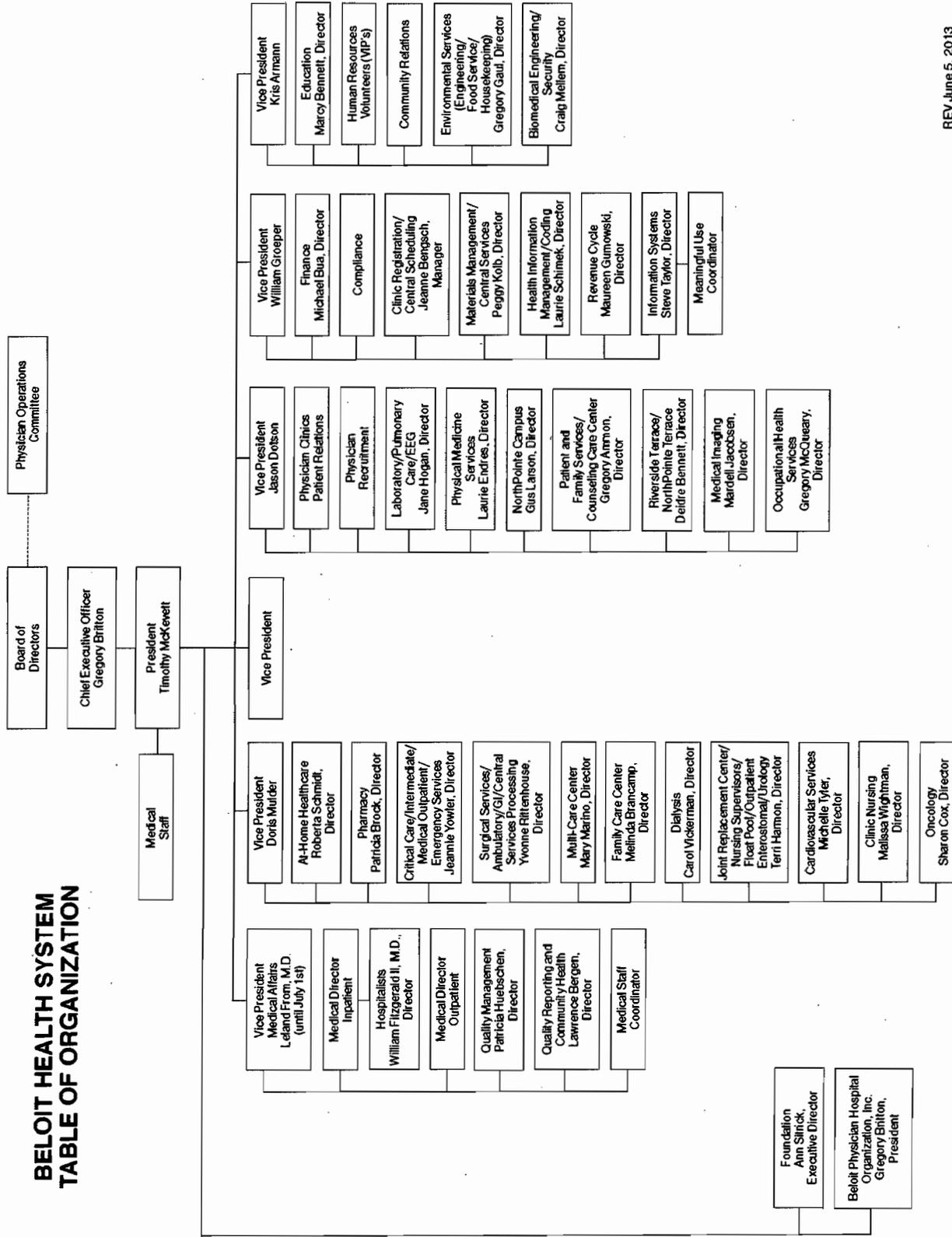
P-000124

### **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.**

# BELOIT HEALTH SYSTEM TABLE OF ORGANIZATION



REV JUNE 5, 2013



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

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

BELOIT HEALTH SYSTEM, INC., INCORPORATED IN WISCONSIN AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON OCTOBER 30, 1991, 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 A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS IN THE STATE OF ILLINOIS.



Authentication #: 1324102300  
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 29TH*  
*day of AUGUST A.D. 2013*

*Jesse White*

SECRETARY OF STATE

## 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.



Operated by Beloit Memorial Hospital

1905 E. Huebbe Parkway • Beloit, Wisconsin 53511-1842 • (608) 364-2200  
www.BeloitHealthSystem.org

October 21, 2013

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

Re: NorthPointe Health and Wellness Campus: Expansion outside of the Flood Plain

Dear Ms. Avery:

The attached map, as prepared by our Civil Engineering/Land Surveying Firm, R.H. Batterman and Co., Inc., confirms the proposed ASTC addition to the NorthPointe Health and Wellness pavilion is outside of the FIRM flood plain.

Should you have any questions please contact my office.

Sincerely,

Jason Dotson, MS, MBA, CMPE  
Vice President of Physician Clinics

JD:lb  
Enclosure

Cc: Mike Constantino  
Supervisor, Project Review

**At-Home Healthcare**  
1904 E. Huebbe Parkway  
Beloit, WI • (608) 363-5885

**Beloit Clinic**  
1905 E. Huebbe Parkway  
Beloit, WI • (608) 364-2200

**Clinton Clinic**  
307 Ogden Avenue  
Clinton, WI • (608) 676-2206

**Darien Clinic**  
300 N. Walworth Street  
Darien, WI • (262) 882-1151

**Janesville Clinic**  
1321 Creston Park  
Janesville, WI • (608) 757-1217

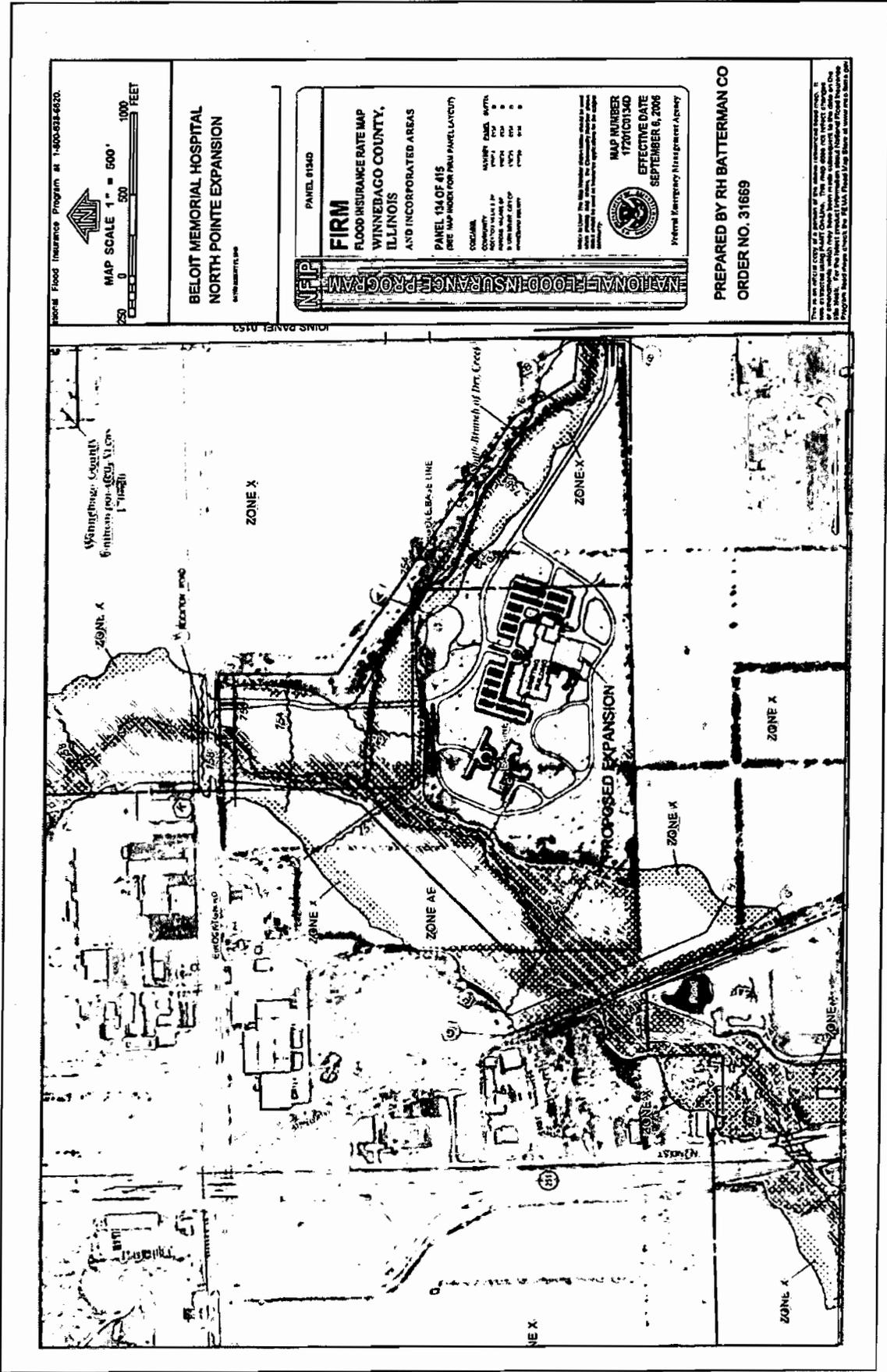
**NorthPointe Health & Wellness Campus**  
5605 E. Rockton Road  
Roscoe, IL • (815) 525-4000

**NorthPointe Terrace**  
5601 E. Rockton Road  
Roscoe, IL • (815) 525-4800

**Occupational Health Sports & Family Medicine Center**  
1650 Lee Lane  
Beloit, WI • (608) 362-0211

**Riverside Terrace**  
3055 S. Riverside Dr.  
Beloit, WI • (608) 365-7222

**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510



**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.



**Illinois Historic  
Preservation Agency**

FAX (217) 782-8161

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Winnebago County

Roscoe

CON - New Addition, NorthPointe Health and Wellness Campus  
5605 E. Rockton Road  
IHPA Log #013092713

October 10, 2013

Edwin Parkhurst, Jr.  
Prism Consulting Services Inc.  
Healthcare Consulting Division  
Building E, Suite 110  
800 Roosevelt Road  
Glen Ellyn, IL 60137

Dear Mr. Parkhurst:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). 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

*A teletypewriter for the speech/hearing impaired is available at 217-524-7128. It is not a voice or fax line.*

## 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.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	45,000	20,000	65,000
Site Survey and Soil Investigation	5,600	3,400	9,000
Site Preparation	155,000	66,404	221,404
Off Site Work	0	0	0
New Construction Contracts (Bldg. Only)	4,101,217	5,697,447	9,798,644
Modernization Contracts	48,900	0	48,900
Contingencies	300,000	150,000	450,000
Architectural/Engineering Fees	620,000	203,300	823,300
Consulting and Other Fees	41,800	13,918	55,718
Movable or Other Equipment (not in construction contracts)	2,700,000	301,200	3,001,200
Bond Issuance Expense (project related)	217,000	133,000	350,000
Net Interest Expense During Construction (project related)	253,600	155,400	409,000
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs To Be Capitalized	886,000	221,518	1,107,518
Acquisition of Building or Other Property (excluding land)	0	0	0
<b>TOTAL USES OF FUNDS</b>	<b>9,374,117</b>	<b>6,965,587</b>	<b>16,339,704</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	799,404	0	799,404
Pledges			0
Gifts and Bequests			.0
Bond Issues (project related)	8,574,713	6,965,587	15,540,300
Mortgages			0
Leases (fair market value)			0
Governmental Appropriations			0
Grants			0
Other Funds and Sources			0
<b>TOTAL SOURCES OF FUNDS</b>	<b>9,374,117</b>	<b>6,965,587</b>	<b>16,339,704</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>			

See also Attachment 7, Exhibits 1 and 2 for construction cost related information.

Preplanning

Facility Analysis	\$35,000
Project Costing	10,000
Consulting Fees	<u>20,000</u>
Total	<u>\$65,000</u>

Site Survey / Soils

Survey / Title	\$1,000
Flood Plain	1,000
Preliminary Geotechnical	<u>7,000</u>
Total	<u>\$9,000</u>

Site Preparation

Geotechnical	\$126,404
Rough Grading	65,000
Testing (Allowance)	<u>30,000</u>
Total	<u>\$221,404</u>

New Construction, Modernization, and Contingencies

See Attachment 7, Exhibits 1 and 2 as well as  
Attachments 9 and 39

Consulting and Other Fees

Physician Referral Analysis	\$20,000
MEP Capacity Survey	<u>35,718</u>
Total	<u>\$55,178</u>

Moveable Equipment

See attached list which totals to \$3,416,756 ... the amount to be purchased for the project has been revised from this initial compilation \$3,001,200

Other Costs to be Capitalized

Parking and Roadways	\$544,745
Minor Equipment	220,400
Signage / Artwork	20,000
Legal / CON Fees	179,000
Activation Costs	103,700
Insurance / Archive Fees / Misc.	<u>39,673</u>
Total	<u>\$1,107,518</u>



Date: Friday, December 6, 2013  
To: Douglas Wait  
From: Richard Bertovic  
CC: Ed Parkhurst  
RE: NorthPointe ASTC Schematic Design Construction Estimate

Mr. Wait,

Please see below for an explanation of cost differences when comparing NorthPointe ASTC to an RS Means SF rate. This should further explain why the SD Revision #3 estimate (dated 06/10/2013) would be in line with a high-end hospital SF rate as opposed to a Medical Clinic building.

Per Means, "SF rates reflect tremendous variation in SF costs throughout the country."

Project Costs (\$/SF)	¼	Median	¾
HOSPITALS	\$202	\$253	\$350
MEDICAL CLINICS	\$129	\$159	\$203

For Roscoe (Rockford), IL location factor **add 9.6%**. For size factor, median for hospitals is 55,000 SF. NorthPointe ASTC is 20,266SF. For size factors less than 50%, **cost multiplier is 1.1**

Rockford , 20,266SF (\$/SF)	¼	Median	¾
HOSPITALS	\$244	\$305	\$422
MEDICAL CLINICS	\$156	\$192	\$245

Notes:

- NorthPointe ASTC SD estimate Revision #3 was \$427/SF with minimal site work and no equipment. RS Means defines the ¼ rates as no site work or equipment, the median rates generally not including site work, and the ¾ rates as maybe including site work and equipment.
- NorthPointe ASTC is a relatively small addition surrounded on most of its exterior with an irregular full façade thus increasing envelope costs.
- Specialized use of the facility with program spaces within NorthPointe ASTC include MRI/CT scan/radiography rooms requiring high end protection, finishes, and structural components due to code requirements/state regulations as compared to typical medical clinic buildings with office space and exam rooms. This results in higher SF costs for both shell and core, and build outs.

Regards.

A handwritten signature in black ink, appearing to read 'R. Bertovic', with a large, stylized initial 'R'.

**Richard A. Bertovic**

Senior Cost Estimator

2 | Page

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**From:** Ed Parkhurst  
**Sent:** Thursday, December 05, 2013 8:26 AM  
**To:** 'Doug Wait'  
**Cc:** Jason Dotson; Gus Larson; Greg Gaul  
**Subject:** RE: NorthPointe ASTC ORIGINAL CONSTRUCTION COST

Doug,

If I am interpreting your information correctly, the incremental additional costs for the quality of the NorthPointe construction details is approximately \$33.00 per sq. ft. over Means ¾ costs in comparable \$.

Correct?

Ed

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**From:** Doug Wait [mailto:dwait@beloitmemorialhospital.org]  
**Sent:** Thursday, December 05, 2013 8:07 AM  
**To:** Ed Parkhurst  
**Cc:** Jason Dotson; Gus Larson; Greg Gaul; Doug Wait  
**Subject:** RE: NorthPointe ASTC ORIGINAL CONSTRUCTION COST

Ed:

To construct the original NorthPointe Pavilion, I estimate the cost was \$218.45 GSF. I used the actual GMP construction cost for the building and 50% of the 4.2 million dollar site work.

Having said that, if I use the following assumptions I would estimate had we built the entire NorthPointe Pavillion Building and 50% of the site in 2014 the estimated cost would be \$278.21 GSF.

Here is what is included in the assumptions.

- 1.) Inflation rates for 2009 through 2013 are per Engineering News Record's published Construction Cost Index.
- 2.) Inflation for 2007 and 2008 are an estimated 3%. I do not have ENR data for these years.
- 3.) Inflation for 2014 is 3%... the same as what is on the Concord SD estimate.
- 4.) Again, I can only guess that 50% of the site cost is for the pavilion.

Attached is back-up data for this assumption.

Thanks

Douglas H. Wait, CHFM, LEED AP  
Construction Coordinator  
Beloit Health System  
Phone: 608-363-5917  
Fax: 608-363-5716  
Cell: 608-314-4468

NorthPointe ASTC

Project:

MOUNTING KEY: C = CEILING  
CAB = CABINET

ITEM	LOCATION	ROOM NUMBER	NEW/REUS	QUANTITY	EQUIPMENT NAME	MANUFACTURER & MODEL#	SIZE (W x D x H)	UNIT COST	TOTAL COST
Exam Room				12	Needle box			\$ 70.00	\$ 840.00
Exam Room				12	Glove holder			\$ 18.00	\$ 216.00
Exam Room				12	PPE			\$ -	\$ -
Exam Room				12	Hand Sanitizer			\$ 3.00	\$ 36.00
Exam Room				12	Trash can			\$ 51.00	\$ 612.00
Exam Room				12	Phone			\$ 500.00	\$ 6,000.00
Exam Room				12	Television			\$ 200.00	\$ 2,400.00
Exam Room				12	Stretchers	Stryker Big Wheel		\$ 7,000.00	\$ 84,000.00
Exam Room				12	Guest Chair			\$ 275.00	\$ 3,300.00
Exam Room				12	Step Stool with Handle			\$ 61.00	\$ 732.00
Exam Room				12	Computer			\$ 900.00	\$ 10,800.00
Exam Room				12	Computer Swing Arm			\$ 500.00	\$ 6,000.00
Exam Room				12	Wall Art			\$ -	\$ -
Supplies				4	Exergen Temporal Thermometer	Exergen		\$ 100.00	\$ 400.00
Supplies				4	Dash v100 or GE Monitors			\$ 10,000.00	\$ 40,000.00
Supplies				3	Crutch Racks			\$ 200.00	\$ 600.00
Soiled Utility				1	Hopper	Built in		\$ -	\$ -
Soiled Utility				1	Linen Bin			\$ 120.00	\$ 120.00
Gas storage				2	O2 Holder Racks			\$ 150.00	\$ 300.00
Gas storage				1	Carbon Dioxide Rack			\$ 150.00	\$ 150.00
Gas storage				1	Nitrous Oxide Rack			\$ 150.00	\$ 150.00
P.A.T. Room				1	Television			\$ 300.00	\$ 300.00
P.A.T. Room				1	DVD Player			\$ 80.00	\$ 80.00
P.A.T. Room				1	Television Cart			\$ 200.00	\$ 200.00
P.A.T. Room				1	Blood Draw Chair			\$ 592.00	\$ 592.00
P.A.T. Room				1	Computer			\$ 900.00	\$ 900.00
P.A.T. Room				1	Needle box			\$ 70.00	\$ 70.00
P.A.T. Room				1	Glove holder			\$ 18.00	\$ 18.00
P.A.T. Room				1	PPE			\$ -	\$ -
P.A.T. Room				1	Redliner Patient Chair			\$ 2,000.00	\$ 2,000.00
P.A.T. Room				1	Phone			\$ 500.00	\$ 500.00
P.A.T. Room				2	Chair Guest			\$ 275.00	\$ 550.00
P.A.T. Room				1	Sofa			\$ 1,300.00	\$ 1,300.00
P.A.T. Room				1	Desk			\$ 1,000.00	\$ 1,000.00
P.A.T. Room				1	Trash can			\$ 56.00	\$ 56.00
Equipment Alcove				1	Portable Suction Device	Gomco		\$ 800.00	\$ 800.00
Equipment Alcove				1	Omni Cell			\$ 70,000.00	\$ 70,000.00
Equipment Alcove				1	Medication Refrigerator			\$ 2,500.00	\$ 2,500.00
Equipment Alcove				1	Blanket Warmer	Pedigo P-2030		\$ 880.00	\$ 880.00
Equipment Alcove				1	Medication Cart			\$ 750.00	\$ 750.00
Equipment Alcove				1	Refrigerator Patient Food			\$ 1,000.00	\$ 1,000.00
Equipment Alcove				1	Laundry Exchange Cart			\$ 500.00	\$ 500.00
Equipment Alcove				1	C.S. Exchange Cart			\$ 500.00	\$ 500.00
Equipment Alcove				1	Portable O2 tank (E Cylinder)			\$ 150.00	\$ 150.00
Conference Room				2	Blank	Question about fit-out		\$ -	\$ -
Registration Office				2	Computer			\$ 900.00	\$ 1,800.00
Registration Office				2	Telephone			\$ 500.00	\$ 1,000.00
Registration Office				2	Scanner			\$ 300.00	\$ 600.00

NorthPointe ASTC									
Project:									
MOUNTING KEY: C = CEILING CAB = CABINET									
ITEM	LOCATION	ROOM NUMBER	NEW/REUS	QUANTITY	EQUIPMENT NAME	MANUFACTURER & MODEL#	SIZE (W x D x H)	UNIT COST	TOTAL COST
	Registration Office			2	Chair Task			\$ 500.00	\$ 1,000.00
	Work Room			1	Printer/Fax/Scanner	IKON		\$ -	\$ -
	Records Room			1	Shelving	Metro		\$ 442.00	\$ 442.00
	Family Toilet Room			3	Paper Towel Dispenser	Built in		\$ -	\$ -
	Family Toilet Room			3	Soap Dispenser	Built in		\$ -	\$ -
	Waiting			20	Chair Waiting			\$ 300.00	\$ 6,000.00
	Peds Waiting			8	Chair Waiting			\$ 237.00	\$ 1,896.00
	Peds Waiting			1	Wall Toy			\$ 750.00	\$ 750.00
	Wheel Storage (front)			2	Wheel Chair			\$ 750.00	\$ 1,500.00
	Soiled Utility			1	Blank			\$ -	\$ -
	Female Locker Room			1		Question about fit-out		\$ -	\$ -
	Female Toilet/Shower			1		Question about fit-out		\$ -	\$ -
	Male Locker Room			1		Question about fit-out		\$ -	\$ -
	Male Toilet/Shower			1		Question about fit-out		\$ -	\$ -
	Staff Toilet			1	Paper Towel Dispenser	Built in		\$ -	\$ -
	Staff Toilet			1	Soap Dispenser	Built in		\$ -	\$ -
	Data Closet			3	Racks			\$ 500.00	\$ 1,500.00
	Data Closet			1	Switches			\$ 25,000.00	\$ 25,000.00
	Private Office			1	Desk			\$ 1,000.00	\$ 1,000.00
	Private Office			1	Chair Task			\$ 500.00	\$ 500.00
	Private Office			1	Computer			\$ 900.00	\$ 900.00
	Private Office			1	Telephone			\$ 500.00	\$ 500.00
	Private Office			1	Printer/Fax/Scanner	IKON		\$ -	\$ -
	Private Office			1	Wall Art			\$ -	\$ -
	Private Office/Conference			1	Desk			\$ 1,000.00	\$ 1,000.00
	Private Office/Conference			1	Chair Task			\$ 500.00	\$ 500.00
	Private Office/Conference			1	Computer			\$ 800.00	\$ 800.00
	Private Office/Conference			1	Telephone			\$ 500.00	\$ 500.00
	Private Office/Conference			1	Printer/Fax/Scanner	IKON		\$ -	\$ -
	Private Office/Conference			1	Wall Art			\$ -	\$ -
	Private Office/Conference			4	Chair Guest			\$ 300.00	\$ 1,200.00

NorthPointe ASTC									
Project:									
MOUNTING KEY: C = CEILING CAB = CABINET									
ITEM	LOCATION	ROOM NUMBER	NEW/REUS	QUANTITY	EQUIPMENT NAME	MANUFACTURER & MODEL#	SIZE (W x D x H)	UNIT COST	TOTAL COST
	Private Office/Conference			1	Table			\$ 1,500.00	\$ 1,500.00
	Central Office			1	Chair Task			\$ 500.00	\$ 500.00
				1	Computer			\$ 900.00	\$ 900.00
				1	Telephone			\$ 500.00	\$ 500.00
				1	Printer/Fax/Scanner	IKON		\$ -	\$ -
				1	Wall Art			\$ -	\$ -
	Physician Dictation Carol			3	Computer			\$ 900.00	\$ 2,700.00
	Physician Dictation Carol			3	Handheld Dictation Device			\$ 500.00	\$ 1,500.00
	Physician Dictation Carol			2	Telephone			\$ 500.00	\$ 1,000.00
	Imaging			1	Digital Portable			\$ 220,776.00	\$ 220,776.00
	Imaging			1	C-Arm			\$ 212,100.00	\$ 212,100.00
	Housekeeping Closet			1				\$ 1,700.00	\$ 1,700.00
	Med Station (O.R.)							\$ -	\$ -
	Major O.R.			2	O.R. Table			\$ 60,000.00	\$ 120,000.00
	Major O.R.			2	O.R. Lights			\$ 50,000.00	\$ 100,000.00
	Major O.R.			2	Cautery Machine (Ligasure)			\$ 25,000.00	\$ 50,000.00
	Major O.R.			2	Laparoscopic Tower			\$ 35,000.00	\$ 70,000.00
	Major O.R.			2	Anesthesia Machine			\$ 95,000.00	\$ 190,000.00
	Major O.R.			2	Anesthesia Monitor			\$ 50,000.00	\$ 100,000.00
	Major O.R.			2	BIS Monitor			\$ 8,000.00	\$ 16,000.00
	Major O.R.			2	PACS Computer Station			\$ 15,000.00	\$ 30,000.00
	Major O.R.			2	OR Back Table			\$ 700.00	\$ 1,400.00
								\$ -	\$ -
	Major O.R.			6	Chair			\$ 300.00	\$ 1,800.00
	Major O.R.			2	Mayo Stands			\$ 300.00	\$ 600.00
	Major O.R.			6	Ring Stand			\$ 650.00	\$ 3,900.00
	Major O.R.			2	Hamper			\$ 150.00	\$ 300.00
	Major O.R.			4	IV Pole			\$ 300.00	\$ 1,200.00
	Major O.R.			4	Kick Bucket			\$ 169.00	\$ 676.00
	Major O.R.			2	Work Station			\$ 3,000.00	\$ 6,000.00
	Major O.R.			8	Step Stool			\$ 61.00	\$ 488.00
	Major O.R.			2	Tourniquet			\$ 5,000.00	\$ 10,000.00
	Major O.R.			1	Arthroscopy Pump/Arthrotome			\$ 20,000.00	\$ 20,000.00
	Major O.R.			1	Hand Table			\$ 7,000.00	\$ 7,000.00
	Major O.R.			10	Case Cart			\$ 2,000.00	\$ 20,000.00
	Major O.R.			1	Crash Cart			\$ 4,500.00	\$ 4,500.00
	Major O.R.			1	Positioning Equipment			\$ 8,000.00	\$ 8,000.00
	Major O.R.			1	Phaco Machine			\$ 65,000.00	\$ 65,000.00
	Major O.R.			1	Defibrillator			\$ 20,000.00	\$ 20,000.00
	Major O.R.			2	Light Source			\$ 3,000.00	\$ 6,000.00
	Major O.R.			1	Nerve Stimulator			\$ 15,000.00	\$ 15,000.00
	Major O.R.			1	Difficult Intubation Equipment			\$ 7,000.00	\$ 7,000.00
	Major O.R.			1	Ultrasound Machine			\$ 100,000.00	\$ 100,000.00
	Major O.R.			1	Flash Sterilizer			\$ 55,000.00	\$ 55,000.00
	Major O.R.			1	Microscope			\$ 96,000.00	\$ 96,000.00
	Major O.R.			1	Neoprobe			\$ 50,000.00	\$ 50,000.00
	Major O.R.			1	Beach Chair			\$ 8,000.00	\$ 8,000.00
	Major O.R.			1	Neptune			\$ 35,000.00	\$ 35,000.00
	Major O.R.			2	Narcotics Locker, small steel double lock			\$ 800.00	\$ 1,600.00

NorthPointe ASTC

Project:

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ITEM	LOCATION	ROOM NUMBER	NEW/REUS	QUANTITY	EQUIPMENT NAME	MANUFACTURER & MODEL#	SIZE (W x D x H)	UNIT COST	TOTAL COST
	Scrub Station (O.R.)			2	Soap Dispenser			\$ 50.00	\$ 100.00
	Major Procedure			2	Colonoscopy Scopes			\$ 38,650.00	\$ 77,300.00
	Major Procedure			1	Colonoscopy Tower			\$ 50,000.00	\$ 50,000.00
	Major Procedure			1	Sterilizing machine for GI			\$ 35,000.00	\$ 35,000.00
	Major Procedure			1	Leak Tester	existing		\$ -	\$ -
	Major Procedure			1	Computers			\$ 900.00	\$ 900.00
	Major Procedure			1	Scope Storage with Vents			\$ 8,000.00	\$ 8,000.00
	Major Procedure			2	Stretchers	GI Procedure		\$ 10,000.00	\$ 20,000.00
	Blood Bank			1	Blood Refrigerator			\$ 12,000.00	\$ 12,000.00
	Blood Bank			1	Reagent Refrigerator			\$ 4,000.00	\$ 4,000.00
	Blood Bank			1	Blood Freezer			\$ 15,000.00	\$ 15,000.00
	Blood Bank			1	Blood Bank Cell Washer			\$ 8,500.00	\$ 8,500.00
	Blood Bank			1	Centrifuge			\$ 5,000.00	\$ 5,000.00
	Blood Bank			1	Blood Bank Immuruge			\$ 4,500.00	\$ 4,500.00
	Blood Bank			1	Computers			\$ 900.00	\$ 900.00
	Blood Bank			1	Platelet Incubator			\$ 10,000.00	\$ 10,000.00
	Blood Bank			1	Plasma Thawing Bath			\$ 8,000.00	\$ 8,000.00
	Blood Bank			1	Microscope			\$ 10,000.00	\$ 10,000.00
	Blood Bank			1	Cell Heating Block			\$ 2,000.00	\$ 2,000.00
	Blood Bank			1	Small Equipment			\$ 15,000.00	\$ 15,000.00
	Blood Bank							\$ -	\$ -
	Blood Bank			1	Bar Code Printer/Reader			\$ 250.00	\$ 250.00
	Scrub Station (Major)			2	Soap Dispenser			\$ -	\$ -
	Scrub Station (Major)							\$ -	\$ -
	Linen Storage			1	Linen Exchange Cart			\$ 500.00	\$ 500.00
	Crash Cart Alcove			1	Crash Cart			\$ 3,000.00	\$ 3,000.00
	Clean Supply							\$ -	\$ -
	Nurse Charting			2	Computers			\$ 900.00	\$ 1,800.00
	Nurse Charting			2	Telephone			\$ 500.00	\$ 1,000.00
	Nurse Charting			1	Printer/Fax/Scanner	IKON		\$ -	\$ -
	Nurse Charting			2	Chair Task			\$ 500.00	\$ 1,000.00
	Clean Supply (in unit)							\$ -	\$ -
	Housekeeping Closet			1				\$ 1,200.00	\$ 1,200.00
	Instruments			3	OSTEOMED			\$ 1,415.00	\$ 4,245.00
	Instruments			3	MICRO ORTHO INSTRUMENTS			\$ 1,166.00	\$ 3,498.00
	Instruments			4	SMALL BONE SET			\$ 6,597.00	\$ 26,388.00
	Instruments			2	EYE SUTURE			\$ 1,043.00	\$ 2,086.00
	Instruments			8	MAJOR PAN			\$ 2,610.00	\$ 20,880.00
	Instruments			5	MINOR INSTRUMENTS			\$ 1,445.00	\$ 7,225.00
	Instruments			1	CSYTO SCOPES AND INSTRUMENTS			\$ 26,453.00	\$ 26,453.00

NorthPointe ASTC

Project:

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ITEM	LOCATION	ROOM NUMBER	NEW/REUS	QUANTITY	EQUIPMENT NAME	MANUFACTURER & MODEL#	SIZE (W x D x H)	UNIT COST	TOTAL COST
Instruments				3	CORE SMALL POWER SYSTEM			\$ 15,275.00	\$ 45,825.00
Instruments				2	STYRKER CORDLESS POWER 2			\$ 17,862.00	\$ 35,724.00
Instruments				4	BMEI			\$ 1,100.00	\$ 4,400.00
Instruments				1	LACRIMAL DUCT			\$ 200.00	\$ 200.00
Instruments				7	CATARACT			\$ 9,100.00	\$ 63,700.00
Instruments				1	PLASTICS			\$ 1,900.00	\$ 1,900.00
Instruments				1	RECTAL INSTRUMENT PAN			\$ 2,900.00	\$ 2,900.00
Instruments				2	CIRCUMSICION			\$ 150.00	\$ 300.00
Instruments				4	CAMERA & LIGHT CABLE SET			\$ 9,200.00	\$ 36,800.00
Instruments				2	ARTHROTOME/REMOTE			\$ 1,600.00	\$ 3,200.00
Instruments				2	ARTHROSCOPY INSTRUMENTS			\$ 24,000.00	\$ 48,000.00
Instruments				2	ARTHROSCOPY SET - JOHNSON			\$ 22,000.00	\$ 44,000.00
Instruments				1	ULTRAFIX ARTH SHOULDER			\$ 14,500.00	\$ 14,500.00
Instruments				1	SHOULDER INSTRUMENTS			\$ 5,400.00	\$ 5,400.00
Instruments				1	ORAL TEETH INSTRUMENTS			\$ 3,100.00	\$ 3,100.00
									\$ -
STERILIZER				1	Sterrad NX			\$ 45,600.00	\$ 45,600.00
STERILIZER				1	Steris 100S			\$ 117,000.00	\$ 117,000.00
STERILIZER				1	Steam Sterilizer			\$ 90,000.00	\$ 90,000.00
CS				1	Stainless steel tables, storage, utility carts,			\$ 10,000.00	\$ 10,000.00
CS				1	Aquabox - suction sucker			\$ 8,000.00	\$ 8,000.00
Sonic ultrasound				1	CAVIWAVE SONIC CONSOLE - 20 GAL (L-R WORKFLOW)			\$ 46,730.00	\$ 46,730.00
Sonic ultrasound				1	40 AMP MINIMUM CIRCUIT PROTECTION (INSTALLED ON UNIT)			\$ 1,149.00	\$ 1,149.00
Sonic ultrasound				1	SONIC, CLEANING, TAP-WATER RINSING & DRYING CYCLE L TO R 60 HZ			\$ 30,226.26	\$ 30,226.26
Sonic ultrasound				1	T21 SGL CHAMBER W/D IPS PROGRAM PLATES/BARCODE FORM			\$ 76.06	\$ 76.06
Sonic ultrasound				1	MESH BASKET WITH HANDLES			\$ 120.70	\$ 120.70
Sonic ultrasound				1	HAMO LS2000 COVER FOR BASKET 90 DEGREE			\$ 78.35	\$ 78.35
SINKS				1	CLEAN-UP CTR W/5 SINKS 128L PTD-STL R-L FLOW NO END SPLASH			\$ 12,148.37	\$ 12,148.37
WASHER/DI				1	RELIANCE HOLD DOWN SCREEN			\$ 223.05	\$ 223.05
SINFECTOR				1	NON-VENTED FOR SYNERGY WASHER (INSTALLED ON UNIT)			\$ 926.57	\$ 926.57
WASHER/DI				1	RELIANCE SYNERGY WASHER/DISINFECTOR 480V,3PH,3-WIRE,60HZ-ELECTRIC (SFDA 2008			\$ 60,290.41	\$ 60,290.41
SINFECTOR				1	CONNECTION KIT RELIANCE 130 WASHER (CONNECTASSURE)			\$ 987.84	\$ 987.84
WASHER/DI				1	INSTRUMENT LUBRICATION (INSTALLED ON UNIT)			\$ 1,730.53	\$ 1,730.53
SINFECTOR				1	4 LEVEL MANIFOLD RACK(NON-COMPATIBLE WITH VISION MC)			\$ 3,470.72	\$ 3,470.72
WASHER/DI				1	130L CW 480V DPD ASS FAN DET2 DDCD			\$ 90,000.00	\$ 90,000.00
SINFECTOR									
Equipment Alcove				1	Pharmaceutical Disposal Black Box			\$ 16.00	\$ 16.00
Equipment Alcove				1	Chippers			\$ 250.00	\$ 250.00
Equipment Alcove				1	Trash can			\$ 56.00	\$ 56.00
Equipment Alcove				2	Recycling Plastic Bin			\$ 50.00	\$ 100.00
Nourishment Alcove				1	Microwave Patient			\$ 300.00	\$ 300.00
Nourishment Alcove				1	Ice Maker			\$ 2,700.00	\$ 2,700.00

NorthPointe ASTC									
Project:									
MOUNTING KEY: C = CEILING CAB = CABINET									
ITEM	LOCATION	ROOM NUMBER	NEW/REUS	QUANTITY	EQUIPMENT NAME	MANUFACTURER & MODEL#	SIZE (W x D x H)	UNIT COST	TOTAL COST
	Nourishment Alcove			2	Coffee Air Pots			\$ 50.00	\$ 100.00
	Equipment Alcove			1	Scale Patient	SECA		\$ 680.00	\$ 680.00
	Nourishment Alcove			1	Trash can			\$ 56.00	\$ 56.00
	Equipment Alcove			1	Computer			\$ 1,000.00	\$ 1,000.00
	Equipment Alcove			1	Telephone			\$ 500.00	\$ 500.00
	Clean Supply Room			6	Stretchers Eye Carts	Steris		\$ 7,000.00	\$ 42,000.00
	Clean Supply Room			6	Meal Tray Holder			\$ 40.00	\$ 240.00
	Clean Supply Room			1	Storage Unit Lockable	Metro		\$ 3,000.00	\$ 3,000.00
	Clean Supply Room			1	Slider Board			\$ 200.00	\$ 200.00
	Clean Supply Room			1	Slider Board Wall Hanger			\$ 3.00	\$ 3.00
	Wheelchair Storage			3	Wheelchair			\$ 500.00	\$ 1,500.00
	Charting Work Area			1	Computer			\$ 900.00	\$ 900.00
	Charting Work Area			1	Telephone			\$ 500.00	\$ 500.00
	Charting Work Area			1	Printing/Fax/Scan	IKON		\$ -	\$ -
	Charting Work Area			1	Computer			\$ 900.00	\$ 900.00
	Charting Work Area			1	Telephone			\$ 500.00	\$ 500.00
	Charting Work Area			1	Printing/Fax/Scan	IKON		\$ -	\$ -
	Charting Work Area			5	Medication Scanner Handheld	Care Fusion		\$ -	\$ -
	Staff Lounge			0	Television			\$ -	\$ -
	Staff Lounge			1	Refrigerator Staff Food			\$ 1,000.00	\$ 1,000.00
	Staff Lounge			1	Microwave Staff			\$ 300.00	\$ 300.00
	Staff Lounge			1	Toaster			\$ 50.00	\$ 50.00
	Staff Lounge			1	Bulletin Board			\$ 87.00	\$ 87.00
	Staff Lounge			8	Chair Dining			\$ 300.00	\$ 2,400.00
	Staff Lounge			2	Table Dining			\$ 425.00	\$ 850.00
	PACU			3	Monitor			\$ 6,300.00	\$ 18,900.00
				3	Needle box			\$ 70.00	\$ 210.00
				3	Glove holder			\$ 18.00	\$ 54.00
				3	PPE			\$ -	\$ -
				3	Computer			\$ 900.00	\$ 2,700.00
				3	Computer Swing Arm			\$ 500.00	\$ 1,500.00
				1	Crash Cart			\$ 3,000.00	\$ 3,000.00
				1	Intubation Cart			\$ 1,400.00	\$ 1,400.00
				3	Suction Wall			\$ -	\$ -
				3	Oxygen Wall			\$ -	\$ -
				1	Monitor Portable for Transfers			\$ 6,300.00	\$ 6,300.00
				3	Ambu Bag			\$ 30.00	\$ 90.00
	PACU Support Equipment Storage			1	Omni Cell			\$ 70,000.00	\$ 70,000.00
				1	Medication Refrigerator			\$ 1,000.00	\$ 1,000.00
				1	Blanket Warmer			\$ 880.00	\$ 880.00
				1	Sanitation Wipe Warmer	Sage Products		\$ -	\$ -
				1	Bair Hugger Warming Device	Use Products Device is rental free		\$ -	\$ -



**Project Status and Completion Schedules**

**For facilities in which prior permits have been issued please provide the permit numbers.**

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): September 16, 2016

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.

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

## 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>							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>							

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



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

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

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

READ THE REVIEW CRITERION and provide the following required information:

##### **BACKGROUND OF APPLICANT**

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

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

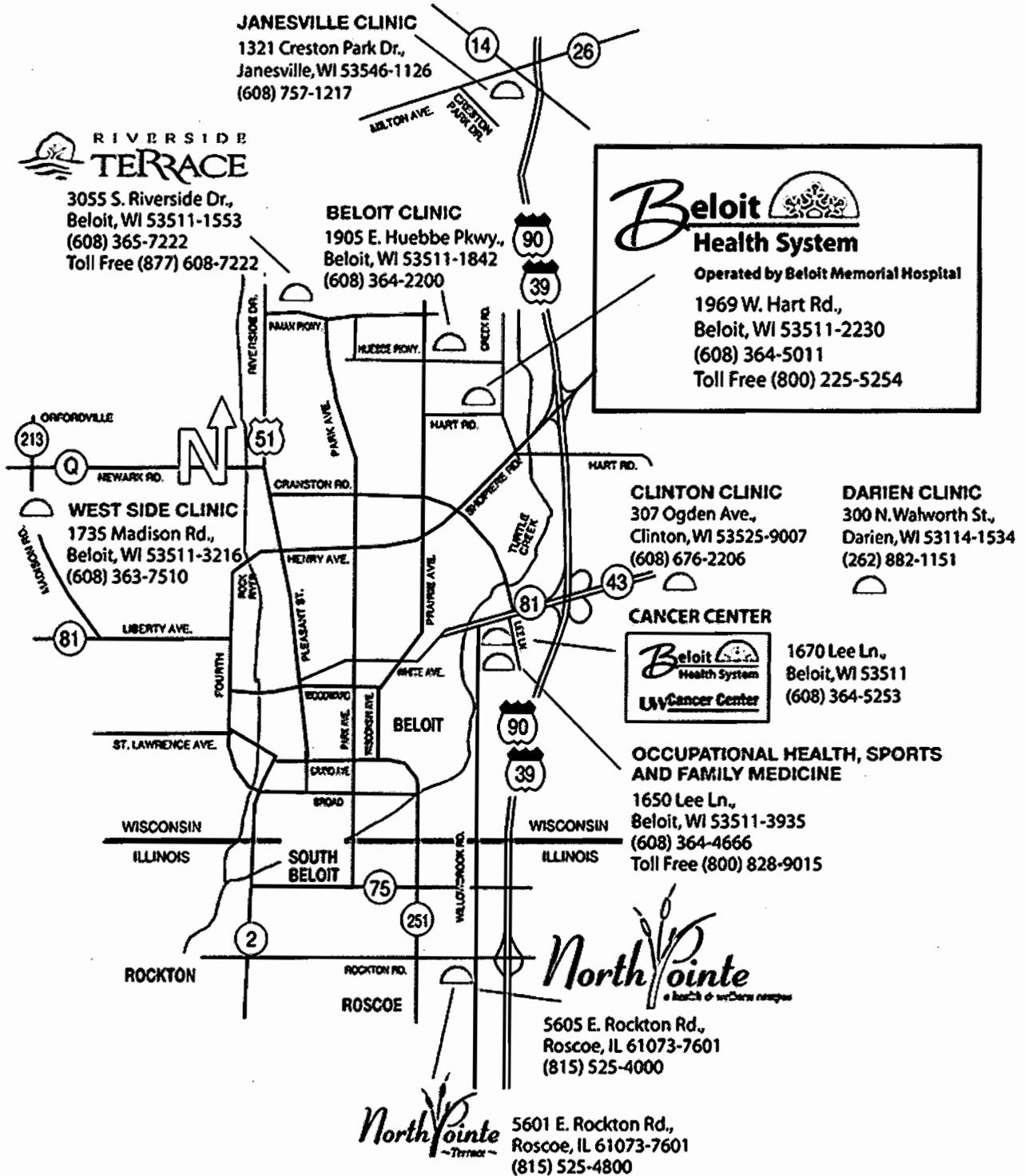
## BACKGROUND OF APPLICANT

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

See Attachment 11, Exhibit 1 for copies of License and Accreditation.

<u>Facility Name</u>	<u>Location</u>	<u>License</u>	<u>Joint Commission Accreditation</u>
At-Home Healthcare	1905 E. Huebbe Parkway Beloit, Wisconsin 53511	C of A #67 Wisconsin	ID #7620
Beloit Memorial Hospital	1969 W. Hart Road Beloit, Wisconsin 53511		
Beloit Clinic	1950 E. Huebbe Parkway Beloit, Wisconsin 53511		
Beloit Health System UW* Cancer Center	1670 Lee Lane Beloit, Wisconsin 53511		
Clinton Clinic	307 Ogden Avenue Clinton, Wisconsin 53525		
Darrien Clinic	300 N. Walworth Darien, Wisconsin 53114		
Janesville Clinic	1321 Creston Park Drive Janesville, Wisconsin 53545		
NorthPointe Health and Wellness Campus	5605 E. Rockton Road Roscoe, Illinois 61073		
NorthPointe Terrace – Assisted Living	5605 E. Rockton Road Roscoe, Illinois 61073		
Occupational Health, Sports, and Family Medicine	1650 Lee Lane Beloit, Wisconsin 53511		
Riverside Terrace – Assisted Living	3055 S. Riverside Drive Beloit, Wisconsin 53511		
Sports Medicine Center	1950 Lee Lane Beloit, Wisconsin 53511		
West Side Clinic	1735 Madison Road Beloit, Wisconsin 53511		

\* Under construction



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.

See Attachment 11, Exhibit 2

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.

See Attachment 11, Exhibit 2



# The State of Wisconsin

Department of Health Services  
Division of Quality Assurance

## CERTIFICATE OF APPROVAL

This is to certify that **BELOIT HEALTH SYSTEM, INC**  
doing business as **BELOIT MEMORIAL HOSPITAL**  
at the location **1969 W HART RD**  
**BELOIT, WI 53511**

License Number: 67

Effective Date: 11/01/2010

Initial Date: 01/02/1966

is licensed to operate a **GENERAL ACUTE HOSPITAL** in **ROCK COUNTY, WISCONSIN**

License Type: **REGULAR**

This license is granted for a maximum capacity of **256 total beds.**

General beds: 256

Alcohol beds: 0

Psychiatric beds: 0

Rehab beds: 0

The Facility Profile/Biennial Report is available at this facility for inspection upon request.  
This license will remain in effect unless expired, suspended, revoked or voluntarily surrendered. Any and all exceptions, stipulations, or conditions to this license shall be posted next to the license certificate.

*Karen E. Timberlake*

Karen E. Timberlake, Secretary DHS

This license is not transferrable or assignable



March 8, 2013

Gregory K. Britton  
President/CEO  
Beloit Health System  
1969 West Hart Road  
Beloit, WI 53511

Joint Commission ID #: 7620  
Program: Hospital Accreditation  
Accreditation Activity: 60-day Evidence of  
Standards Compliance  
Accreditation Activity Completed: 03/07/2013

Dear Mr. Britton:

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 Hospitals

This accreditation cycle is effective beginning October 20, 2012. 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,

A handwritten signature in cursive script that reads 'Mark Pelletier'.

Mark G. Pelletier, RN, MS  
Chief Operating Officer  
Division of Accreditation and Certification Operations



March 8, 2013

Re: # 7620  
CCN: #520100  
Program: Hospital  
Accreditation Expiration Date: October 20, 2015

Gregory K. Britton  
President/CEO  
Beloit Health System  
1969 West Hart Road  
Beloit, Wisconsin 53511

Dear Mr. Britton:

This letter confirms that your October 16, 2012 - October 19, 2012 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on January 18, 2013 and March 06, 2013, the areas of deficiency listed below have been removed. The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of October 20, 2012. We congratulate you on your effective resolution of these deficiencies.

§482.23 Nursing Services  
§482.24 Medical Record Services  
§482.26 Radiologic Services  
§482.41 Physical Environment  
§482.42 Infection Control  
§482.51 Surgical Services

The Joint Commission is also recommending your organization for continued Medicare certification effective October 20, 2012. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency.

This recommendation applies to the following locations:

Beloit Clinic  
1905 Huebbe Parkway, Beloit, WI, 53511

Beloit Health System  
1969 West Hart Road, Beloit, WI, 53511

[www.jointcommission.org](http://www.jointcommission.org)

Headquarters  
One Renaissance Boulevard  
Oakbrook Terrace, IL 60181  
630 792 5000 Voice



Clinton Office  
307 Ogden Ave, Clinton, WI, 53525

Darien Medical Center  
300 North Walworth, Darien, WI, 53114

Janesville Occupational Health & Medical Center  
1321 Creston Park Drive, Janesville, WI, 53545

NorthPointe Health and Wellness Campus  
5605 East Rockton Road, Roscoe, IL, 61073

Occupational Health & Sports Medicine Center  
1650 Lee Lane, Beloit, WI, 53511

West Side Medical Center  
1735 Madison Road, Beloit, WI, 53511

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS  
Chief Operating Officer  
Division of Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services  
CMS/Regional Office 5 /Survey and Certification Staff

[www.jointcommission.org](http://www.jointcommission.org)

Headquarters  
One Renaissance Boulevard  
Oakbrook Terrace, IL 60181  
630 792 5000 Voice

December 5, 2013

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

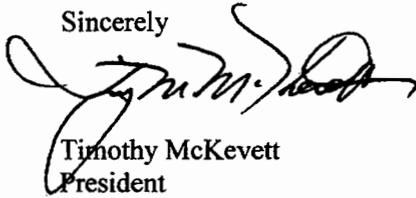
Re: NorthPointe Health and Wellness Campus  
Applicant Background

Dear Ms. Avery,

In accordance with Criterion 1110.230, Applicant Background, I:

1. Certify there has not been any adverse action taken against any facility owned or operation by the Beloit Health System during the three-years prior to filing this CON permit application; and
2. Authorize the HFSRB and IDPH to access any documents necessary to verify the information submitted, including, but not limited to official records of IDPH or other State agencies, the licensing and certification records of other states, as applicable, and the records of nationally recognized accreditation organizations.

Sincerely

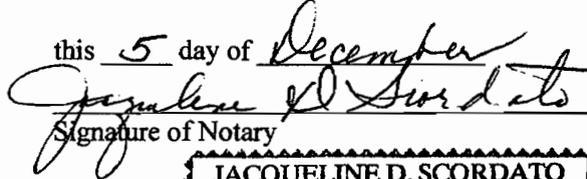


Timothy McKeveatt  
President

Notarization:

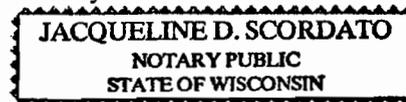
Subscribed and sworn to before me

this 5 day of December



Signature of Notary

Seal



**At-Home Healthcare**  
1904 E. Huebbe Parkway  
Beloit, WI • (608) 363-5885

**Beloit Clinic**  
1905 E. Huebbe Parkway  
Beloit, WI • (608) 364-2200

**Clinton Clinic**  
307 Ogden Avenue  
Clinton, WI • (608) 676-2206

**Darien Clinic**  
300 N. Walworth Street  
Darien, WI • (262) 882-1151

**Janesville Clinic**  
1321 Creston Park  
Janesville, WI • (608) 757-1217

**NorthPointe Health & Wellness Campus**  
5605 E. Rockton Road  
Roscoe, IL • (815) 525-4000

**NorthPointe Terrace**  
5601 E. Rockton Road  
Roscoe, IL • (815) 525-4800

**Occupational Health Sports & Family Medicine Center**  
1650 Lee Lane  
Beloit, WI • (608) 362-0211

**Riverside Terrace**  
3055 S. Riverside Dr.  
Beloit, WI • (608) 365-7222

**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

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

#### Purpose of the Project – Criterion 1110.230(b)

##### 1. Healthcare Improvement

The project proposes to develop a 4-room ASTC on Beloit Health System's NorthPointe Health and Wellness Campus in Roscoe, Illinois. The workload / utilization will be relocated from Beloit Memorial Hospital to decompress the existing surgical and GI suites which have demonstrated expansion requirements (see Attachment 13). In addition, research indicates care in an ASTC is less expensive and provides higher quality care (see Attachment 12, Exhibit1) thereby improving population health.

Although not directly related to the proposed ASTC, the need for which is based on relocating existing Hospital outpatient surgery and GI cases, there is a demonstrable need for better access to healthcare services in Winnebago County, Illinois (see Attachment 12, Exhibit 2). The primary source of Illinois patients who are currently served by the referring physicians (see Attachment 27 and Appendix 2). The existing NorthPointe Campus has, since its opening, improved access in the stateline area.

2. Planning Area / Market Area

The planning area / market area is defined by the current patient origin for the proposed relocated cases (see Attachment 27, Exhibit 27.3) based on the physician referral letters and a 45-minute drive time from the NorthPointe Campus (see Attachment 27, Exhibit 27.5).

3. Existing problems / issues

Attachment 13 outlines the lack of adequate OR's and GI procedure rooms at Beloit Memorial Hospital as well as indicating the Hospital design as primarily based on an inpatient care facility care delivery model. The facility was not originally designed to effectively and efficiently accommodate outpatient services. As care models have shifted from inpatient to outpatient care, Beloit Memorial has adapted, yet its facilities are inadequate and not contemporary; hence, the decision to develop an ASTC on the System's NorthPointe Campus.

4. Information Sources

Various sources were used in Beloit Health System's decision-making process including, but not limited to, internal analysis, architectural analysis, research such as that outlined in this attachment, and the alternatives defined herein. Attachment 12, Exhibit 3 provides information on ASTC development trends which more specifically states patient choice for ASTC's in lieu of being in the hospital environment.

5. Anticipated improvements

This ASTC project, when implemented, will:

- a. Decompress Beloit Memorial Hospital's existing surgical and GI suites thereby allowing the Hospital program to focus on inpatient care programs.

- b. Provide a more suitable environment for ambulatory surgery and GI procedures for the referring physicians existing patients thereby improving the care experience and associated quality in a more cost effective and efficient setting consistent with certain ACA goals (see Attachment 12, Exhibit1)
- c. Improve population health status by providing necessary surgical services more proximal to patients residences in an outpatient environment which reduces the risk of nosocomial infections prevalent in an inpatient environment.

6. Goals / Objectives

Beloit Health System has identified the following:

- a. Reduce scheduling delays by 20% due to the need for additional operating and GI room capacity to accommodate current utilization.
- b. Reduce associated case time by 5 to 10% due to the efficiency inherent in an ASTC.
- c. Reduce surgery related infections due to the inherent lower risk level in an ASTC. A target goal has not been set.

7. Modernization

The proposed NorthPointe ASTC will decompress the existing Beloit Memorial Hospital surgery and GI suites thereby allowing current facilities to be upgraded and modernized, over time. Attachment 13 provides additional information.

8. Equipment

New equipment will be purchased for the NorthPointe ASTC. (See Attachment 7, Exhibit 3)

**Costs and Benefits of Competing Health Care Providers:  
Trade-Offs in the Outpatient Surgery Market**

Elizabeth L. Munnich\*  
Department of Economics  
University of Louisville

Stephen T. Parente  
Carlson School of Management  
University of Minnesota

September 2013

**ABSTRACT**

Over the past 30 years, outpatient surgery has become an increasingly important part of medical care in the United States. This paper examines ambulatory surgery centers (ASCs), which have been praised as a low-cost, convenient alternative to outpatient surgery in hospitals, but criticized for “cream skimming” profitable patients and procedures, important sources of revenue for general hospitals. For a national sample of Medicare patients that varies over time and controlling for physician fixed effects, we show that ASCs treat healthier patients than hospital outpatient departments—the highest risk quartile of patients were half as likely to be treated in an ASC than those in the healthiest quartile. Controlling for patient characteristics, we find that ASCs perform procedures faster than hospital outpatient departments. Combined with the fact that ASCs receive lower reimbursements than hospitals, outpatient surgery is less costly in ASCs. To the extent that ASCs provide cheaper and faster care than hospitals, we then consider whether they do so at the expense of quality of care. Using the variation in ASC use generated by exogenous changes in Medicare payments, we find that treatment in an ASC is associated with better health outcomes, holding patient risk constant; in fact, high-risk patients treated in an ASC are less likely to be admitted to a hospital within 7 days of an outpatient surgery, and less likely to visit an ER on the same day as an outpatient surgery. These results suggest that health policy planners have to trade off the superior and cheaper treatment in ASCs against the subsidy outpatient surgeries provide to hospitals.

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\* Corresponding author: Department of Economics, University of Louisville, Louisville, KY 40292 (Tel. +1 502 852 4841, E-mail [beth.munnich@louisville.edu](mailto:beth.munnich@louisville.edu)). Data for this analysis were available through Health Systems Innovation (HSI) Network LLC and accessed by Elizabeth Munnich as an HSI Business Associate. We are grateful to Bill Evans, Jim Sullivan, and Kasey Buckles for helpful feedback and suggestions. This paper also benefitted from comments by Lauren Hersch Nicholas and participants of the Midwest Health Economics Conference and the Kellogg School of Management Conference on Healthcare Markets, as well as seminar participants at the University of Notre Dame, Cornell University, Vanderbilt University, Bryn Mawr College, Indiana University School of Public and Environmental Affairs, University of Wisconsin-Milwaukee, Abt Associates, University of Minnesota Carlson School of Management, University of Louisville, W.E. Upjohn Institute for Employment Research, and Chicago Federal Reserve Bank. All errors are our own.



# Community Health Needs Assessment 2013

## Saint Anthony Medical Center

Winnebago County

Prepared by Dr. Laurence G. Weinzimmer and Professor Eric J. Michel

# Executive Summary

**The Winnebago County Community Health-Needs Assessment (CHNA) is an undertaking by Saint Anthony Medical Center to highlight the health needs and well-being of residents in Winnebago County.**

## **Why Focus on the Health Needs of Winnebago County?**

Results from this study can be used for strategic decision making purposes as they directly relate to the health needs of the community.

The study was designed to assess issues and trends impacting the communities served by the hospital, as well as perceptions of targeted stakeholder groups.

Specifically, this assessment provides a detailed analysis of:

- (1) Winnebago County region community health needs using secondary data; and
- (2) An assessment of perceptions and behaviors regarding health-related challenges in the community, including accessibility to needed health care.

1

Through this needs assessment, collaborative community partners have identified numerous health issues impacting individuals and families in the Winnebago County region. Several themes are prevalent in this health-needs assessment – the demographic composition of the Winnebago County region, the predictors and prevalence of diseases, leading causes of mortality, accessibility to health services and healthy behaviors.

Specifically, team members included representatives from Saint Anthony Medical Center, members of the Rockford Health Council, administrators from the County Health Department, physicians/administrators from clinics serving the at-risk population, and representation from the United Way.

# Methodology

The community health-needs assessment is divided into three distinct phases.

## PHASE I

The collection of existing secondary data to develop a comprehensive health profile and identify strategic inferences.

The CHNA includes detailed analyses of secondary data to assess information regarding the health status of the community. In order to perform these analyses, information was collected from numerous secondary sources, including publicly available sources, such as County-based data, as well as private sources of data, such as hospital-specific data. Strategic implications are discussed at the end of each chapter. Specifically, findings from secondary sources of data highlight several critical areas of community needs.

## PHASE II

Survey data collection to assess perspectives of key stakeholders, including those with special knowledge. This includes a concerted effort to target the at-risk population in the region.

To collect data in this study, two surveying techniques were used. First, a pilot study was created to test the psychometric properties and statistical validity of the survey instrument. Second, online and paper surveys were employed to gain insight into resident perceptions of the community. To specifically target the at-risk population, surveys were distributed at all homeless shelters and soup kitchens. In sum, a total of 851 residents were surveyed with 94 respondents using a version translated into Spanish.

## PHASE III

A summary of key health-related issues. Using an importance/urgency matrix methodology, health-related needs are prioritized.

The identification and prioritization of the most important health-related issues in the Winnebago County region are identified in Phase III. After summarizing all of the issues in the Community Health Needs Assessment, a comprehensive assessment of existing community resources was performed to identify the efficacy to which health-related issues were already being addressed. Approximately 80 organizations that serve the needs of the Winnebago County region were identified. Finally a collaborative effort of leaders in the healthcare community used an importance/urgency methodology to identify the most critical issues in the area.

# Phase 1: Demographics

## *Increasing Elderly Population -*

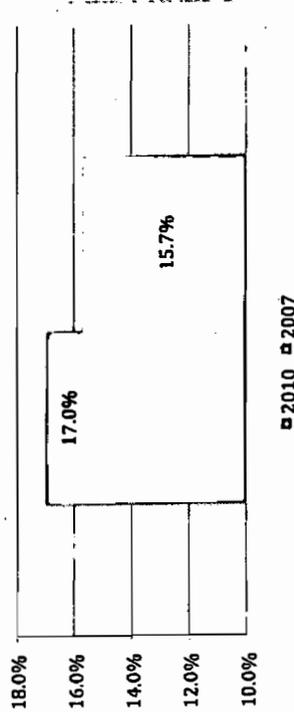
While the 62 and older population increased between 2007 and 2010, subsets of the Winnebago County population also increased during the same time period. National forecasts estimate that individuals over age 65 will increase by one-third by 2022. In Winnebago County, the percentage of individuals 55-59, 60-64, 65-74, and 85 years and over increased between 2007 and 2010.

As individuals age and live with disabilities, it greatly impacts the degree of self-sufficiency and medical care required to maintain satisfactory well-being. With the changing demographics resulting from the aging of baby boomers, it is anticipated the Winnebago County region will experience an increase in the number of elderly individuals living with the difficulties of disabilities and chronic conditions, such as diabetes, asthma, and heart disease, and obesity will contribute to the growing cost of health care.

## Demographics

including increasing of the elderly population, depression, risky behaviors, and poverty will have significant impact on the health needs of the Winnebago County Region

**Population of Winnebago County 62 Years of Age and Over, 2010 vs. 2007**



3

# Phase 1: Demographics

## Risky Behaviors

Data from the Illinois Behavioral Risk Factor Surveillance System (BRFSS) suggests 20.2% of Winnebago County residents identify as smokers, compared to 18.8% of residents across the State of Illinois.

23.1% of Winnebago County respondents engage in binge drinking versus 17.5% of respondents across the State of Illinois. Both figures exceed the US national 90th percentile benchmark of 8%.

In Winnebago County, the past 30-day use is higher for alcohol use (8th graders and 12th graders) and marijuana use (8th graders and 12th graders) when compared to State of Illinois averages.

Birth rates to teenage mothers and sexually transmitted infections exceed the State of Illinois averages, with rates for chlamydia and gonorrhea in Winnebago County exceeding the state average since 1990.

## Mental Health

There was a 20% increase in the growth rate of Winnebago County residents reporting they felt mentally unhealthy on 8 or more days per month between 2006 (13.8%) and 2009 (16.5%). For comparison, there was an 11% increase in the growth rate of Illinois residents reporting they felt mentally unhealthy on 8 or more days per month between 2006. Furthermore, rates in Winnebago County (16.5%) exceed the State of Illinois average (13.8%).



4

# Phase 1: Demographics

## Poverty

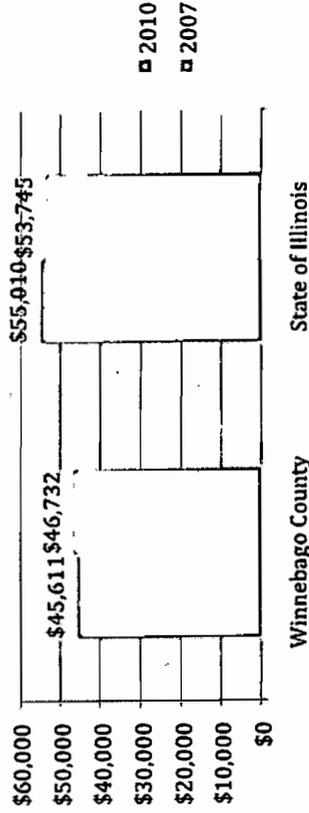
Poverty has a significant impact on the development of children and youth. The Winnebago County region has seen a 24% increase in families living in poverty between 2007 to 2010. Data from 2010 indicate poverty rates in Winnebago County have increased for three categories of families: all families, married-couple families, and families led by single-mothers with no husband present.

However, the percentage of Winnebago County families led by single-mothers with no husband present is 10% higher than the State of Illinois average (28.5%).

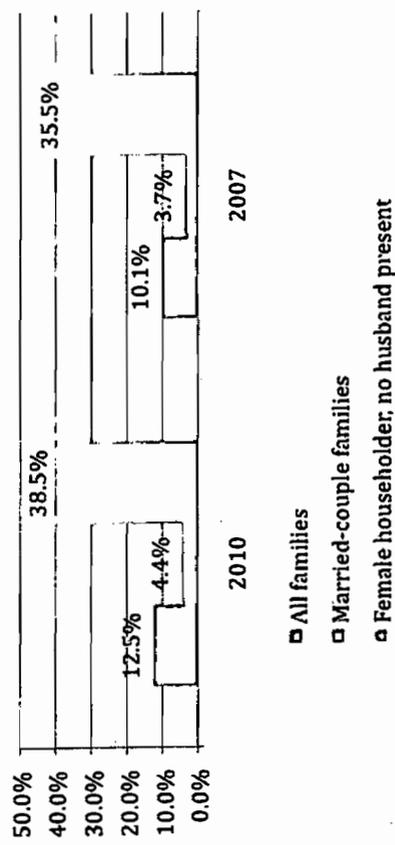
In 2010, the median household income in Winnebago County was nearly \$10,000 less than the State of Illinois average.

Regarding employment data, for the years 2007 to 2011, the Winnebago County unemployment rate significantly exceeded that of the State of Illinois unemployment rate.

**Median Household Income for Winnebago County, 2007 vs. 2010**



**Percentage of Families Living in Poverty in Winnebago County, 2010 vs. 2007**

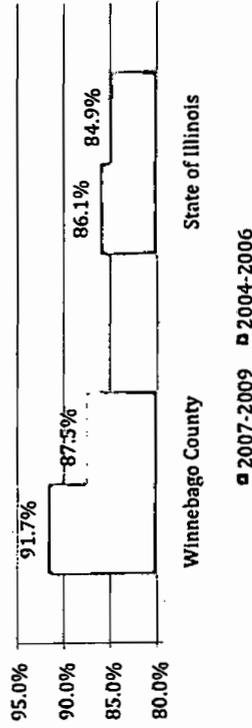


# Phase 1: Access to Health Services

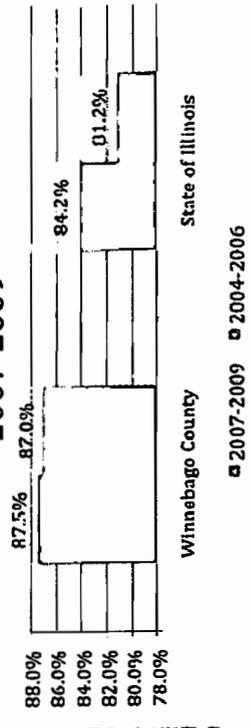
## Accessibility to Health Care

The lack of insurance coverage is more prevalent among socioeconomically disadvantaged groups that are often at high risk for disease and illness. Thus, a vicious cycle results where individuals who are at the highest risk for diseases are unable to receive screenings, thus perpetuating a cycle of disease. This is compounded by unhealthy lifestyles.

**Percentage of Winnebago County Respondents with Health Care Coverage, 2004-2006 vs. 2007-2009**



**Percentage of Winnebago County Region Respondents with a Usual Health Care Provider, 2004-2006 vs. 2007-2009**



**Dental Care:** 19.5% of Winnebago County residents did not see a dentist in the last year compared to 19.8% of residents across the State of Illinois did not visit a dentist in the last year.

Research suggests that private health insurance companies cover nearly 1/3 of national health expenditures. Medicare covered approximately 20.2% of national health expenditures in 2010, up nearly 4% since 2000. According to the Illinois BRFSS, 22.5% of Winnebago County residents rely on Medicare coverage as their primary insurance coverage. Recent data suggest 91.7% of Winnebago County residents possess medical health care coverage. This percentage is well above the 86% response rate for the State of Illinois.

# Phase 1: Predictors of Morbidity and Mortality

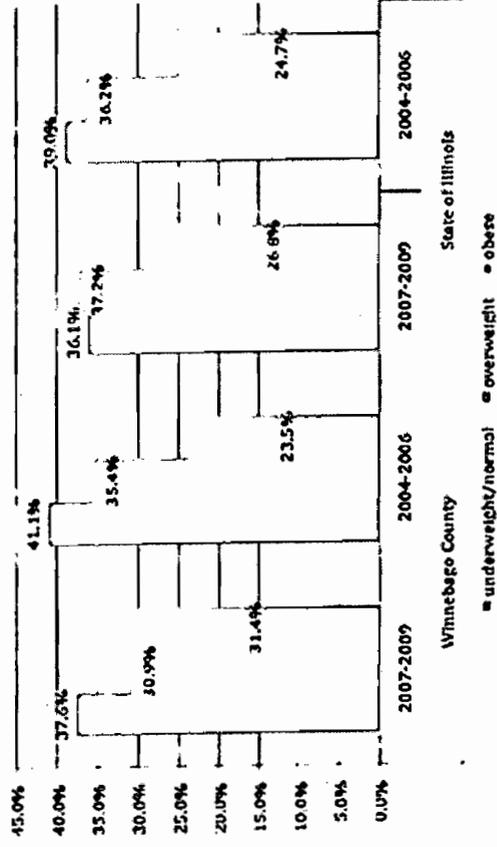
## Predictors of Morbidity and Mortality

Research concludes that predictors such as obesity, drug abuse, alcohol abuse and unhealthy habits such as poor diet and lack of exercise dramatically impact incidence of both morbidity and mortality

**Obesity** - Research strongly suggests that obesity is a significant problem facing youth and adults nationally, in Illinois, and within the Winnebago County region. In terms of individuals who are obese, rates in Winnebago County are higher than the state average. Considering Illinois has the 6th highest obesity rate in the United States, this is an important issue. Accordingly, the U.S. Surgeon General characterized obesity as "the fastest-growing, most threatening disease in America today."

Data from 2010 indicate 64% of Illinois adults are obese or overweight, with a disproportionate number of obese or overweight individuals living in rural areas.

Percentage of People Diagnosed as Overweight or Obese in Winnebago County and Illinois



Within the Winnebago County region, leading indicators suggest obesity is a growing concern.

With regard to nutrition, evidence suggests residents in the Winnebago County region are not eating enough fruits and vegetables. Between 2007 and 2009, 84% of Winnebago County region residents consumed less than 5 servings of fruits or vegetables per day.

24% of Winnebago County region residents report that they did not participate in any leisure-time physical activities or exercises during the past 7 month.

# Phase 1: Predictors of Morbidity and Mortality

## *Consequences of Obesity for Children...*

According to the Obesity Prevention Initiative from the Illinois General Assembly, 20% of Illinois children are obese. With children, research has linked obesity to numerous chronic diseases including Type II diabetes, hypertension, high blood pressure, and asthma. Adverse physical health side effects of obesity include orthopedic problems with weakened joints and lower bone density. Detrimental mental health side effects include low self-esteem, poor body image, symptoms of depression and suicide ideation. Obesity impacts educational performance as studies suggest that overweight students miss one day of school per month on average and school absenteeism of obese children is six times higher than that of non-obese children.

## *...and Adults*

With adults, obesity has far-reaching consequences. Obesity-related illnesses contribute to worker absenteeism, slow workflow, and high worker compensation rates. A Duke University study on the effects of obesity in the workforce noted 13 times more missed workdays by obese employees than non-obese employees. Nationwide, lack of physical activity and poor nutrition contribute to an estimated 300,000 preventable deaths per year. The financial costs of obesity are staggering, as the estimated annual medical costs attributed to obesity in Illinois for 1998-2000 exceeded \$3.4 billion.



# Phase 1: Morbidity and Mortality Issues

## Morbidity and Mortality Issues

Several different disease categories have been identified as very important to the community

Heart disease, the second leading cause of death in Winnebago County, is impacted by the following related cardiovascular conditions:

**Hypertension** – High blood pressure, which is also known as hypertension, is dangerous because it forces the heart to work extra hard to pump blood out to the rest of the body and contributes to the development of the hardening of arteries and heart failure. Data from the Illinois BRFSS suggest an increase in the percentage of Winnebago County residents having high cholesterol between 2006 (22.2%) and 2009 (30.3%) and data from Rockford area hospitals report the number of cases of inpatient hypertension complication has increased 36% between 2009 (111 cases) and 2012 (151 cases).

**Congenital cardiac anomalies** – Defined as any structural or functional abnormality or defect of the heart, congenital heart anomalies are a major cause of neonatal distress and the most common cause of death in the newborn other than problems related to prematurity.

**Dysrhythmia and cardiac arrest** – Cases of dysrhythmia and cardiac arrest at Rockford area hospitals have increased by 4% between 2009 (844 cases) and 2012 (878 cases) for inpatient admissions. Of particular interest, cases of dysrhythmia and cardiac arrest in individuals age 18-44 have increased by 37% during the same time frame for inpatient admissions.

**Cardiovascular Disease** – The number of cases of other cardiovascular disease at Rockford area hospitals has increased 16% between 2009 (270 cases) and 2012 (313 cases).

**Cases of stroke** – Cases of stroke at Rockford area hospitals have decreased by 6% between 2009 (807 cases) and 2012 (762 cases) for inpatient admissions.

9

# Phase 1: Morbidity and Mortality Issues

Other prevalent issues in the McLean County Region include:

## **Chronic obstructive pulmonary**

**disease (COPD)** – The number of cases of COPD for individuals 45-64 years of age and older at Rockford area hospitals from the Winnebago region has increased 10% between 2009 (293 cases) and 2012 (322 cases).

## **Diabetes**

- Diabetes is the leading cause of kidney failure, adult blindness and amputations and is a leading contributor to strokes and heart attacks. It is estimated that 90-95% of individuals with diabetes have Type II diabetes (previously known as adult-onset diabetes).

Data from the Illinois BRFSS indicate that 9% of Winnebago County Region residents have diabetes. Compared to data from 2006, the prevalence of diabetes has increased in Winnebago County.

**Cancer** – Cancer is the leading cause of death in Winnebago County.

Three types of cancer are becoming more prevalent in the Winnebago County region: breast, pancreatic, and leukemia. The number of cases of inpatient breast cancer at Rockford area hospitals increased 53% between 2009 (68 cases) and 2012 (104 cases). The number of cases of inpatient pancreatic cancer at Rockford area hospitals increased 10% between 2009 (31 cases) and 2012 (34 cases). The number of cases of inpatient leukemia at Rockford area hospitals increased 20% between 2009 (25 cases) and 2012 (30 cases).

**Overall, the leading causes of death in Winnebago County include malignant neoplasm at 25%, diseases of the heart at 24%, followed by chronic lower respiratory disease at 6%, accidents at 5%, and cerebrovascular disease at 5%.**

# Phase 2: Survey Results

## Misperceptions of Community Health Issues

Inconsistencies exist  
between people's  
perception of health  
issues and actual  
data

**Lung Disease** – Residents of Winnebago County also rate lung disease relatively low despite data from the Rockford area hospitals indicating an increase in the number of cases of COPD between 2009 and 2012. COPD is a contributing factor of lung disease.

**Dental** – Residents of Winnebago County also rate dental relatively low despite data from the Illinois BRFSS suggesting nearly 20% of residents have not seen a dentist in two or more years.

**Sexual Health** – Residents in Winnebago County rate sexually transmitted infections (STIs) relatively low compared to actual cases of STIs. Data from the Illinois Department of Public Health indicate rates for chlamydia and gonorrhea in Winnebago County have exceeded the state average since 1990. Residents of Winnebago County rate teenage pregnancy relatively low despite data indicating the teen pregnancy rate in Winnebago County (13.6%) significantly exceeded the State of Illinois rate (9.6%) in 2009.

11

# Phase 2: Survey Results

## Perceptions of the Importance of Access to Health Services

Access to health services was one of the most important determinants to quality of life. Access to health services was particularly important among older individuals residing in Winnebago County.

**Physical Exercise** - Men are more likely to engage in physical exercise, while homeless residents are not. Only 11% of the population engages in exercise 5 or more times a week.

**Healthy Eating** - Only 4% of the population consumes at least the minimum recommended servings of fruits/vegetables in a day. Those that are more likely to have healthy eating habits include older residents, people with higher educations and more income.

**Decrease Smoking** - Smoking is on the decline; however, less educated people, younger people, Black residents, lower income respondents and homeless people are still more likely to smoke.

**Self-Perceptions of Health** - In terms of self-perceptions of physical and mental health, over 90% of the population indicated that they were in average or good physical health. Similar results were found for residents' self-perceptions of mental health.

**Healthy Behaviors**  
Several issues relating to healthy behaviors were identified

12

# Phase 2: Survey Results

**Choice of Medical Care** - Only 62% of people living in deep poverty seek medical services at a clinic or doctor's office. For this segment of the population, it is very common to seek medical services from an emergency department (18%), or even more concerning is that 9% of this segment of the population will not seek any medical services at all.

**Access to Medical Care and Prescription Medications** - Over 28% of the population living in deep poverty indicated there was a time in the last year when they were not able to get medical care when needed. The leading causes were lack of insurance and inability to afford a copayment or deductible. Similar results were found for access to prescription medication.

**Access to Dental Care** - While significant research exists linking dental care to numerous diseases, including heart disease, less than 50% of the aggregate Winnebago County population had a checkup in the last year. Specifically, younger respondents, Black ethnicity, less educated people and lower income were less likely to visit a dentist.

**Access to Counseling** - Approximately 16% of people living in deep poverty indicated they were not able to get counseling when they needed it over the last 12 months. Leading indicators are lower education, lower income and homelessness. While affordability and insurance were the leading reasons, fear and embarrassment were also significant.

**Access to Information** - Across categories, residents of the Winnebago County area get most of their medical information from doctors.

**Type of Insurance** - Across Winnebago County, the most prevalent type of insurance is private or commercial; however, those living in poverty are disproportionately more reliant on Medicaid. For those living in poverty, 24% do not have any type of insurance at all. 13

**Access to  
Medical  
Services**

Several issues  
relating to health  
service access in  
Winnebago County  
were identified

# Phase 3: Prioritization of Community Health-Related Issues

Specific criteria used to identify these issues included:

- (1) magnitude to the community;
- (2) strategic importance to the community;
- (3) existing community resources;
- (4) potential for impact; and
- (5) trends and future forecasts

The collaborative team identified the seven most critical health-related issues in the Winnebago County region as:

### *Community Misperceptions*

Based on results from the survey, respondents incorrectly perceived "sexually transmitted infections", "lung disease", "teen pregnancy," and "dental" as being relatively less important health concerns to the community. These results conflict with existing data. As previously mentioned, rates for chlamydia and gonorrhea in Winnebago County have exceeded the state average since 1990; the number of cases of COPD, a contributing factor of lung disease, increased for older individuals at Rockford area hospitals between 2009 and 2012; teen pregnancy rates in Winnebago County (13.6%) exceed the State of Illinois rate (9.6%) for 2009; and dental data suggests nearly 20% of Winnebago County residents have not seen a dentist in two or more years.

### *Risky Behaviors - Substance Abuse*

Youth substance usage in Winnebago County exceeds the State of Illinois averages for 12th graders (alcohol and marijuana usage). Youth substance usage in Winnebago County also exceeds the State of Illinois averages for 8th graders (alcohol and marijuana usage). The percentage of Winnebago residents who identify as smokers (20.2%) exceeds the State of Illinois average (18.8%) for 2007-2009. While overall smoking is on the decline, however, less educated people, younger people, Black residents, lower income respondents and homeless people are still more likely to smoke.

### *Sexual Health*

Early sexual activity and Sexually Transmitted Infections (STIs) are significantly higher than State of Illinois averages. Teen pregnancy rates in Winnebago County (13.6%) exceed the State of Illinois rate (9.6%) for 2009. Rates for chlamydia, per 100,000 individuals, in Winnebago County have exceeded the State of Illinois average since 1990. Data from 2009 indicate rates of 550.6 cases per 100,000 individuals in Winnebago County compared to rates of 487.5 cases per 100,000 individuals across the State of Illinois. Similarly, rates for gonorrhea, per 100,000 individuals, in Winnebago County have exceeded the State of Illinois average since 1990. Data from 2009 indicate rates of 250.7 cases per 100,000 individuals in Winnebago County compared to rates of 160.7 cases per 100,000 individuals across the State of Illinois.<sup>14</sup>

# Phase 3: Prioritization of Community Health-Related Issues

## **Mental Health**

There was a 20% increase in the growth rate of Winnebago County residents reporting they felt mentally unhealthy on 8 or more days per month between 2006 (13.8%) and 2009 (16.5%). For comparison, there was an 11% increase in the growth rate of Illinois residents reporting they felt mentally unhealthy on 8 or more days per month between 2006 (12.4%) and 2009 (13.8%). Furthermore, rates in Winnebago County (16.5%) exceed the State of Illinois average (13.8%).

## **Obesity**

Research strongly suggests that obesity is a significant problem facing youth and adults nationally, in Illinois, and within the Winnebago County region. In terms of obesity, the Winnebago County area as a whole is significantly higher than the state average and growing rapidly. Specifically, there was a 34% increase in the growth rate of Winnebago County residents reporting they were obese between 2006 (23.5%) and 2009 (31.4%). For comparison, there was a 9% increase in the growth rate of Illinois residents reporting they were obese between 2006 (24.7%) and 2009 (26.8%). Rates in Winnebago County now exceed the State of Illinois average. Considering that Illinois has the 6th highest obesity rate in the U.S., this is an important issue.

## **Healthy Behaviors**

Results from survey respondents indicated that there are limited efforts at proactively managing one's own health. This includes limited exercise, as 70% of Winnebago County residents indicated they exercised 2 or fewer times per week. Men are more likely to engage in physical exercise, while homeless residents are not. With regard to eating habits, 70% of Winnebago County residents consume less than 2 servings of fruits/vegetables per day. Those that are more likely to have healthy eating habits include older residents, people with higher educations and more income.

## **Access to Health Services**

Results from survey respondents living in poverty indicated that access to health services is limited. This includes medical, dental and mental healthcare. Poverty is a key factor, as 18% of people living in poverty in the Winnebago County Region consider the Emergency Department their primary source of health care. Furthermore, 28% of people in poverty were unable to obtain medical care when they needed it. Results also suggest a strong correlation between ethnicity, socioeconomic status and one's ability to obtain medical care. Survey data suggest individuals who identify as Black, younger individuals, individuals possessing less education, and of lower income are more likely to use the emergency department. With regard to prescription drugs, 35% of individuals living in poverty were unable to fill a prescription because they lacked health care coverage. With regard to dental care, 41% of individuals living in poverty needed dental care and were unable to obtain it and 16% of individuals living in poverty needed counseling and were unable to obtain it. "Affordability" was cited as the leading impediment to various types of health care. 15

# Collaborative Team and Facilitators

## Collaborative Team

Donna Bileto, Northwestern Illinois Area on Agency

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## Facilitators

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Dr. Laurence G. Weinzimmer (Principal Investigator),  
Bradley University

# Ambulatory Surgery Centers

A POSITIVE TREND IN HEALTH CARE

*Ambulatory surgery centers (ASCs) are health care facilities which offer patients the opportunity to have selected surgical and procedural services performed outside the hospital setting. Since their inception more than three decades ago, ASCs have demonstrated an exceptional ability to improve quality and customer service while simultaneously reducing costs. At a time when most developments in health care services and technology typically come with a higher price tag, ASCs stand out as an exception to the rule.*

## A PROGRESSIVE MODEL FOR SURGICAL SERVICES

As our nation struggles with how to improve a troubled health care system, the experience of ASCs is a rare example of a successful transformation in health care delivery.

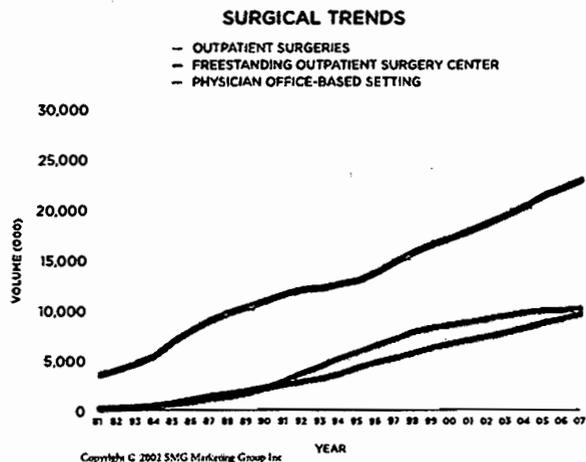
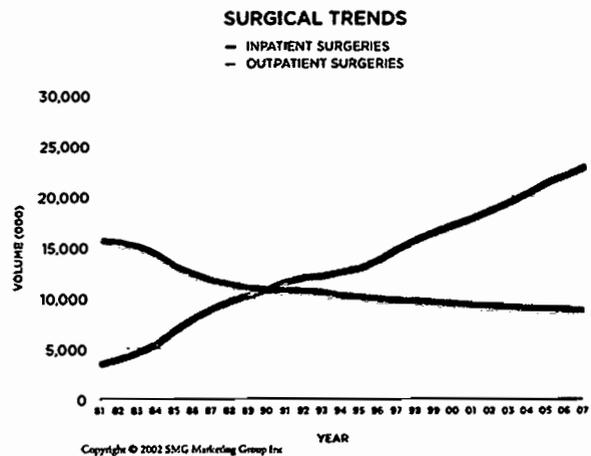
Thirty years ago, virtually all surgery was performed in hospitals. Waits of weeks or months for an appointment were not uncommon, and patients typically spent several days in the hospital and several weeks out of work in recovery. In many countries, surgery is still like this today, but not in the United States.

Physicians have led the development of ASCs. The first facility was opened in 1970 by two physicians who saw an opportunity to establish a high-quality, cost-effective alternative to inpatient hospital care for surgical services. Faced with frustrations like scheduling delays, limited operating room availability, and challenges in obtaining new equipment due to hospital budgets and policies, physicians were looking for a better way - and developed it in ASCs.

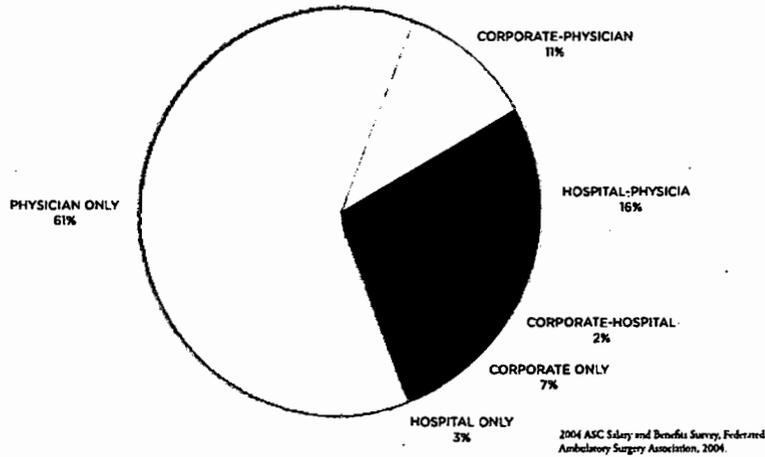
Physicians continue to provide the impetus for the development of new ASCs. By operating in ASCs instead of hospitals, physicians gain the opportunity to have more direct control over their surgical practices.<sup>1</sup> In the ASC setting, physicians are able to schedule procedures more conveniently, assemble teams of specially-trained and highly skilled staff, ensure the equipment and supplies being used are best suited to their technique, and design facilities tailored to their specialties. Simply stated, physicians are striving for, and have found in ASCs, the professional autonomy over their work environment and over the quality of care that has not been available to them in hospitals. These benefits explain why physicians who do not have ownership interest in ASCs (and therefore do not benefit financially from performing procedures in an ASC) choose to work in ASCs in such high numbers.

Given the history of their involvement with making ASCs a reality, it is not surprising physicians continue to have ownership in virtually all (90%) ASCs. But what is more interesting to

note is how many ASCs are jointly owned by local hospitals that now increasingly recognize and embrace the value of the ASC model. According to the most recent data available, hospitals have ownership interest in 21% of all ASCs; 3% are owned entirely by hospitals.<sup>2</sup>



**ASC OWNERSHIP STRUCTURE**



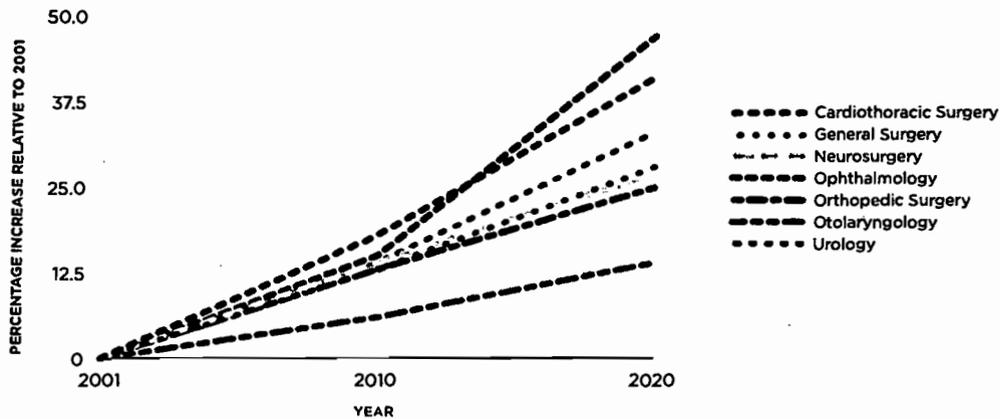
**ASCs ALLOW PHYSICIANS TO WORK EFFICIENTLY**

A recent analysis examined the impact of the aging population on the demand for surgical procedures and attendant need for surgical subspecialists. This study concluded that the aging population would be a major force in driving significant growth in the demand for surgical services. The forecasted growth in work by the year 2020 varied from 14 percent to 47 percent, depending on specialty.<sup>3</sup> Meeting these surgical needs will be a challenge. Solutions include increasing the number of surgical

residency positions, increasing the workloads of surgeons in the workforce, and improving the efficiency of surgeons.

Utilizing settings that allow physicians to practice efficiently will help mitigate the impact of the aging population on the anticipated shortage in the surgery workforce. ASCs offer physicians the ability to work more efficiently and are therefore uniquely positioned to play an important role in managing the increased need for surgical services as it arises in the years ahead.

**FORECASTED DEMAND GROWTH IN THE NUMBER OF PROCEDURES BY SPECIALTY**



Ezzioni DA, Liu JH, Maggard MA, Ko CY. The aging population and its impact on the surgery workforce. Ann Surg. 2003 Aug;238(2):170-7.

## ASCs ARE HIGHLY REGULATED TO ENSURE QUALITY AND SAFETY

Health care facilities in the United States are highly regulated by federal and state entities. ASCs are not excluded from this oversight.

The safety and quality of care offered in ASCs is evaluated by independent observers through three processes: state licensure, Medicare certification and voluntary accreditation.

Most states require ASCs to be licensed in order to operate. Each state determines the specific requirements ASCs must meet for licensure. Most state licensure programs require rigorous initial and ongoing inspection and reporting.

All ASCs serving Medicare beneficiaries must be certified by the Medicare program. In order to be certified, an ASC must comply with standards developed by the federal government for the specific purpose of ensuring the safety of the patient and the quality of the facility, physicians, staff, services and management of the ASC. The ASC must demonstrate compliance with these Medicare standards initially and on an ongoing basis.

In addition to state and federal inspections, many ASCs choose to go through voluntary accreditation by an independent accrediting organization. Accrediting organizations for ASCs include the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the Accreditation Association for Ambulatory Health Care (AAAHC), the American Association for the Accreditation of Ambulatory Surgery Facilities (AAAASF) and the American Osteopathic Association (AOA). ASCs must meet specific standards during on-site inspections by these organizations in order to be accredited. All accrediting organizations require an ASC to engage in external benchmarking, which allows the facility to compare its performance to the performance of other ASCs.

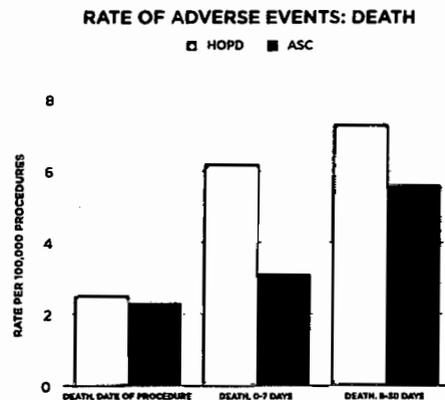
In addition to requiring certification in order to participate in the Medicare program, federal regulations also limit the scope of surgical procedures reimbursed in ASCs.<sup>5</sup> Generally, services are limited to elective procedures with short anesthesia and operating times not requiring an overnight stay. These limitations do not apply to hospital outpatient departments (HOPDs).<sup>6</sup>

The federal government views ASCs and HOPDs as distinct types of providers. As a result, the federal regulations governing HOPDs and ASCs differ. Another reason for differing regulations is that, in a hospital, the same operating room may be used interchangeably to provide services to both inpatients and outpatients. For example, a procedure room in the HOPD may be used to perform a service for an inpatient and then used to perform the same procedure for

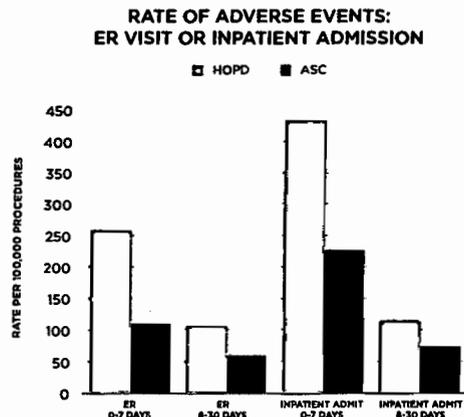
an ambulatory patient who is discharged home immediately thereafter. In other words, ambulatory patients seen on an outpatient basis in an HOPD may utilize exactly the same facilities used to provide services to patients who have been admitted to the hospital. Consequently, the inpatient standards for hospitals are applied to HOPDs.<sup>7</sup>

On the other hand, ASCs provide services in facilities specifically designed to perform selected outpatient surgical services. The different requirements developed by the federal government appropriately reflect the fundamental differences in the hospital setting versus the ASC.<sup>8</sup>

ASCs consistently perform as well as, if not better than, HOPDs when quality and safety is examined. A recent study<sup>9</sup> included an examination of the rates of inpatient hospital admission and death in elderly patients following common outpatient surgical procedures in HOPDs and ASCs. Rates of inpatient hospital admission and death were lower in freestanding ASCs as compared to HOPDs. Even after controlling for factors associated with higher-risk patients, ASCs had low adverse outcome rates.



Fleisher LA, Panzernak LR, Herbert R, Anderson GF. Inpatient hospital admission and death after outpatient surgery in elderly patients: importance of patient and system characteristics and location of care. *Arch Surg.* 2004;139(1):67-72.



Fleisher LA, Panzernak LR, Herbert R, Anderson GF. Inpatient hospital admission and death after outpatient surgery in elderly patients: importance of patient and system characteristics and location of care. *Arch Surg.* 2004;139(1):67-72.

## SPECIFIC FEDERAL REQUIREMENTS GOVERNING ASCS

In order to participate in the Medicare program, ASCs are required to meet certain conditions set by the federal government designed to ensure the facility is operated in a manner that ensures the safety of patients and the quality of services. Some of these requirements are highlighted in more detail below.

ASCs are required to maintain complete, comprehensive and accurate medical records. The content of these records must include a medical history and physical examination relevant to the reason for the surgery and the type of anesthesia planned. In addition, a physician must examine the patient immediately before surgery to evaluate the risk of anesthesia and the procedure to be performed. Prior to discharge each patient must be evaluated by a physician for proper anesthesia recovery.

CMS requires ASCs to ensure patients do not acquire infections during their care at these facilities. ASCs must establish a program for identifying and preventing infections, maintaining a sanitary environment, and reporting outcomes to appropriate authorities. The program must be one of active surveillance and include specific procedures for prevention, early detection, control, and investigation of infectious and communicable diseases in accordance with the recommendations of the Centers for Disease Control. In fact, ASCs have historically had very low infection rates.<sup>10</sup>

A registered nurse trained in the use of emergency equipment and in cardiopulmonary resuscitation must be available whenever a patient is in the ASC. To further protect patient safety, ASCs are also required to have an effective means of transferring patients to a hospital for additional care in the event an emergency occurs. Written guidelines outlining arrangements for ambulance services and transfer of medical information are mandatory. An ASC must have a written transfer agreement with a local hospital, or all physicians performing surgery in the ASC must have admitting privileges at the designated hospital. Although these safeguards are in place, hospital admissions as a result of complications following ambulatory surgery are rare.<sup>9,11</sup>

Continuous quality improvement is an important means of assuring patients are receiving the best care possible. ASCs are required to implement and monitor policies that ensure the facility provides quality health care in a safe environment. An ASC, with the active participation of the medical staff, is required to conduct an ongoing, comprehensive assessment of the quality of care provided.

The excellent outcomes associated with ambulatory surgery reflect the commitment that the ASC industry has made to quality and safety. One of the many reasons that ASCs continue to be so successful with patients, physicians and insurers is their keen focus on ensuring the quality of the services provided.

### Medicare Requirements for ASCs and Hospitals Are The Same Where Services are Comparable

Required Standards	ASC	Hospital
Compliance with state licensure law	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governing body	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Surgical services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Evaluation of quality	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Environment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Medical staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Nursing services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Medical records	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pharmaceutical services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Laboratory services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Radiologic services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Source: 42 CFR 416, 42 CFR 482

## THE ASC INDUSTRY IS COMMITTED TO REPORTING QUALITY MEASURES

A fundamental change in the way the government assures the quality of health care services is well underway. The Department of Health and Human Services has launched its Quality Initiative to assure quality health care through accountability and public disclosure.

The ASC industry is excited to have the opportunity to make its excellent outcomes more widely known to the public through this initiative. Leaders from the ASC industry, along with associations and related organizations with a focus on health care quality and safety, have come together in a collaborative effort to identify specific measures for quality appropriate to ASCs. This group, the ASC Quality Collaboration, strongly endorses the vision that measures of quality which are appropriate to ASCs should be congruent with measures utilized for other outpatient surgery settings. The continued development of these measures will involve a number of different stakeholders including ASC clinical and administrative leaders, health policy researchers, CMS and other key federal and state governmental agencies. The group will also work with the National Quality Forum to achieve consensus on the proposed quality measures.

### PATIENT SATISFACTION

*Patient satisfaction is a hallmark of the ASC industry. This year, more than eight million Americans will undergo surgery in an ASC. Virtually all of those patients will return home the same day and will resume most normal activities within a matter of days. Talk to these patients and you will hear how overwhelmingly satisfied they are with their ASC experience. Recent surveys show average patient satisfaction levels in ASCs exceeding 90 percent.<sup>4</sup> Safe and high quality services, ease of scheduling, greater personal attention and lower costs are among the main reasons cited for the growing popularity of ASCs as a place for having surgery.*

## ASCs PROVIDE CARE AT SIGNIFICANT COST SAVINGS

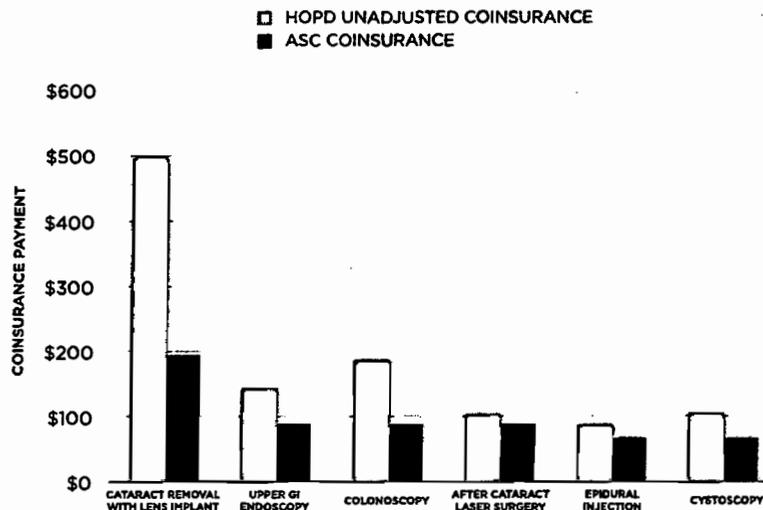
Not only are ASCs focused on ensuring patients have the best surgical experience possible, the care they provide is also more affordable. One of the reasons ASCs have been so successful is they offer valuable surgical and procedural services at a lower cost when compared to hospital charges for the same services. Beginning in 2007, Medicare payments to ASCs will be lower than or equal to Medicare payments to HOPDs for comparable services for 100 percent of procedures.<sup>12</sup>

In addition, patients typically pay less coinsurance for procedures performed in the ASC than for comparable procedures in the hospital setting. For example, a Medicare beneficiary could pay as much as \$496 in coinsurance for a cataract extraction procedure performed in a HOPD, whereas that same beneficiary's copayment in the ASC would be only \$195; a Medicare beneficiary could pay as much as \$186 in coinsurance for a colonoscopy performed in a HOPD, whereas that same beneficiary's copayment for the same procedure performed in an ASC would be only

\$89. By having surgery in the ASC the patient may save as much as 61%, or more than \$300, compared to their out-of-pocket coinsurance for the same procedure in the hospital.

Without the emergence of ASCs as an option for care, health care expenditures would have been billions of dollars higher over the past three decades. Studies have shown the Medicare program would pay approximately \$464 million more per year if all procedures performed in an ASC were instead furnished at a hospital.<sup>13</sup> Private insurance companies tend to save similarly, which means employers also incur lower health care costs by utilizing ASC services. Employers and insurers, particularly managed care entities, are driving ASC growth in many areas, because they recognize ASCs are able to deliver consistent, high quality outcomes at a significant savings. As the number of surgical procedures performed in ASCs grows, the Medicare program may realize even greater savings - and of course Medicare beneficiaries will realize additional out-of-pocket savings as well.<sup>13</sup>

### MEDICARE COINSURANCE RATES ARE LOWER IN ASCS



MedPAC. Report to the Congress: Medicare Payment Policy, March 2004.

### THE ASC INDUSTRY SUPPORTS DISCLOSURE OF PRICING INFORMATION

It is the general practice of ASCs to make pricing information available to the patient in advance of surgery. The industry is eager to make price transparency a reality, not only for Medicare beneficiaries, but for all patients. To offer maximum benefit to the consumer, these disclosures

should outline the total price of the planned surgical procedure and the specific portion for which the patient would be responsible. This will empower health care consumers as they evaluate and compare costs for the same service amongst various health care providers.

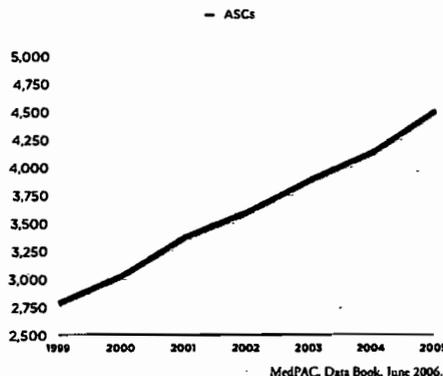
## ASCs IMPROVE PATIENT CHOICE, DEMAND FOR ASCs GROWS

Technological advancement has allowed a growing range of procedures to be performed safely on an outpatient basis. Faster acting and more effective anesthetics and less invasive techniques, such as arthroscopy, have driven this outpatient migration. Procedures that only a few years ago required major incisions, long-acting anesthetics and extended convalescence can now be performed through closed techniques utilizing short-acting anesthetics, and with minimal recovery time. As medical innovation continues to advance, more and more procedures will be able to be performed safely in the outpatient setting.

The number of ASCs continues to grow in response to demand from the key participants in surgical care – patients, physicians and insurers. This demand has been made possible by technology, but has been driven by high levels of patient satisfaction, efficient physician practice, high levels of quality and the cost savings that have benefited all. The number of Medicare certified ASCs has grown from 2786 in 1999 to 4506 in 2005, with an average annual growth rate of 8.3%.<sup>14</sup>

Further impetus to future ASC growth has been given by MedPAC, which has recommended that the CMS list of approved ASC procedures be expanded. This would

NUMBER OF MEDICARE-CERTIFIED ASCs



allow a broader range of choice for patients and surgeons. Specifically, MedPAC has recommended the procedures approved for the ASC setting be revised so that ASCs can receive payment for any surgical procedure, with the exception of those surgeries requiring an overnight stay or which pose a significant safety risk when furnished in an ASC.<sup>8</sup> Adoption of these recommendations would allow Medicare beneficiaries to access an extended range of surgical services – a range of surgical services which is already available to patients with private insurance.<sup>15</sup>

### ASCs WILL CONTINUE TO LEAD INNOVATION IN OUTPATIENT SURGICAL CARE

As leaders of the revolution in surgical care who led to the establishment of affordable and safe outpatient surgery, the ASC industry has shown itself to be ahead of the curve in identifying promising avenues for improving the delivery of health care.

With a solid track record of performance in stakeholder satisfaction, safety, quality and cost management, the ASC industry is already embracing the changes that will allow it to continue to play a leading role in raising the standards of performance in the delivery of outpatient surgical services.

As always, the ASC industry welcomes any opportunity to clarify the services it offers, the regulations and standards governing its operations, and the ways in which it ensures safe, high-quality care for patients.

### POLICY CONSIDERATIONS

Given the continued fiscal challenges posed by administering health care programs, policy makers and regulators should continue to focus on fostering innovative methods of health care delivery that offer safe, high-quality care so progressive changes in the nation's health care system can be implemented.

Support should be reserved for those policies that promote the utilization of sites of service providing more affordable care while maintaining high quality and safety standards. In light of the many benefits ASCs have brought to the nation's health care system, it will be important for future payment and coverage policies to continue to strengthen access to and utilization of ASCs.



ENDNOTES

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- 3 Etzioni DA, Liu JH, Maggard MA, Ko CY. The aging population and its impact on the surgery workforce. *Ann Surg.* 2003 Aug;238(2):170-7.
- 4 Press Ganey Associates, 2004.
- 5 Centers for Medicare and Medicaid Services ASC Website, <http://www.cms.hhs.gov/center/asc.asp>
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- 9 Fleisher LA, Pasternak LR, Herbert R, Anderson GF. Inpatient hospital admission and death after outpatient surgery in elderly patients: importance of patient and system characteristics and location of care. *Arch Surg.* 2004 Jan;139(1):67-72.
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- 13 MedPAC, Report to the Congress: Medicare Payment Policy, March 2004.
- 14 MedPAC, Data Book, June 2006.
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***This report was prepared by the ASC Coalition and is further supported by the following organizations:***

Alabama Ambulatory Surgery Association  
 American Association of Ambulatory Surgery Centers  
 AmSurg  
 Arizona Ambulatory Surgery Center Association  
 Arkansas Ambulatory Surgery Association  
 California Ambulatory Surgery Association  
 Colorado Ambulatory Surgery Center Association  
 FASA  
 Florida Society of Ambulatory Surgical Centers  
 Foundation for Ambulatory Surgery in America  
 Freestanding Ambulatory Surgery Center Association of Tennessee  
 Georgia Society of Ambulatory Surgery Centers  
 Healthmark Industries Co  
 HealthSouth  
 Idaho Ambulatory Surgery Center Association  
 Illinois Freestanding Surgery Center Association  
 Indiana Federation of Ambulatory Surgical Centers  
 Kansas Association of Ambulatory Surgery Centers

Kentucky Ambulatory Surgery Center Association  
Maine Ambulatory Surgery Center Coalition  
Maryland Ambulatory Surgical Association  
Mississippi Ambulatory Surgery Association  
Missouri Ambulatory Surgery Center Association  
National Surgical Care  
Nevada Ambulatory Surgery Association  
New Hampshire Ambulatory Surgical Association  
NovaMed  
Ohio Association of Ambulatory Surgery Centers  
Pennsylvania Ambulatory Surgery Association  
South Carolina Ambulatory Surgery Center Association  
South Dakota Association of Specialty Care Providers  
Symbion Healthcare  
Texas Ambulatory Surgery Center Society  
United Surgical Partners International  
Utah Ambulatory Surgery Center Association  
Washington Ambulatory Surgery Center Association  
*Provided to You Courtesy of*  
The American Society for Gastrointestinal Endoscopy  
For information, call Randy Fenninger at 202.833.0007

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

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

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

READ THE REVIEW CRITERION and provide the following required information:

#### ALTERNATIVES

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

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
  - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
  - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
  - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
  - 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

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

#### Background

Beloit Health System, Inc. is a fully integrated healthcare organization providing services in the Southern Wisconsin / Northern Illinois region. It has a rich history which began in 1928. Since that time, it has grown and evolved to become a major care provider in the state line community.

In 1928, Beloit Municipal Hospital was built on Beloit's Olympian Boulevard and provided care at that location for over 40 years. Beloit Municipal Hospital, as it was initially known, replaced three small, private medical facilities. At that time, the hospital was city-owned and tax-supported.

When a new hospital was needed in the early 60's, the city voted to lease the hospital to Beloit Memorial Hospital, a private, nonprofit corporation. The operation of the hospital then became the responsibility of the nonprofit group and the community it served.

In October of 1967 ground was broken for the existing Beloit Memorial Hospital and construction began immediately. The unique "snowflake" design of the building was incorporated into the hospital logo which is still used today. Architecturally beautiful in 1970, the tradition continued in further expansions such as the Dialysis Center, Stateline Emergency Care Center, Cancer Care Center (under construction), and the NorthPointe Health and Wellness Campus.

In 1989, the hospital opened its first outreach primary care center. In December 2007, the hospital opened a new health and wellness Campus in Roscoe, IL called NorthPointe. This campus includes an Assisted Living Center (NorthPointe Terrace), Fitness Center, Immediate Care Center, lab, imaging, and related ancillary services, a Medical Spa, and Physician Clinic / offices for the Beloit Clinic.

In 1947, Beloit native Dr. William Fitzgerald teamed with colleagues Dr. Kenneth Carter and Dr. Richard Sanderson to establish an innovative new clinic. The Clinic moved its facility from the west side of Beloit to the east side after the Hospital was built in 1970 and became known as the Beloit Clinic.

Starting in January 1, 2010, Beloit Memorial Hospital partnered with the Beloit Clinic through an acquisition and become a new fully integrated health system with the name Beloit Health System, Inc. Beloit Health System's goal is to deliver the highest quality medical services and improve the overall health status of the community it serves.

#### Surgery and Procedure Facilities

The existing surgery and GI facilities are located on the second floor of Beloit Memorial Hospital and date to the Hospital's planning and development in the 1960's. Hence, their general design is based on guidelines established approximately 50 years ago. The surgical suite was developed when the original Hospital was constructed. The gastro-intestinal (GI) procedural suite is, in fact, a converted patient care unit contiguous to the surgical suite. Neither area meets contemporary design standards for a modern surgery / procedural area. The current design is based on an inpatient care delivery model and the facilities have been adapted to the shift from an inpatient to primarily outpatient / ambulatory care delivery model. Outpatient focused surgery cases and GI cases are compromised given the fact the existing facilities were designed

around an inpatient care delivery model which did not contemplate,, by way of example, adequate pre- and post-procedure recovery space, family waiting areas, and patient support areas. Hence, these are just one set of factors leading to the need for the Beloit Health System to develop surgery / procedural space responsive to new care delivery models focused on ambulatory settings.

The current facilities are comprised of six (6) operating rooms, including a dedicated open-heart surgery suite and a dedicated urology suite with a fixed table. The repurposed patient care unit which houses the GI procedural suite has 2 procedure rooms with associated support area.

These facilities had the following utilization in 2012: (See also Section I)

Procedural Area	2012 Cases			2012 Hours		
	Inpatient	Outpatient	Total	Inpatient	Outpatient	Total
Surgical Suite	1,109	3,468	4,577	2,611	4,373	6,984
Percent Distribution	24.2%	75.8%	100%	37.4%	62.6%	100%
GI Suite	749	2,660	3,409	749	2,660	3,409
Percent Distribution	22%	78%	100%	22%	78%	100%

Source: Hospital data; Permit Application Section I

It is clear from these utilization figures the Hospital's surgery and GI programs are primarily outpatient / ambulatory in character which is consistent with national care delivery trends and the need for healthcare organizations to be responsive to new care models.

Not only are the current facilities deficient in responding to delivering ambulatory care efficiently and effectively, the number of operating and procedure rooms are inadequate as indicated below.

	<u>Case Hours</u>	<u>Justified Rooms @ 1,500 hours</u>	<u>Total</u>	<u>Available</u>	<u>Variance</u>
<u>Surgical Suite</u>	6,984	4.7	5	4	(1)
Plus: Open heart	--	--	1	1	0
Cystoscopy	--	--	1	1	0
Total			<u>7</u>	<u>6</u>	<u>(1)</u>
<u>GI Suite</u>	3,409	2.27	<u>3</u>	<u>2</u>	<u>(1)</u>

Thus, based on IHFSRB criteria, the existing surgical suite could justify one additional Class C surgical operating room and the GI procedure suite one additional Class B surgical procedure room. The current facilities are deficient in not only their design, but also in the number of available procedure rooms for the current volume, let alone accommodate any potential growth. Given that Beloit Memorial Hospital has determined the need to modernize and expand its surgical and procedural capacity it developed several conceptual alternatives.

### Alternatives

Based on Criterion 1110.230, the following projects of greater or lesser scope were conceptualized and analyzed for decision making purposes.

1. Modernize the existing suites and maintain current 8 room capacity (6 OR's plus 2 procedure rooms) if at all possible. (Greater scope)
2. Modernize and expand the existing suites, in place, to provide calculated 10 room need (7 OR's and 3 procedure rooms). The expansion would take place on the roof over the recently expanded ED. (Greatest scope)
3. Develop a new 6 room ambulatory surgery / procedure suite (ASTC), on campus, connected to the Hospital, in order to accommodate the current program utilization. The current surgical suite would then focus on inpatient surgical procedures. Two options were considered:
  - a. Space allocations based on IHFSRB hospital guidelines.
  - b. Space allocations based on IHFSRB ASTC guidelines.
4. Develop a new 4-room ambulatory focused on-campus, surgical and GI suite (ASTC) connected to the Hospital, consistent with an option to relocate select outpatient surgery and GI cases to an ASTC at NorthPointe.
5. Develop a new 2 OR / 2 procedure room ASTC on the NorthPointe Campus.

The following space allocations were developed to compare the identified facility alternatives.

#### Alternative 1. Existing Suite Modernization (8 total rooms)

- a. Surgical Suite (6 rooms)
  1. DGSF approximates 20,300 sq. ft.
  2. BGSF approximates 21,340 sq. ft.
- b. GI Suite (2 rooms)
  1. DGSF approximates 4,180 sq. ft.
  2. BGSF approximates 4,400 sq. ft.

Alternative 2. Existing Suite Modernization and Expansion (10 total rooms)

- a. Surgical Suite (7 rooms)
  - 1. DGSF approximates 24,100 sq. ft.
  - 2. BGSF approximates 25,400 sq. ft.
- b. GI Suite (3 rooms)
  - 1. DGSF approximates 4,900 sq. ft.
  - 2. BGSF approximates 5,400 sq. ft.

Alternative 3. New, on-campus ambulatory / outpatient surgery / procedure facility  
(6 total rooms)

a. IHFSRB Hospital Space Allocation Guidelines	<u>Estimated Sq. Ft.</u>
1. 3 Class C OR's @ 2,750 dgsf	8,250 sq. ft.
2. 3 Class B Procedure Rooms @ 1,100 dgsf	3,300 sq. ft.
3. 3 Recovery Stations @ 180 dgsf	540 sq. ft.
4. 21 Phase II Stations @ 400 dgsf	8,400 sq. ft.
5. Corridor connector allowance (8 x 50)	<u>400 sq. ft.</u>
Total DGSF	20,890 sq. ft.
DGSF:BGSF conversion	1.25
Estimated Total BGSF	<u>26,000 sq. ft.</u>
b. IHFSRB ASTC Space Allocation Guidelines	
1. 6 OR / Procedure Rooms @ 2,200 dgsf	13,200 sq. ft.
2. Corridor connector allowance (8 x 50)	<u>400 sq. ft.</u>
Total DGSF	13,600 sq. ft.
DGSF:BGSF conversion	1.25
Estimated Total BGSF	<u>17,000 sq. ft.</u>

Alternative 4. New, on-campus 4-Room ambulatory focused surgery and GI facility (ASTC) comparable to NorthPointe option.

a. IHFSRB Hospital Space Allocation Guidelines Estimated Sq. Ft.

- 1. 2 Class C OR's @ 2,750 dgsf 5,500 sq. ft.
- 2. 2 Class B Procedure Rooms @ 1,100 dgsf 2,200 sq. ft.
- 3. 2 Recovery Stations @ 180 dgsf 360 sq. ft.
- 4. 14 Phase II Stations @ 400 dgsf 5,600 sq. ft.
- 5. Corridor connector allowance (8 x 50) 400 sq. ft.

Total DGSF 14,060 sq. ft.

DGSF:BGSF conversion 1.25

Estimated Total BGSF 17,570 sq. ft.

b. IHFSRB ASTC Space Allocation Guidelines

- 1. 4 OR / Procedure Rooms @ 2,200 dgsf 8,800 sq. ft.
- 2. Corridor connector allowance (8 x 50) 400 sq. ft.

Total DGSF 9,200 sq. ft.

DGSF:BGSF conversion 1.25

Estimated Total BGSF 11,500 sq. ft.

Alternative 5. Develop a new 2 OR / 2 Procedure room (4 total rooms) ASTC on the NorthPointe Campus @ 10,530 dgsf per schematic design; bgsf is estimated at approximately 13,160 sq. ft. based on State Agency ASTC BGSF:DGSF conversion ratios of 1.25 derived from Section 1110

Appendix B. Capacity Square Foot Summary

Alternative	1	2	3a	3b	4a	4b	5
DGSF	24,480	29,000	20,890	13,600	14,060	9,200	10,530
BGSF	25,740	30,800	26,000	17,000	17,570	11,500	13,160

Size Comparison by Room							
Alternative	1	2	3a	3b	4a	4b	5
Procedure Rooms	8	10	6	6	4	4	4
DGSF / Room	3,060	2,900	3,480	2,200	3,515	2,300	2,630
BGSF / room	3,218	3,800	4,330	2,830	4,390	2,870	3,290

Construction Project Cost-Capital Budget Guidelines

Alternative 1 – Modernize Existing Suite

Area (Modernized)	24,480 dgsf
Cost / sq. ft.	<u>\$600.00</u>
Subtotal	\$14,688,000
Contingency @ 15%	<u>2,200,000</u>
Subtotal	\$16,888,000
Conversion to Project Cost	<u>÷ 0.78</u>
Estimated Project Cost	<u>\$21,651,300</u>
Estimated Cost / Room	<u>\$2,706,4000</u>

This alternative does not increase procedural capacity and has a high construction cost per sq. ft. due to adverse conditions in modernizing existing facilities (see Attachment 13, Exhibit 1).

Alternative 2 – Expand and Modernize Existing Suite

Alternative 1 Project Cost	\$21,651,300
Add 2 additional operating rooms	
Area (Expanded)	5,060 bgsf
Cost / sq. ft.	<u>\$500.00</u>
Subtotal	\$2,530,000
Contingency @ 10%	<u>253,000</u>
Subtotal	\$2,783,000
Conversion to Project Cost	<u>÷ 0.65</u>
Estimated Project Cost	<u>\$25,932,840</u>
Estimated Cost / Room	<u>\$2,593,300</u>

This alternative provides sufficient procedural capacity, but has the same adverse conditions as Alternative 1; the option may not be feasible re expansion over the existing ED space; and also may hinder daily operations due to construction interruptions.

Alternative 3a – New 6-room surgical pavilion, on-campus

IHFSRB Hospital space guidelines

Area	26,000 bgsf
Cost / sq. ft.	<u>\$450.00</u>
Subtotal	\$11,700,000
Contingency @ 10%	<u>1,170,000</u>
Subtotal	\$12,870,000
Conversion to Project Cost	<u>÷ 0.65</u>
Estimated Project Cost	<u>\$19,800,000</u>
Estimated Cost / Room	<u>\$ 3,300,000</u>

Alternative 3b – New 6-room ASTC pavilion, on-campus

IHFSRB ASTC space guidelines

Area	17,000 bgsf
Cost / sq. ft.	<u>\$450.00</u>
Subtotal	\$7,650,000
Contingency @ 10%	<u>765,000</u>
Subtotal	\$8,415,000
Conversion to Project Cost	<u>÷ 0.65</u>
Estimated Project Cost	<u>\$12,946,150</u>
Estimated Cost / Room	<u>\$ 2,157,690</u>

Alternative 3 provides a new ASTC, but does not meet the criteria of developing outpatient surgery and GI services which would be made available more locally to Illinois residents in order to improve access.

Alternative 4a – New on-campus 4-room ASTC

IHFSRB Hospital space guidelines

Area	17,570 bgsf
Cost / sq. ft.	<u>\$450.00</u>
Subtotal	\$7,906,500
Contingency @ 10%	<u>790,650</u>
Subtotal	\$8,697,150
Conversion to Project Cost	<u>÷ 0.65</u>
Estimated Project Cost	<u>\$13,380,230</u>
Estimated Cost / Room	<u>\$ 3,345,000</u>

Alternative 4b – New on-campus 4-room ASTC

IHFSRB ASTC space guidelines

Area	11,500 bgsf
Cost / sq. ft.	<u>\$450.00</u>
Subtotal	\$5,175,000
Contingency @ 10%	<u>517,500</u>
Subtotal	\$5,692,500
Conversion to Project Cost	<u>÷ 0.65</u>
Estimated Project Cost	<u>\$8,757,690</u>
Estimated Cost / Room	<u>\$ 2,189,420</u>

Alternative 4 has the deficiencies as Alternative 3.

Alternative 5 – New 4-room ASTC on the Beloit Health System, NorthPointe Campus  
 (Based on actual estimated costs)

Area	10,530 bgsf
Cost / sq. ft.	<u>\$379.60</u>
Subtotal	\$3,997,567
Contingency @ 7%	<u>280,000</u>
Subtotal	\$4,277,567
Other Allocated	3,160,861
Costs @ ÷ 0.58 conversion factor	
Subtotal	<u>\$7,438,428</u>
Cost / Room	<u>\$1,859,607</u>

ASTC Project Cost Comparison (rounded)							
Alternative	1	2	3a	3b	4a	4b	5
Est. Project Cost (M)	\$21.65	\$25.93	\$19.80	\$12.9	\$13.38	\$8.75	\$7.44
Est. Cost / Room (M)	\$2.70	\$2.59	\$3.30	\$2.2	\$3.35	\$2.19	\$1.86

The least costly ASTC Alternative based on this analysis is Option 5; develop a new 4-room ASTC on the NorthPointe Campus.

Note, that the options are not all internally consistent in that some resolve Beloit Memorial Hospital current suite and GI suite deficiencies. However, given constraints on access to capital, Alternative 5 was determined to be the best course of action, in part, by providing outpatient surgery services locally to residents already served by the NorthPointe campus programs.

The State Agency utilizes RS Means as a comparative basis for construction costs. In this context, Beloit Health System, by policy, constructs its facilities at a higher incremental cost level due to various system and finish upgrades. Attachment 13, Exhibit 2 provides a comparative analysis for review purposes which indicates an incremental \$33.00 per sq. ft. construction cost over that expected..

Alternative Comparative Matrix Short and Long Term				
Alternative	Est. Project Cost / Room	Local Patient access	Care Quality	Financial Benefit to Patient
1	\$2.70 M	No Change	No Change	No Change
2	\$2.59 M	No Change	No Change	No Change
3a	\$3.30 M	No Change	Improved	No Change
3b	\$2.2 M	No Change	Improved	No Change
4a	\$3.35 M	No Change	Improved	No Change
4b	\$2.19 M	No Change	Improved	No Change
5	\$1.86 M	Improved	Improved	Improved

Alternatives 1 through 4 inclusive would modernize, expand, and/or develop surgery and GI facilities on the Beloit Memorial Hospital Campus. Alternative 5 proposes to establish a new 4-room ASTC on Beloit Health Systems NorthPointe Health and Wellness Campus.

Empirical research evidence indicates a free-standing ASTC provides services which are less expensive to the patient, as well as providing more cost effective and efficient services at an equal or better quality than those that are hospital based (see Attachment 12 Exhibit 1).

#### Joint Venture option

A joint venture was not deemed feasible in that the Beloit Health System is an integrated provider. A joint venture would not benefit the System.

#### Utilizing other resources option

Even if made available to the System, using such resources would not benefit the System due to fragmenting care, reduced physician productivity, as well as defeating the purpose of developing a comprehensive integrated delivery model, especially in light of the Affordable Care Act vision to decrease healthcare costs and improve access.

#### Summary

Alternative 5 was chosen as the least costly ASTC option while providing optimal benefits to the System, the patient, and the market it serves.

<b>KLOBUCAR</b>		3140 EAST COUNTY ROAD S BELOIT, WISCONSIN 53511-9509 OFFICE/608.365.8123 FAX/608.365.0577 WWW.KLOBUCARCONSTRUCTION.COM
GENERAL CONTRACTORS		

October 23, 2012

NorthPointe Health and Wellness Center  
5605 E. Rockton Road  
Roscoe, IL 61073

Attn: Mr. Gus Larson  
Re: ASTC

Dear Mr. Larson,

Pursuant to your request I have compiled a list of items that make renovation projects in health care facilities more time consuming and costly. This outline is attached for the teams review and comment.

Please contact me with any questions you may have.

Sincerely,

  
Jerome F. Klobucar  
Vice President

JFK/mrs

MEMBER OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA



What makes renovation projects more difficult and costly in health care facilities.

- Demolition methods need to be modified to control and noise dust. These modifications often hinder worker productivity and therefore drive up costs.
- Removal of debris from the building in a controlled manner with covered carts, not necessarily in the shortest and quickest route, drives up the costs of demolition.
- Setting up dust/noise control barriers to very high standards makes construction more expensive.
- Loud and disruptive aspects of construction may require doing the tasks at times more convenient to the doctors and patients. This means Saturdays, Sundays or 2<sup>nd</sup>/3<sup>rd</sup> shifts. This makes the renovation more expensive.
- Disruption of utilities, fire protection, medical gases, etc.. often occurs during renovation projects. This is disruptive to the operations and services provided at the health care facility.
- Pre-planning for renovations is essential for success. Infectious disease risk assessment process involves all team members and many preplanning meetings. While essential, this preplanning is time consuming and costly.
- Progress cleaning of areas of work, and of pathways to and from the area of work, is held to a higher standard in health care facilities, therefore making the project more costly.
- Projects almost always need to be phased to keep patient services operational during the renovation. Phasing the project adds duration and that inherently adds costs.
- Final cleaning and sanitizing the areas of work is completed to a higher standard in health care facilities. This is more costly than normal final cleanup of a job site.

**To:** Ed Parkhurst  
**Subject:** FW: NorthPointe ASTC ORIGINAL CONSTRUCTION COST

Ed:  
Yes you are reading this correctly.  
Doug

Douglas H. Wait, CHFM, LEED AP  
Construction Coordinator  
Beloit Health System  
Phone: 608-363-5917  
Fax: 608-363-5716  
Cell: 608-314-4468



Please consider the environment before printing this email.

---

**From:** Ed Parkhurst [mailto:eparkhurst@consultprism.com]  
**Sent:** Thursday, December 05, 2013 8:26 AM  
**To:** Doug Wait  
**Cc:** Jason Dotson; Gus Larson; Greg Gaul  
**Subject:** RE: NorthPointe ASTC ORIGINAL CONSTRUCTION COST

Doug,

If I am interpreting your information correctly, the incremental additional costs for the quality of the NorthPointe construction details is approximately \$33.00 per sq. ft. over Means % costs in comparable \$.

Correct?

Ed

---

**From:** Doug Wait [mailto:dwait@beloitmemorialhospital.org]  
**Sent:** Thursday, December 05, 2013 8:07 AM  
**To:** Ed Parkhurst  
**Cc:** Jason Dotson; Gus Larson; Greg Gaul; Doug Wait  
**Subject:** RE: NorthPointe ASTC ORIGINAL CONSTRUCTION COST

Ed:

To construct the original NorthPointe Pavilion, I estimate the cost was \$218.45 GSF. I used the actual GMP construction cost for the building and 50% of the 4.2 million dollar site work.

Having said that, if I use the following assumptions I would estimate had we built the entire NorthPointe Pavilion Building and 50% of the site in 2014 the estimated cost would be \$278.21 GSF.

Here is what is included in the assumptions.

- 1.) Inflation rates for 2009 through 2013 are per Engineering News Record's published Construction Cost Index.
- 2.) Inflation for 2007 and 2008 are an estimated 3%. I do not have ENR data for these years.
- 3.) Inflation for 2014 is 3%... the same as what is on the Concord SD estimate.
- 4.) Again, I can only guess that 50% of the site cost is for the pavilion.

Attached is back-up data for this assumption.

Thanks

CONSTRUCTION INFLATION MODEL

NORTHPOINTE HEALTH AND WELLNESS-INITIAL CONSTRUCTION

2006 COST ESTIMATE : 218.45  
BASE YEAR 2006  
INFLATION RATE 0.0312

YEAR	ENR CCI %	INFLATION	EXTENSION
2006			218.45
2007	0.03	6.55	225.00
2008	0.03	6.75	231.75
2009	0.027	6.26	238.01
2010	0.057	13.57	251.58
2011	0.013	3.27	254.85
2012	0.032	8.16	263.00
2013	0.027	7.10	270.10
2014	0.03	8.10	278.21



7/24/2013

Ref. #	Facility	Address	City/State	Gross Sq. Ft.	Approx. Const. Cost	Source	Cost/SF
1	Beloit Memorial Hospital	1959 West Hart Rd	Beloit, WI	360,589		ATG	
2	NorthPointe Health and Wellness	5605 E. Rockton Rd.	Roscoe, IL	126,173		ATG	
3	NorthPointe Terrace	5601 E. Rockton Rd.	Roscoe, IL			ATG	
4	Riverside Terrace	3055 S. Riverside Dr.	Beloit, WI			PRA	
5	Lee Lane	1650 Lee Lane	Beloit, WI	12,483		ATG	
6	Darlan Clinic	300 N. Welworth	Darlan, WI	6,063		ATG	
7	West Side Medical Center	1735 Madison Ave.	Beloit, WI	8,134		ATG	
8	Beloit Clinic	1905 E. Huebbe Pkwy	Beloit, WI	122,443		ATG	
9	Clinton Clinic	307 Ogden Ave.	Beloit, WI	3,643		Amer. App.	199.6792
10	South Beloit Facility	1655 Blackhawk Blvd	South Beloit, IL			Amer. App.	
11	At-Home-Health	1904 E. Huebbe Pkwy	Beloit, WI	3,356		Amer. App.	
12	Janesville Medical Center	1321 Creston Park	Janesville, WI	5,027		ATG	
13	Madison Ave. Vacant Lot						
14	Hemmerling Garage	Lee Lane	Beloit, WI			Field M.	
15	BHS/JW Cancer Center	1670 Lee Lane	Beloit, WI	22,363	\$6,400,000.00	PRA	
TOTAL CAMPUS SQ. FT.:				670,274			
Business=				309,685			

**Beloit Memorial Hospital**

12/5/2013

**NorthPointe Campus: Total Project Cost**

<u>Item</u>	<u>Total Cost</u>	<u>Adjustments</u>	<u>Extension</u>	<u>Percent Fee</u>	<u>Fee</u>
NorthPointe Terrace	5,707,416		5,707,416	5.75%	328,176
Site Work	4,274,739	(2,400,612)	1,874,127	6.00%	112,448
NorthPointe Pavillion	25,425,216				
Deduct Computer Allowance from GMP		(230,803)			
Deduct Inner Wireless Allow. From GMP		(126,635)			
Add Pond Pumps		89,348			
Add Laundry Equipment		43,000			
			25,194,126	6.00%	1,511,648
<b>TOTALS:</b>	<b>\$ 35,407,371</b>		<b>\$ 32,775,669</b>		<b>\$ 1,952,272</b>

0.\*

4,274,739.000+

0.000+

4,274,739.000+

4,274,739.000\*

0.5=

2,137,369.500\*

2,137,369.500+

25,425,216.000+

27,562,585.500\*

27,562,585.500+

126,173.\*

218,451.\*

0.\*

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

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

READ THE REVIEW CRITERION and provide the following information:

**SIZE OF PROJECT:**

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
  - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
  - c. The project involves the conversion of existing space that results in excess square footage.

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

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

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

Section IV, Criterion 1110.234

Introduction

The proposed NorthPointe ASTC will decompress Beloit Memorial Hospital’s existing surgical suite and GI procedural suite. This development is being viewed by the applicant as an extension or department of the Hospital even though it is separately licensed. As such, hospital design criteria were assumed as the basis for developing the associated NorthPointe ASTC schematic plans.

By Beloit Health System / Beloit Memorial Hospital policy and practice, the organization wishes to provide the same procedural environment in the ASTC as exists at Beloit Memorial Hospital. (See Attachment 13 and Attachment 14, Exhibit 1) Hence, the over-arching design assumption was to embrace Hospital Standards for the ASTC. Based on Illinois law, the ASTC must be separately licensed as a non-hospital based Ambulatory Surgery Treatment Center thereby establishing a comparative basis for design (Hospital vs. ASTC guidelines).

The Laboratory and Pharmacy services which are also clinical service components of the project do not have applicable review criteria.

Size of Project (Criterion 1110.234(a))

The project proposes the following clinical space allocations:

<u>Clinical Area</u>	<u>Space Allocation</u>
Laboratory	295 dgsf (modernized)
Pharmacy	367 dgsf (new)
ASTC (4 procedure rooms, 15 recovery stations)	10,531 dgsf (new)

The only clinical area for which the State Agency has guidelines / standards is the proposed ASTC.

Size of Project				
<u>Department / Service</u>	<u>Proposed dgsf</u>	<u>State Standard</u>	<u>Difference</u>	<u>Met Standard?</u>
Laboratory	295	NA	NA	NA
Pharmacy	367	NA	NA	NA
ASTC (4 rooms)	10,531	8,800	1,731	No*

\* Based on ASTC guidelines

Based on ASTC space guidelines (Section 1110.Appendix B), the proposed physical space exceeds that allowable by State Agency criteria. However, based on the applicant's internal assumption to follow hospital design / development guidelines, another comparative base is available for review purposes. Attachment 14, Exhibit 1 attests to the direction and assumptions utilized for design purposes. A comparison of ASTC and hospital guidelines follows.

The following indicates the variance in space allocations between hospital and ASTC facilities based on State Agency criteria (Section 1110.Appendix B).

Hospital Related Space Allocation (by service component)

<u>Service Area</u>	<u>Number</u>	<u>Sq. Ft. / Unit</u>	<u>Total dgsf</u>
Surgical Operating Suite (Class C)	2	2,750	5,500
Surgical Operating Suite (Class B)	2	1,100	2,200
PACU Phase I	4	180	720
PACU Phase II	12	400	<u>4,800</u>
Total allowable dgsf			<u>13,220 dgsf</u>

ASTC-Related Space Allocation (all inclusive)

Operating Rooms	4	2,200	8,800
Procedure Rooms	Included	Included	Included
Recovery spaces	Included	Included	Included
Total allowable dgsf			<u>8,800 dgsf</u>

Variance: Hospital vs. ASTC space allocation guidelines 4,420 dgsf

<u>ASTC Comparative Size of Project</u>				
<u>Department / Service</u>	<u>Proposed dgsf</u>	<u>State Standard</u>	<u>Difference</u>	<u>Met Standard?</u>
Hospital Guidelines	10,531	13,220	(2,689)	Yes
ASTC Guidelines	10,531	8,800	1,731	No

Based on hospital related space guidelines the proposed area is appropriate and not excessive for the service scope provided. In fact, additional area can be justified.

Architectural plans for the proposed project are included as Attachment 14, Exhibit 2. Given the permit application submittal instruction requiring an 8 ½ x 11 format, the plans are not scalable as requested by Section 1110.234(a). However, a set can be made available, on request.

December 9, 2013

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

Re: NorthPointe ASTC  
Project Size: Criterion 1110.234(a)(2)(A)

Dear Ms. Avery,

This letter is to certify that for the design of the proposed NorthPointe ASTC, our architects were directed to utilize hospital guidelines and standards for their work, not typical free-standing ambulatory surgery design guidelines. By policy and practice, Beloit Health System, Inc. d/b/a Beloit Memorial Hospital wishes to provide the same type and quality of facilities in its satellite programs as is available at the Hospital so there is no differentiation or distinctions for our physicians, staff, or patients.

Hence, the NorthPointe ASTC was designed to meet contemporary hospital surgery and procedure related facility design guidelines, especially as it relates to privacy considerations.

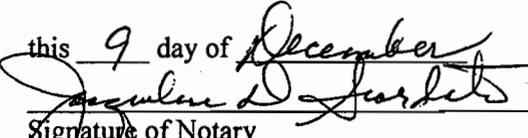
Sincerely



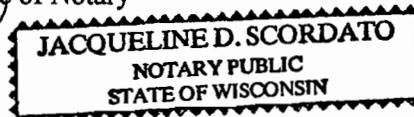
Kenneth L. Klein, M.D.  
Vice President of Medical Affairs

Notarization:

Subscribed and sworn to before me

this 9 day of December  
  
Signature of Notary

Seal



**At-Home Healthcare**  
1904 E. Huebbe Parkway  
Beloit, WI • (608) 363-5885

**Clinton Clinic**  
307 Ogden Avenue  
Clinton, WI • (608) 676-2206

**Janesville Clinic**  
1321 Creston Park  
Janesville, WI • (608) 757-1217

**NorthPointe Terrace**  
5601 E. Rockton Road  
Roscoe, IL • (815) 525-4800

**Riverside Terrace**  
3055 S. Riverside Dr.  
Beloit, WI • (608) 365-7222

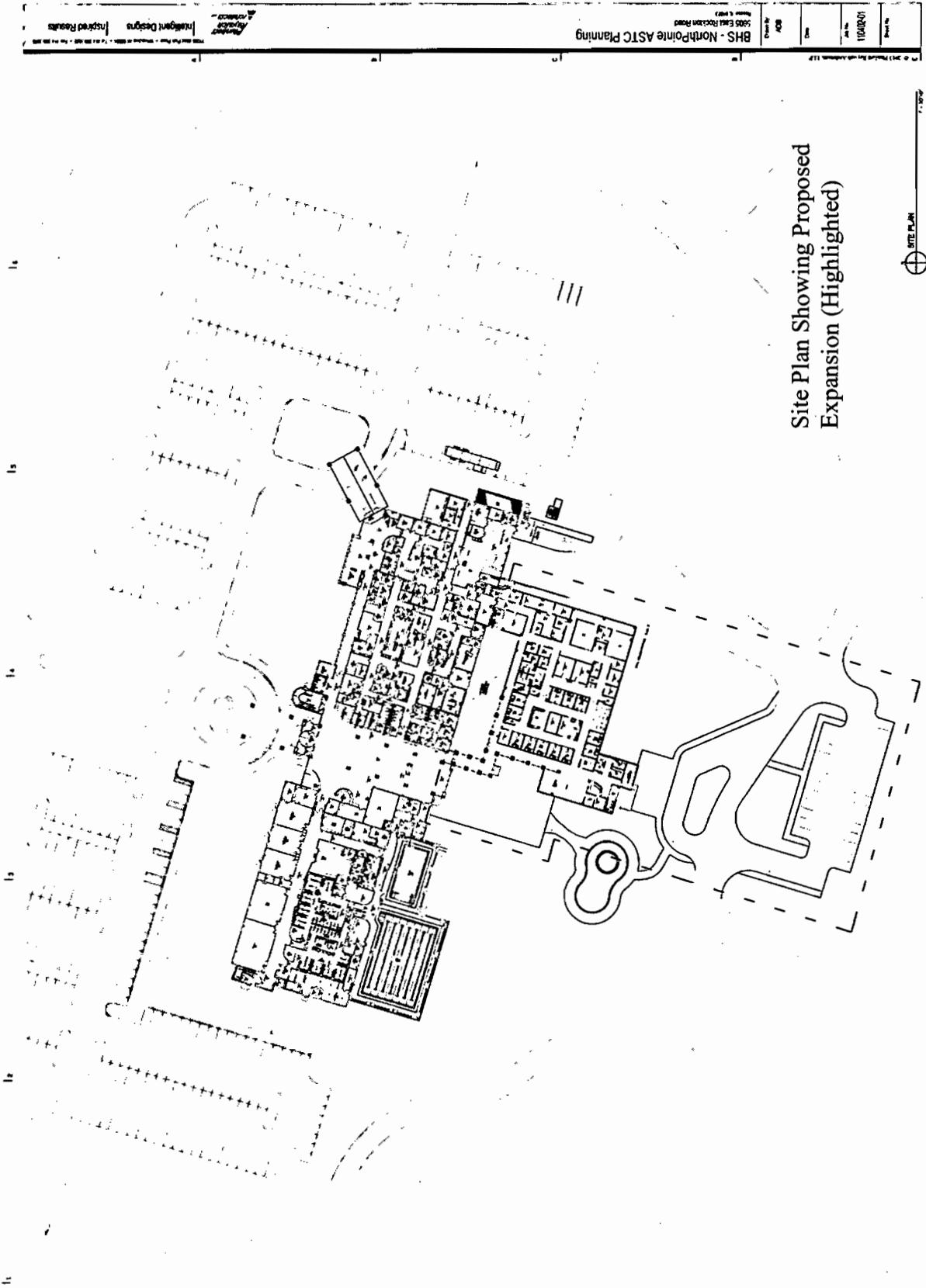
**Beloit Clinic**  
1905 E. Huebbe Parkway  
Beloit, WI • (608) 364-2200

**Darien Clinic**  
300 N. Walworth Street  
Darien, WI • (262) 882-1151

**NorthPointe Health & Wellness Campus**  
5605 E. Rockton Road  
Roscoe, IL • (815) 525-4000

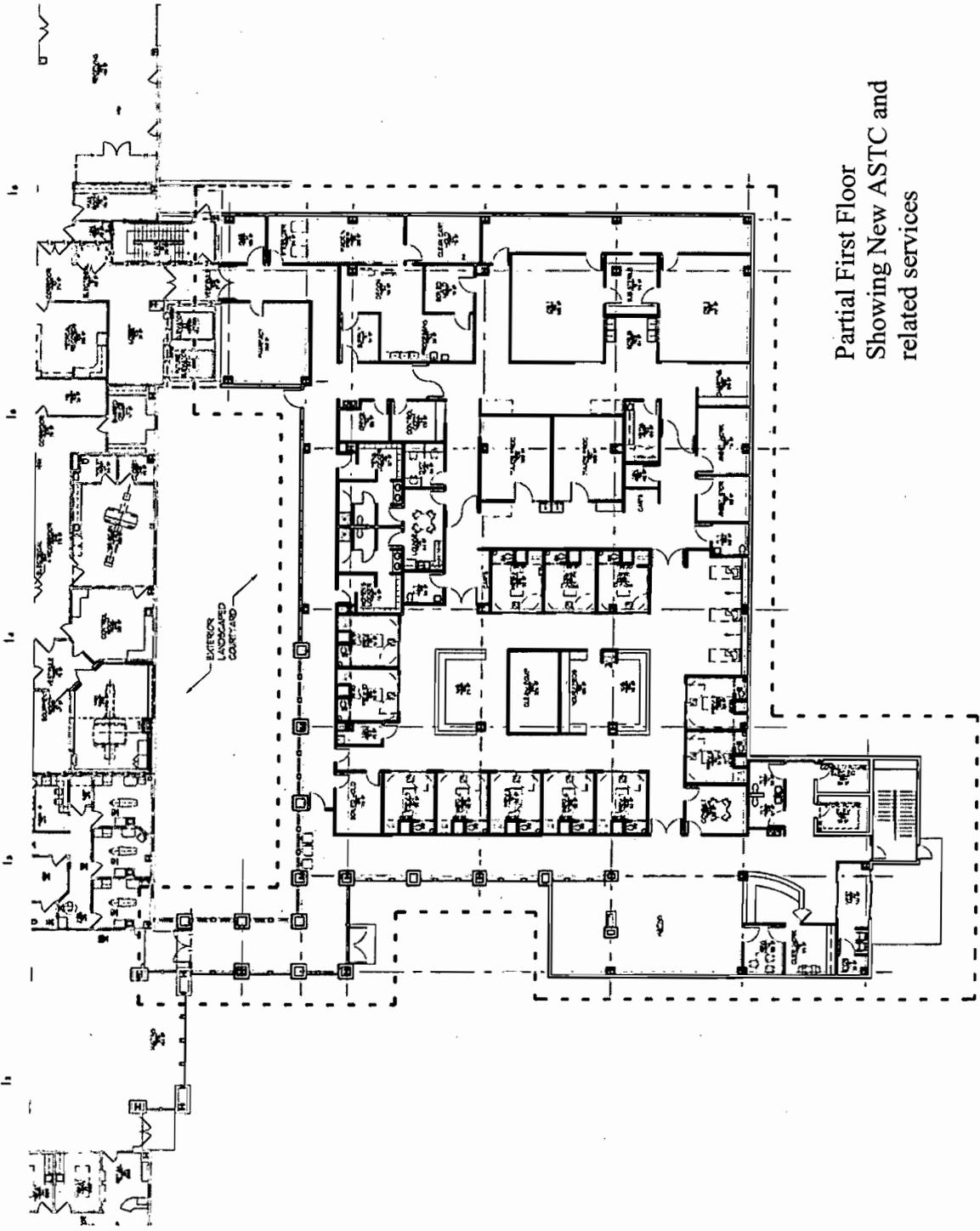
**Occupational Health Sports & Family Medicine Center**  
1650 Lee Lane  
Beloit, WI • (608) 362-0211

**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510



Site Plan Showing Proposed Expansion (Highlighted)

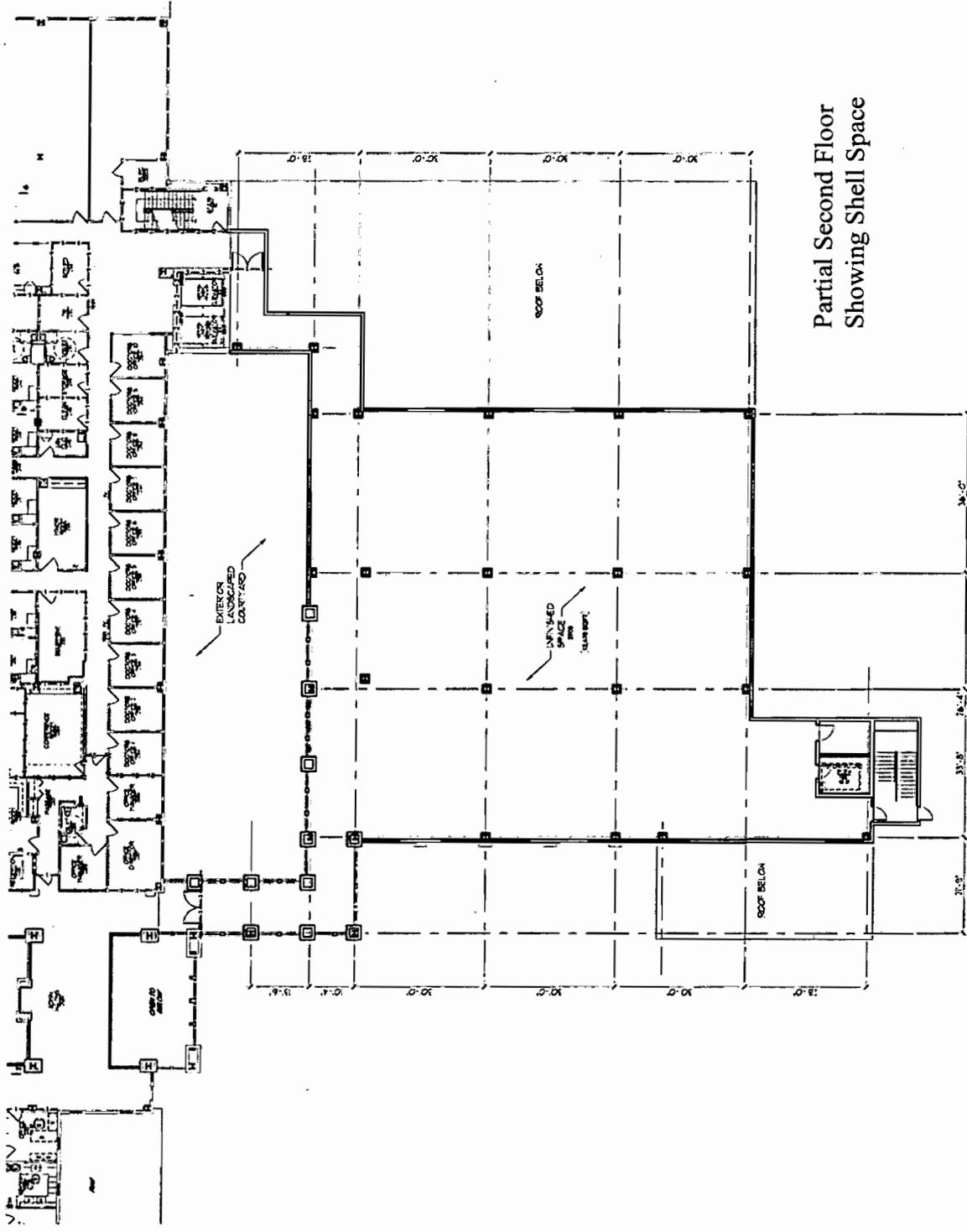
BHS - NorthPointe ASTC Planning		Project No.	1100000
10000 East Research Road		Site No.	
Tomball, TX 77375		Scale	1" = 100'
		Drawn By	



Partial First Floor  
Showing New ASTC and  
related services



		BHS - NorthPointe ASTC Planning 5005 East Rockwell Road Suite 1000 Denver, CO 80231	
Project No.	100000101	Scale	ASB
Date	10/02/07	Author	201S



Partial Second Floor  
Showing Shell Space



Sheet No.	202
Date	11/06/09
Client	BHS - NorthPointe ASTC Planning
Project	550 East Franklin Street
Scale	As Shown
Drawn by	JAD
Checked by	JAD
Project Manager	JAD
Project Engineer	JAD
Project Architect	JAD
Project Designer	JAD
Project Draftsman	JAD
Project Detailer	JAD
Project Checker	JAD
Project Approver	JAD

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

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

READ THE REVIEW CRITERION and provide the following information

**PROJECT SERVICES UTILIZATION:**

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

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

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

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

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

Project Services Utilization (Section 1110.24(b))

This proposed ASTC project is based on relocating current cases from Beloit memorial Hospital to the NorthPointe Health and Wellness Campus by expanding the existing facility to establish this non-hospital based category of service. As such, the initial utilization of 3,457 cases as attested to by the referring physicians (see also Attachment 27) justifies the 4-room ASTC. Attachment 15, Exhibits 15.1, 15.2, and 15.3 outline the cases to be referred; Appendix 2 provides the required attestation letters.

Attachment 15, Exhibit 15.2 profiles the referred cases by specialty, by case, by average case time per case. The workload is summarized from the referral letters and the case times were derived from Beloit Memorial Hospital operational data (see Section I for specific case times). The relocated utilization justifies 2-GI procedure rooms and 2-operating rooms with associated support services.

Utilization					
Year	Dept./Service	Utilization		State Standard	Met Standard
		Historical	Projected		
1	ASTC				
	• Surgery (2 rooms)	1,657 cases 2,282 hours	Same	NA 1,500 hrs./room	Yes
	• GI (2 rooms)	1,800 cases 1,800 hours		NA 1,500 hrs./room	Yes
1	Pharmacy	NA	NA	None	Yes
1	Laboratory	NA	NA	None	Yes

Size of Project and Utilization (Section 1110.234(c))

ASTC – See above as well as Attachments 14 and 27; the projected referred utilization by the respective physician meets the State Agency Standards for utilization and number of treatment rooms.

Laboratory – Space modernization was determined by the blood bank equipment required and applicable CLIA guidelines (295 dgsf). The State Agency has no criteria for this CSA service.

Pharmacy – The new space allocation was determined by necessary equipment and its schematic layout (367 dgsf). The State Agency has no criteria for this CSA service.

Exhibit 15.1 and 27.1  
Physician Referral Letter Summary by Physician  
2012 Outpatient Case Volume / Cases to be relocated to NorthPointe ASTC

<u>Physician</u>	<u>Surgical Specialty</u>	<u>2012 Cases by Resident Zip Code</u>			<u>Subtotal to be relocated to NorthPointe</u>
		<u>Illinois</u>	<u>Wisconsin / Other</u>	<u>Total</u>	
Karne	General	9	79	88	57
Golner	General	50	193	243	116
Charles	General	47	236	283	170
Johnson	Ortho	57	117	174	148
Ojeda	Urology	36	98	134	88
Donnelly	Urology	37	80	117	70
Kind	Podiatry	2	22	24	22
Sage	Podiatry	6	45	51	46
Reinicke	Podiatry	20	37	57	51
Rojas	Ophthalmology	77	332	409	376
Townshend	Ophthalmology	45	196	241	217
Johanson	Gastro	297	778	1,075	600
Patel	Gastro	63	565	628	600
Wang	Gastro	231	992	1,223	600 *
Tse	Pain (Anes)	6	53	59	53
Wang	Pain (Anes)	3	37	40	40
Balabanova	Pain (Anes)	4	30	34	30
Mohiuddin	Pain (Anes)	10	42	52	47
Bhaskar	Gyn	6	75	81	20
Tan	Gyn	27	145	172	86
Albert	Gyn	<u>12</u>	<u>64</u>	<u>76</u>	<u>20</u>
Total		<u>1,045</u>	<u>4,216</u>	<u>5,261</u>	<u>3,457</u>
Percent Distribution		20%	80%	100%	--

\* Based on 2013 utilization data, annualized. Dr Patel is new to the staff.

Exhibit 15.2 and 27.2  
Physician Referral Letter Summary  
By Case Type

General	343	
Orthopaedics	148	
Urology	158	
Podiatry	119	
Ophthalmology	593	
Gastroenterology	1,800	
Pain	170	
Gyn	<u>126</u>	
Total	<u>3,457</u>	cases

Exhibit 15.3 and 27.4  
 Physician Referred Cases  
 Treatment Room Need Calculations  
 by Service Scope  
 Proposed NorthPointe ASTC

Surgery Related Cases

<u>Specialty</u>	Referred Cases <sup>1</sup>	Average Hours <sup>2</sup> / Case	Average Total Hours
General <sup>3</sup>	343	1.80	617.4
Gyneology	126	1.83	230.6
Ophthalmology	593	1.11	658.2
Orthopaedics	148	1.26	186.5
Pain	170	1.00	170.0
Podiatry	119	1.65	196.4
Urology	<u>158</u>	1.41	<u>222.8</u>
Total / Average	<u>1,657</u>	<u>1.38</u>	<u>2,281.9</u>

Surgery rooms required @ 1,500 case hours / room are 1.52 or 2 rooms

Procedure Room Related Cases

GI	<u>1,800</u>	<u>1.00</u>	<u>1,800</u>
----	--------------	-------------	--------------

Procedure rooms required @ 1,500 case hours / room are 1.2 or 2 rooms

<sup>1</sup> Totals based on physician referral letters indicating cases to be relocated from Beloit Memorial Hospital to proposed NorthPointe ASTC

<sup>2</sup> Hospital experience as documented herein

<sup>3</sup> Beloit Health System surgeons perform general surgery and also assist in dermatology, vascular, oral / maxillofacial and plastic cases.

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

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

READ THE REVIEW CRITERION and provide the following information

#### UNFINISHED OR 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 to 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: Not Applicable
  - a. Historical utilization for the area for the latest five-year period for which data are available; and
  - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

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

#### Unfinished or Shell Space (Criterion 1110.234(d))

##### Criterion 1110.234(d)(1) – Size

The total dgsf of the second level shell is 12,480 gross sq. ft.

##### Criterion 1110.234(d)(2) – Anticipated use

The anticipated use of the shell space is for Beloit Clinic physician offices and related space.

##### Criterion 1110.234(d)(3)(a) – Rationale

This shell space is being constructed over the proposed ASTC in order to preserve expansion opportunities when and if they occur, in the future. OSHA and other applicable agencies discourage and/or will not allow expansion over occupied areas, excepting finishing or completion of shelled areas. Closing an active ASTC, if for only a short time, is not a reasonable alternative. Hence, the proposed shell provides a reasonable master plan development opportunity for the NorthPointe facility

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

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

READ THE REVIEW CRITERION and provide the following information

#### **ASSURANCES:**

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

#### Criterion 1110.234(c) – Assurances

1. Utilization Attestation ... See Attachment 17, Exhibit 1
2. Shell Space Attestation ... See Attachment 17, Exhibit 2

December 9, 2013

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

Re: Attestation Letter  
ASTC Utilization

Dear Ms. Avery,

Based on the referral letters we have received from our Beloit Clinic physicians, I attest to the fact that by the second year of the ASTC operation, after project completion, Beloit Health System will meet or exceed the utilization standards in Section 1110. Appendix B.

In fact, the referral letters indicate compliance with the HFSRB utilization benchmarks in the first operational year.

Sincerely,

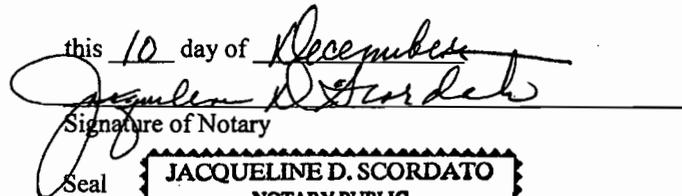


Timothy McKeveatt  
President

Notarization:

Subscribed and sworn to before me

this 10 day of December



Signature of Notary

Seal

**JACQUELINE D. SCORDATO**  
NOTARY PUBLIC  
STATE OF WISCONSIN

**At-Home Healthcare**  
1904 E. Huebbe Parkway  
Beloit, WI • (608) 363-5885

**Clinton Clinic**  
307 Ogden Avenue  
Clinton, WI • (608) 676-2206

**Janesville Clinic**  
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**NorthPointe Terrace**  
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**Riverside Terrace**  
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**Beloit Clinic**  
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**Darien Clinic**  
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**NorthPointe Health & Wellness Campus**  
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**Occupational Health Sports & Family Medicine Center**  
1650 Lee Lane  
Beloit, WI • (608) 362-0211

**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510

December 5, 2013

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

Re: NorthPointe Health and Wellness Campus  
Unfinished / Shell Space

Dear Ms. Avery,

We are submitting this assurance letter in accordance with Criterion 1110.234.

Our NorthPointe expansion and modernization project is proposed to have shell space for future physician offices; hence, we

1. will submit to HFSRB either a CON permit application and/or an assessment of applicability to develop and utilize the shell space, regardless of capital thresholds or categories of service involved in effect at the time development is contemplated.
2. estimate the date for submitting an assessment of applicability and/or CON permit application to develop and utilize the subject shell space will be within the CY 2017 to 2018 time frame; and,
3. estimate the shell space will be completed and in operation by CY 2020.

Given the vagaries associated with our longer term development under the Affordable Care Act, these dates are our best estimates at this time.

Sincerely

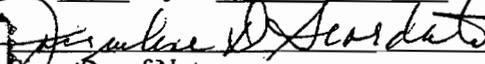
  
Timothy McKeve  
President

Notarization:

Subscribed and sworn to before me

this 5 day of December

JACQUELINE D. SCORDATO  
NOTARY PUBLIC  
STATE OF WISCONSIN

  
Signature of Notary  
Seal

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## SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

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

This section is applicable to all projects proposing to establish or modernize a non-hospital based ambulatory surgical treatment center or to the addition of surgical specialties.

### 1. Criterion 1110.1540(a), Scope of Services Provided

Read the criterion and complete the following:

- a. Indicate which of the following types of surgery are being proposed: Based on the current procedures performed by the referring physicians

<input type="checkbox"/> Cardiovascular	<input checked="" type="checkbox"/> Obstetrics/Gynecology	<input checked="" type="checkbox"/> Pain Management
<input checked="" type="checkbox"/> Dermatology	<input checked="" type="checkbox"/> Ophthalmology	<input checked="" type="checkbox"/> Podiatry
<input checked="" type="checkbox"/> Gastroenterology	<input checked="" type="checkbox"/> Oral/Maxillofacial	<input type="checkbox"/> Thoracic
<input checked="" type="checkbox"/> General/Other	<input checked="" type="checkbox"/> Orthopedic	<input checked="" type="checkbox"/> Otolaryngology
<input type="checkbox"/> Neurology	<input checked="" type="checkbox"/> Plastic	<input checked="" type="checkbox"/> Urology

- b. Indicate if the project will result in a  limited or  a multi-specialty ASTC.

### 2. Criterion 1110.1540(b), Target Population

Read the criterion and provide the following:

- On a map (8 ½" x 11"), outline the intended geographic services area (GSA).
- Indicate the population within the GSA and how this number was obtained.
- Provide the travel time in all directions from the proposed location to the GSA borders and indicate how this travel time was determined.

### 3. Criterion 1110.1540(c), Projected Patient Volume

Read the criterion and provide signed letters from physicians that contain the following:

- The number of referrals anticipated annually for each specialty.
- For the past 12 months, the name and address of health care facilities to which patients were referred, including the number of patients referred for each surgical specialty by facility.
- A statement that the projected patient volume will come from within the proposed GSA.
- A statement that the information in the referral letter is true and correct to the best of his or her belief.

### 4. Criterion 1110.1540(d), Treatment Room Need Assessment

Read the criterion and provide:

- The number of procedure rooms proposed.
- The estimated time per procedure including clean-up and set-up time and the methodology used in arriving at this figure.

**5. Criterion 1110.1540(e), Impact on Other Facilities**

Read the criterion and provide:

- a. A copy of the letter sent to area surgical facilities regarding the proposed project's impact on their workload. **NOTE:** This letter must contain: a description of the project including its size, cost, and projected workload; the location of the proposed project; and a request that the facility administrator indicate what the impact of the proposed project will be on the existing facility.
- b. A list of the facilities contacted. **NOTE:** Facilities must be contacted by a service that provides documentation of receipt such as the US. Postal Service, FedEx or UPS. The documentation must be included in the application for permit.

**6. Criterion 1110.1540(f), Establishment of New Facilities**

Read the criterion and provide:

- a. A list of services that the proposed facility will provide that are not currently available in the GSA; or
- b. Documentation that the existing facilities in the GSA have restrictive admission policies; or
- c. For co-operative ventures,
  - a. Patient origin data that documents the existing hospital is providing outpatient surgery services to the target population of the GSA, and
  - b. The hospital's surgical utilization data for the latest 12 months, and
  - c. Certification that the existing hospital will not increase its operating room capacity until such a time as the proposed project's operating rooms are operating at or above the target utilization rate for a period of twelve full months; and
  - d. Certification that the proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.

**7. Criterion 1110.1540(g), Charge Commitment**

Read the criterion and provide:

- a. A complete list of the procedures to be performed at the proposed facility with the proposed charge shown for each procedure.
- b. A letter from the owner and operator of the proposed facility committing to maintain the above charges for the first two years of operation.

**8. Criterion 1110.1540(h), Change in Scope of Service**

Read the criterion and, if applicable, document that existing programs do not currently provide the service proposed or are not accessible to the general population of the geographic area in which the facility is located.

**APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

1. Criterion 1110.1540(a) Scope of Services Provided

Beloit Health Systems proposes to develop a multi-specialty ASTC providing the scope of services indicated. These services are currently provided by those physicians attesting to relocating current cases from the Beloit Memorial Hospital to the NorthPointe Health and Wellness Campus. (See Attachment 27, Exhibits 27.1, 27.2, 27.3, and 27.4)

2. Criterion 1110.150(b) Target Population

This criteria does not readily apply in this instance in that the project proposes to relocate current cases from Beloit Memorial Hospital to a newly established ASTC on Beloit Health Systems NorthPointe Health and Wellness Campus in Roscoe, Illinois.

That said, the attached map (see Attachment 27, Exhibit 27.5) indicates a 45-minute drive time from the NorthPointe Campus, as required by Criterion 1110.1540(e). This area can be considered the proposed GSA; however the GSA is better defined by the actual source of patients, by resident zip code, as indicated by the respective physician referral letters contained herein. There are approximately 3,460 cases proposed to be relocated to NorthPointe. Of these, approximately 1,055 cases or 30.5% currently are from Illinois residents (see Attachment 27, Exhibit 27.3)

Given that the cases are existing and the GSA is defined by the 45-minute drive time and current patient care resident location, providing population data is not considered applicable due to the relocation of current cases to the ASTC as contrasted to establishing a new service. That said, the population for the key patient resident zip codes based on the referral letters are profiled in Exhibit 27.3.1 even though Beloit has not relied on a market analysis to justify the ASTC utilization given the ASTC cases will be relocated from Beloit Memorial Hospital.

“Establishment” is required by State Agency rules and the applicant, because of case relocation, does not believe the new ASTC will impact on current in-market providers.

The travel time for determining the GSA was based on a MapPoint program and the impacted facility facilities by MapQuest. (See Appendix 1 for details)

3. Criterion 1110.1540(c) Projected patient volume

The projected patient volume is based on relocating cases from Beloit Memorial Hospital to the proposed NorthPointe ASTC. See Appendix 2 for the respective referral letters by existing Beloit Clinic physicians. In addition to the relocated cases, several new physicians also anticipate relocating cases to NorthPointe (see Attachment 27, Exhibit 27). Attachments 27, Exhibits 27.1, 27.2, 27.3 summarize the referral attestation letters in Appendix 2. They indicate a total 3,457 outpatient surgery and GI cases to be relocated or referred from Beloit Memorial Hospital to NorthPointe.

The ambulatory surgery and outpatient GI cases which demonstrate the volume to be relocated will all originate from Beloit Memorial Hospital, 1969 W. Hart Road, Beloit, Wisconsin. The numbers of patients, by specialty, are included in Attachment 27, by summary and also in Appendix 2, by detail, by referring physician.

As noted in the physician referral / attestation letters which include required zip code patient origin data, by resident, the majority of the referred cases emanate from within the 45-minute impact letter requirement which defines the GSA. These cases originate from both Illinois and Wisconsin; see Attachment 27, Exhibits 27.1 and 27.3; of the 3,457 cases to be relocated from Beloit Memorial Hospital, 1,055 cases are from Illinois residents; of these 976 or 92.5% are from Rockton, South Beloit, Rockford, Machesney Park, Roscoe, and Loves Park. These zip codes are all within the 45-minute drive time from NorthPointe.

4. Criterion 1110.1540(d) Treatment Room Need Assessment

The NorthPointe ASTC proposes to establish a 4 procedure room facility housing 2-each operating rooms and 2-each GI procedure rooms. Attachment 27, Exhibit 27.4 profiles the 1,657 surgery cases and 1,800 GI cases to be referred, by specialty.

Beloit Memorial Hospital case time data (see Section I) was utilized to calculate the required number of procedure rooms to support each major type of room; i.e. either an operating room (OR) for primarily sterile-type procedures or a clean-type procedure room for gastrointestinal cases. These calculations are provided in Attachment 27, Exhibit 27.4.

5. Criterion 1110.1540(e) Impact on Other Facilities

Beloit Health System, Inc. proposes to establish a 4-procedure room (2-each OR's and 2-each procedure rooms) on its NorthPointe Health and Wellness Campus. Per State Agency review criterion, a 45 minute drive time from the NorthPointe Campus was

determined using MapPoint software (see Attachment 27, Exhibit 27.5). This impact zone included 6 hospitals and 3 ASTC's, two of which are single specialty ASTC's. Attachment 27 Exhibit 27.6 identifies these organizations, their respective distance, and drive times as calculated using MapQuest software (see Appendix 1).

The identified providers, contact individuals, and impact letters are attached and the required documentation indicating distribution and receipt is included in Appendix 3. These letters contained a description of the ASTC, its location, expected caseload / utilization / workload and anticipated number of rooms. When the letters were distributed, the anticipated development cost was not finalized and therefore not included.

Due to the fact the ASTC size is based on relocated current workload (cases) Beloit does not believe there will be an impact on existing facilities. In fact, Beloit Clinic physicians do not have privileges at the identified providers and do not anticipate seeing privileges in that their contractual commitment is to the components of the fully integrated Beloit Health System.

Beloit Health System does not believe the proposed NorthPointe ASTC will result in unnecessary duplication because the project essentially relocates current operating room and procedure room utilization / workload from Beloit Memorial Hospital to NorthPointe. Impact letters were sent to the leadership of the nine (9) ambulatory surgery providers. Responses were received from the following organizations. (See Attachment 27, Exhibit 27.7)

1. Rochelle Community Hospital indicating no impact.
2. Swedish American Hospital Rockford and Belvidere indicating an impact due to excess capacity in their system. The impact was not quantified. One should also note the organization does not report gastrointestinal rooms nor utilization in its AHQ reporting. Hence, Beloit Health System assumes the Swedish System could not accommodate any potential GI cases.
3. Rockford Ambulatory Surgery Center also suggested a NorthPointe ASTC would potentially adversely impact its workload and additional surgery capacity was available. No specific impact was noted.

To the best knowledge of Beloit Health System, no other responses were made to the applicants' impact letter.

The organizations which indicate an impact on their facilities have a total “excess or available capacity” of 8 treatment rooms (see Attachment 27, Exhibit 27.8). Swedish American has not reported any GI procedure room nor gastroenterology cases on its AHQ data, so one can assume they cannot accommodate the referred GI cases. Rockford Ambulatory surgery Center may potentially have capacity, but did not indicate in its response letter how many cases it might potentially accept, so there is no way to evaluate their impact on the anticipated referred cases; i.e. on the proposed NorthPointe development. It is important to recognize the referred cases which justify the proposed NorthPointe ASTC are all current Beloit Hospital cases to be redirected to the NorthPointe ASTC when opened.

Exhibit 27.8 profiles the 2012 utilization of the identified providers within a 45-minute drive time from NorthPointe. At a very macro level, the profile indicates the potential excess capacity of 7 total OR’s and procedure rooms in the market.

With respect to the geographic proximity to NorthPointe, Beloit Memorial Hospital, and the patients anticipated to utilize a NorthPointe ASTC, approximately 70% are Wisconsin residents. Those procedural patients from Illinois primarily reside in the zip codes close to the NorthPointe Campus including a small portion from Rockford. Hence, you can conclude an ASTC on the NorthPointe Campus would enhance local access to procedural services. Any Rockford based “excess or underutilized capacity”, if available to Beloit Clinic physicians, would compromise proximal patient access to surgery and GI procedures. The Rockford Hospital and ASTC providers are an average 21 minutes from NorthPointe, whereas NorthPointe is 14 minutes from Beloit Memorial Hospital. Combining the travel-time analysis, the current proximal in-market hospital and ASTC providers average a 35 minute travel time to Beloit Memorial Hospital and Beloit Clinic. Hence, these providers, even if they were available to accommodate the stated referral cases, would increase patient travel time not accounting for a patient’s residence.

The applicant believes access would be compromised utilizing in-market “excess or available capacity” let alone the negative consequences to an integrated healthcare organization if referrals were made out of the system.

In summary, even though one can argue there is a calculated “excess capacity” of ambulatory surgery and GI procedure rooms within a 45 minute drive time from NorthPointe, the applicant does not believe there will be an impact on current in-market providers or any unnecessary duplication of services for the following key reasons:

1. The “need” is based on relocating current utilization / workload from Beloit Memorial Hospital to the proposed NorthPointe ASTC. Hence, no utilization will be coming from existing providers.
  2. The physicians attesting to the referral case workload are all Beloit Clinic physicians and part of the Beloit Health System fully integrated care delivery model. Referrals outside the System would not be advantageous.
  3. The patient’s residence locations are primarily from Wisconsin and Northern Illinois. Patients tend to seek care proximal to their homes. A NorthPointe ASTC retains this local provider approach.
  4. There is no assurance the referring physicians could gain privileges at existing providers. Beloit Health System believes restrictions exist, but have no credible documentation.
6. Criterion 1110.1540(f) Establishment of New Facilities

Several conditions potentially apply within the State Agency criterion:

- 6.1 Lack of ASTC’s and/or services within the intended GSA ... there are several as identified herein.
- 6.2 Workload at or above the 80% occupancy target level ... the market has calculated excess capacity available

<u>Provider</u>	<u>Total OR / Procedure Rooms</u>	<u>80% Target Occupancy</u>	<u>2012 Case Hours</u>	<u>Variance</u>	<u>Met Criteria</u>
Rockford ASTC	7	10,500	5,066	(5,434)	No
Rockford Endoscopy	4	6,000	12,853	6,853	Yes
Rockford Ortho	3	4,500	3,078	(1,422)	No
Mercy Harvard	3	4,500	1,554	(2,946)	No
Rockford Memorial	19	28,500	23,633	(4,867)	No
Rochelle Community	2	3,000	1,625	(1,375)	No
St. Anthony	18	27,000	22,736	(4,264)	No
Swedish American	15	22,500	14,260	(8,240)	No

- 6.3 Improve access to care ... as provided herein, the data confirms, the proposed ASTC will be located closer to current Illinois residents thereby providing improved access in the stateline geographic market even though the suggested services are currently available, but may not be accessible to the Beloit Clinic providers. Although the Beloit Health System has no confirmed documentation, it believes there are restrictive policies in place.
- 6.4 Cooperative ventures “sponsored” by two or more persons, one of which operates an existing hospital. Although not directly applicable, this proposed ASTC development is similar based on:
- a. Beloit Health System recently acquired Beloit Clinic and select clinic physicians have attested to referring cases to the NorthPointe ASTC.
  - b. Documentation herein indicates Beloit Memorial Hospital, based on current workload, can justify one additional OR and one additional GI procedure room (See Attachment 12, Project Purpose).
  - c. Existing operating room capacity ... see attestation letter Attachment 27 Exhibit 27.9.
  - d. Proposed charges ... see Attachment 27, Exhibits 27.10 and 27.11.

Hence, based primarily on the fact the ASTC is justified based on relocating / redirecting current cases from Beloit Memorial Hospital to the proposed NorthPointe ASTC and that there is demonstrated need to expand the Beloit Hospital Surgery and GI facilities based on current utilization and State Agency criteria, the applicant believes the establishment criteria has been substantially complied with.

7. Criterion 1110.1540(g) Charge Commitment

See Attachment 27, Exhibit 27.10

8. Criterion 1110.1540(h) Change in scope of service

Not Applicable.

December 5, 2013

Ms. Courtney R. Avery  
Administrator  
Illinois Health Facilities Planning Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

Re: Additional Physician Cases  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Memorial Health System

Dear Ms. Avery:

This letter provides additional information which supports our proposed ASTC utilization as attested to by our Health System Physicians. Specifically, this letter provides a commitment of intent from three (3) physicians whom have joined our System within the last year.

Thomas J. Boeve, M.D. is board certified in Otolaryngology. He is with the Beloit Clinic, with an office in Beloit since January 9, 2013. In 2013 (year-to-date) Dr. Boeve performed 231 outpatient procedures. He has committed to me to relocate at least 115 outpatient surgery cases, or approximately 50 percent of his current caseload to our proposed NorthPointe ASTC on its opening.

Daniel C. Sellman, M.D. is board certified in Orthopedic Surgery. He is with the Beloit Clinic, with an office in Beloit since September 20, 2013. In 2013 (year-to-date) Dr. Sellman performed 42 outpatient procedures. He has committed to me to relocate at least 25 outpatient surgery cases, or approximately 60 percent of his current caseload to NorthPointe on the opening of the proposed new ASTC.

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**West Side Clinic**  
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Operated by Beloit Memorial Hospital

1969 West Hart Road • Beloit, Wisconsin 53511-2230 • (608) 364-5011  
www.BeloitHealthSystem.org

Andre N. Gay, M.D. is board certified in Orthopedic Surgery. He is with the Beloit Clinic, with an office in Beloit since July 29, 2013. In 2013 (year-to-date) Dr. Gay had performed 35 outpatient procedures. He has committed to me to relocate at least 21 outpatient surgery cases, or approximately 60 percent of his current caseload to NorthPointe on the opening of the proposed new ASTC.

I expect the surgical cases and volume of these three (3) new Beloit Health System physicians will increase because there is growth in those age cohorts requiring surgical or procedural intervention, but I am unsure of the actual volume, so their referral cases in 2018 are conservative. To the best of our knowledge, the patients they will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing on behalf of the support these physicians are providing to the proposed new multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health services / healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

The information in this letter is true and accurate to the best of my knowledge.

Sincerely,

Jason W. Dotson, MBA, CMPE  
Vice President of Physician Clinics  
Beloit Health System

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Exhibit 15.1 and 27.1  
Physician Referral Letter Summary by Physician  
2012 Outpatient Case Volume / Cases to be relocated to NorthPointe ASTC

<u>Physician</u>	<u>Surgical Specialty</u>	<u>2012 Cases by Resident Zip Code</u>			<u>Subtotal to be relocated to NorthPointe</u>
		<u>Illinois</u>	<u>Wisconsin / Other</u>	<u>Total</u>	
Karne	General	9	79	88	57
Golner	General	50	193	243	116
Charles	General	47	236	283	170
Johnson	Ortho	57	117	174	148
Ojeda	Urology	36	98	134	88
Donnelly	Urology	37	80	117	70
Kind	Podiatry	2	22	24	22
Sage	Podiatry	6	45	51	46
Reinicke	Podiatry	20	37	57	51
Rojas	Ophthalmology	77	332	409	376
Townshend	Ophthalmology	45	196	241	217
Johanson	Gastro	297	778	1,075	600
Patel	Gastro	63	565	628	600
Wang	Gastro	231	992	1,223	600 *
Tse	Pain (Anes)	6	53	59	53
Wang	Pain (Anes)	3	37	40	40
Balabanova	Pain (Anes)	4	30	34	30
Mohiuddin	Pain (Anes)	10	42	52	47
Bhaskar	Gyn	6	75	81	20
Tan	Gyn	27	145	172	86
Albert	Gyn	<u>12</u>	<u>64</u>	<u>76</u>	<u>20</u>
Total		<u>1,045</u>	<u>4,216</u>	<u>5,261</u>	<u>3,457</u>
Percent Distribution		20%	80%	100%	--

\* Based on 2013 utilization data, annualized. Dr Patel is new to the staff.

Exhibit 15.2 and 27.2  
Physician Referral Letter Summary  
By Case Type

General	343	
Orthopaedics	148	
Urology	158	
Podiatry	119	
Ophthalmology	593	
Gastroenterology	1,800	
Pain	170	
Gyn	<u>126</u>	
Total	<u>3,457</u>	cases

Exhibit 27.3  
 Illinois Zip Code Analysis  
 2012 Outpatient / Ambulatory Surgery Cases  
 Physician Attestation / Referral Letter  
 Proposed NorthPointe ASTC

<u>Resident Zip Code</u>	<u>Zip Code Name</u>	<u>Adjusted Total Cases</u>
60010	Barrington	1
61613	Chicago	1
61019	Davis	1
61032	Freeport	1
61131	Loves Park	1
61132	Loves Park	1
60463	Palos Heights	1
61063	Pecatonica	1
60171	River Grove	1
60173	Schaumburg	1
61088	Winnebago	1
61089	Winslow	1
60098	Woodstock	1
61070	Rock City	2
61012	Capron	2
61020	Davis Junction	2
61104	Rockford	3
61016	Cherry Valley	3
61111	Loves Park	3
61109	Rockford	4
60124	Elgin	4
61102	Rockford	5
60033	Harvard	6
61114	Rockford	8
61024	Durand	9
61101	Rockford	9
61011	Caledonia	10
61103	Rockford	10
61065	Poplar Grove	12
61008	Belvedere	15
61115	Machesney Park	30
61107	Rockford	30
61072	Rockton	206
61073	Roscoe	239
61080	South Beloit	424
Other		<u>6</u>
	Total	<u>1,055</u>

Exhibit 27.3.1

NorthPointe – Population by Key Zip Codes based on Physician Referral Letters

State	City	Zip Code	2010	2015	2010 to 2015 Change	2010 to 2015 Percent Change
<b>Illinois</b>						
	Belvidere	61008	35,870	38,788	2,918	8.1
	Capron	61012	2,589	2,944	355	3.7
	Cherry Valley	61016	4,987	5,353	366	7.3
	Davis Junction	61020	2,785	3,275	490	7.6
	Durand	61024	2,775	2,872	97	3.5
	Lanark	61046	2,815	2,762	-53	-1.1
	Lindenwood	61049	458	488	30	6.6
	Loves Park	61111	24,098	25,160	1,062	4.4
	Machesney Park	61115	23,437	24,080	643	2.7
	Monroe Center	61052	1,421	1,543	122	8.6
	Poplar Grove	61065	10,820	12,606	1,786	6.5
	Roscoe	61073	21,011	22,988	1,977	9.4
	Rockford	61101	25,064	25,664	600	2.4
	Rockford	61102	21,024	21,447	423	2.0
	Rockford	61103	23,834	23,961	127	0.5
	Rockford	61104	19,350	19,139	-211	-1.1
	Rockford	61107	33,034	33,758	724	2.1
	Rockford	61114	16,676	17,238	562	3.4
	Rockton	61072	11,430	12,366	936	8.2
	South Beloit	61080	9,749	10,780	1,031	10.6
<b>Total Illinois</b>			<b>293,227</b>	<b>307,212</b>	<b>13,985</b>	<b>4.7</b>
<b>Wisconsin</b>						
	Avalon	53505	344	349	5	1.5
	Beloit	53511	48,813	49,179	366	0.8
	Brodhead	53520	7,082	7,252	170	2.4
	Clinton	53525	4,185	4,362	177	4.2
	Darien	53114	3,147	3,184	37	1.2
	Delavan	53115	15,390	15,319	-71	-1.4
	Edgerton	53534	11,419	11,779	360	3.2
	Janesville	53545	23,649	24,007	358	1.2
	Janesville	53546	30,823	31,868	1,045	3.4
	Janesville	53548	20,096	20,443	347	1.7
	Milton	53563	11,100	11,594	494	4.5
	Orfordville	53576	2,631	2,769	138	5.3
	Sharon	53585	2,566	2,600	34	1.3
	Walworth	53184	4,250	4,478	228	5.4
<b>Total Wisconsin</b>			<b>185,495</b>	<b>189,183</b>	<b>3,688</b>	<b>2.0</b>
<b>Total Illinois and Wisconsin</b>			<b>478,722</b>	<b>496,395</b>	<b>17,673</b>	<b>3.7</b>

Source: U.S. Bureau of the Census, ESRI

Exhibit 15.3 and 27.4  
 Physician Referred Cases  
 Treatment Room Need Calculations  
 by Service Scope  
 Proposed NorthPointe ASTC

Surgery Related Cases

<u>Specialty</u>	<u>Referred Cases</u> <sup>1</sup>	<u>Average Hours</u> <sup>2</sup> <u>/ Case</u>	<u>Average Total Hours</u>
General <sup>3</sup>	343	1.80	617.4
Gyneology	126	1.83	230.6
Ophthalmology	593	1.11	658.2
Orthopaedics	148	1.26	186.5
Pain	170	1.00	170.0
Podiatry	119	1.65	196.4
Urology	<u>158</u>	1.41	<u>222.8</u>
Total / Average	<u>1,657</u>	<u>1.38</u>	<u>2,281.9</u>

Surgery rooms required @ 1,500 case hours / room are 1.52 or 2 rooms

Procedure Room Related Cases

GI	<u>1,800</u>	<u>1.00</u>	<u>1,800</u>
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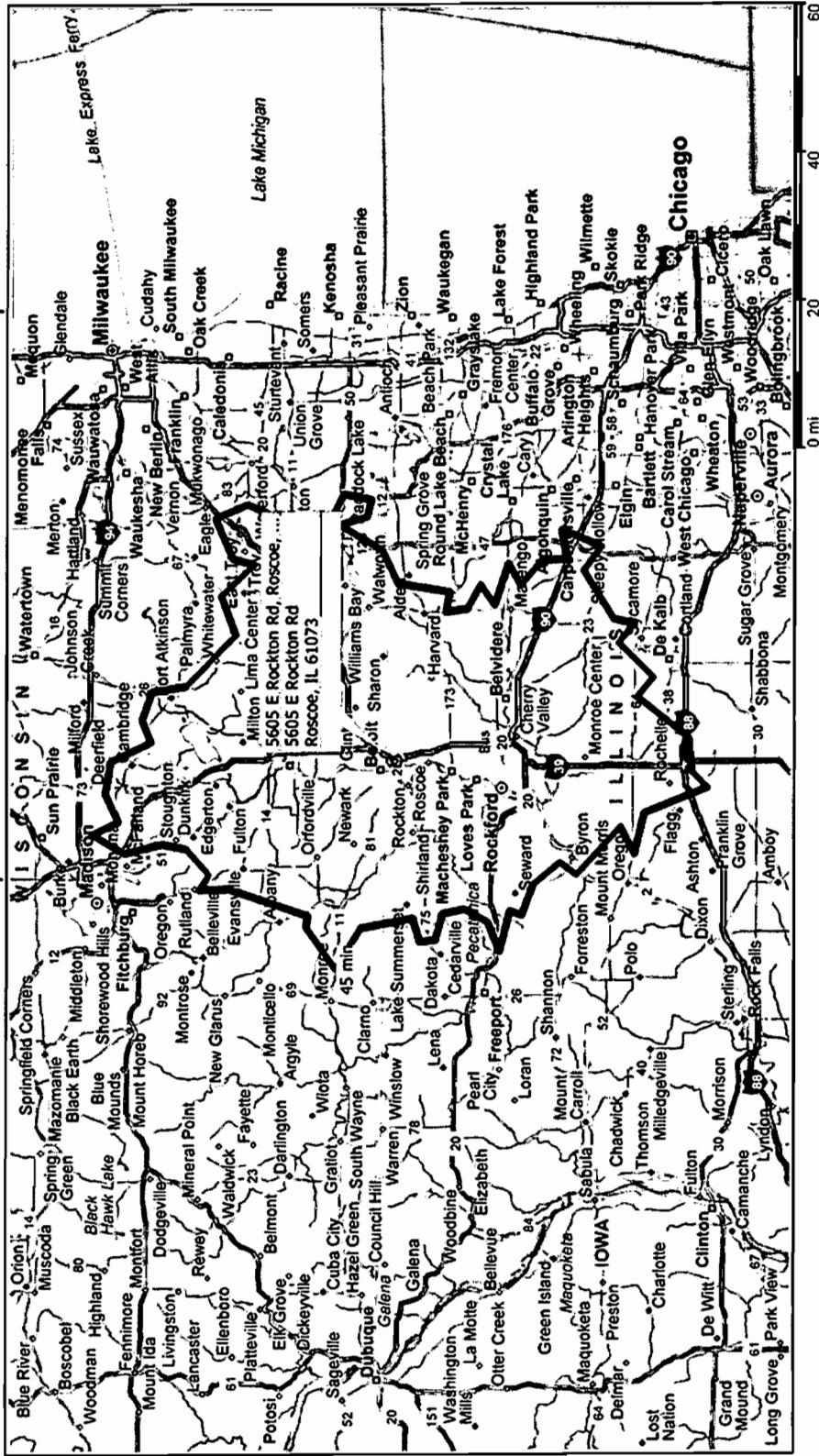
Procedure rooms required @ 1,500 case hours / room are 1.2 or 2 rooms

<sup>1</sup> Totals based on physician referral letters indicating cases to be relocated from Beloit Memorial Hospital to proposed NorthPointe ASTC

<sup>2</sup> Hospital experience as documented herein

<sup>3</sup> Beloit Health System surgeons perform general surgery and also assist in dermatology, vascular, oral / maxillofacial and plastic cases.

# 45-Minute Drive Time Map from NorthPointe Health and Wellness Campus



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Facilities within 45 Minutes Travel of the NorthPointe Proposed ASTC

Facility	Address	City	Zip	MapQuest	
				Distance (Mi.)	Time (Min.)
NorthPointe Health and Wellness Campus	5605 East Rockton Road	Roscoe	61703	--	--
Rockford Ambulatory Surgery Center	1016 Featherstone Road	Rockford	61107	14.66	18
St. Anthony Medical Center	5666 E. State Street	Rockford	61108	16.27	19
Rockford Orthopedic Center	346 Roxbury Road	Rockford	61107	16.35	20
Rockford Endoscopy Center	401 Roxbury Road	Rockford	61107	16.54	20
Rockford Memorial Hospital	2400 North Rockton Avenue	Rockford	61103	14.21	23
Swedish American Hospital *	1401 East State Street	Rockford	61104	15.39	25
Swedish American Medical Center	1625 S. State Street	Belvidere	61008	22.94	26
Mercy Harvard Memorial Hospital	901 Grant Street	Harvard	60033	23.81	34
Rochelle Community Hospital	900 North 2nd Street	Rochelle	61068	40.99	43

Source: MapQuest.com as of October 24, 2013

\* Note: A single impact letter was sent to Swedish American Hospital in compliance with the impact letter requirements within the State Agency rules. A single letter was sent in that Swedish American is a local 2-hospital system. The Swedish American impact letter response indicated considerations for both facilities.

**Impact Letter Responses**

**Rochelle Community Hospital**

**Swedish American Hospital**

**Rockford Ambulatory Surgery Center**



900 N. Second Street • Rochelle, IL 61068  
Ph. (815) 562-2181 • Fax. (815) 561-3120

**NOV 15 2013**

November 13, 2013

Tim McKeveatt  
President  
Beloit Health System  
1969 West Hart Rd.  
Beloit, WI 53511

Dear Tim,

After reviewing your correspondence dated November 11, regarding the establishment of a multi-specialty ambulatory surgical treatment center in Beloit, we concur with your belief there will be minimal to no impact on surrounding ambulatory surgery programs.

Please allow this return correspondence to serve as notice that we anticipate this expansion and relocation of services to have no impact on Rochelle Community Hospital.

Should you need anything further, please contact me at your convenience.

Sincerely,

Mark J. Batty  
Chief Executive Officer

SWEDISHAMERICAN  
HEALTH SYSTEM



Winner Of The Lincoln Award For Excellence

WILLIAM R. GORSKI, M.D.  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

DEC - 2 2013

SwedishAmerican Hospital  
SwedishAmerican  
Medical Group/Belvidere  
SwedishAmerican  
Medical Group/Brookside  
SwedishAmerican  
Medical Group/Byron  
SwedishAmerican  
Medical Group/Davis Junction  
SwedishAmerican  
Medical Group/Five Points  
SwedishAmerican  
Medical Group/Midtown  
SwedishAmerican  
Medical Group/Northwest  
SwedishAmerican  
Medical Group/Roscoe  
SwedishAmerican  
Medical Group/Valley  
SwedishAmerican  
Medical Group/Woodside  
SwedishAmerican  
Camelot OB/GYN  
SwedishAmerican  
Camelot Pediatrics  
SwedishAmerican  
Breast Health Center  
SwedishAmerican  
Health Alliance  
SwedishAmerican Health  
Management Corporation  
SwedishAmerican  
Home Health Care  
SwedishAmerican  
Immediate Care  
SwedishAmerican  
Infusion Services/DME  
SwedishAmerican  
Medical Foundation  
SwedishAmerican MSO  
SwedishAmerican Realty  
Greater Rockford  
Hematology/Oncology  
Center  
Midwest Center For Health  
And Healing  
Medical Arts Center  
Medworks  
Northern Illinois  
Health Care Network  
Northern Illinois  
Surgery Center

November 26, 2013

Mr. Timothy McKeveatt  
Beloit Health System  
1969 West Hart Road  
Beloit, Wisconsin 53511-2230

**Re: Response to Impact Letter Request**

Dear Mr. McKeveatt:

This letter responds to your letter to me dated November 11, 2013 and received on November 12, 2013 advising of Beloit Health System's intent to establish an ambulatory surgical treatment center ("ASTC") in Roscoe, Illinois and requesting an impact statement from SwedishAmerican Hospital.

We currently provide outpatient surgical services at SwedishAmerican Hospital, 1401 East State Street in Rockford and at SwedishAmerican Medical Center - Belvidere, 1625 South State Street in Belvidere. Both of these facilities are located within 20 miles of your proposed site in Roscoe, and both have excess operating room capacity for outpatient as well as inpatient surgery.

Because of the close proximity of your existing facility, we anticipate that your proposed ASTC would adversely impact the utilization of SwedishAmerican's existing facilities. Your impact letter of November 11, 2013 does not provide sufficient information for us to fully assess the extent of the adverse impact and does not provide the minimum information required by the Illinois Health Facilities and Services Review Board for such letters, including the cost and size of the project. Consequently, we will await further details concerning the project to assess the full impact of the proposed ASTC on SwedishAmerican's existing facilities.

Sincerely,

Bill Gorski, MD

1313 East State Street, Rockford, Illinois 61104-2227 Phone (815) 489-4000 Fax (815) 967-5423 www.swedishamerican.org



NOV 25 2013

November 22, 2013

VIA FEDERAL EXPRESS

Mr. Timothy McKeveatt  
President, Beloit Health System  
1969 West Hart Road  
Beloit, Wisconsin 53511-2230

Dear Mr. McKeveatt:

I am in receipt of your letter regarding the intent of Beloit Health System to establish a multispecialty non-hospital based ambulatory surgical treatment center (ASTC) on the NorthPointe Campus in Roscoe, Illinois.

This comes as a surprise to me considering the NorthPointe Campus is only a 15 minute drive from Rockford Ambulatory Surgery Center. I am further intrigued that not a single NorthPointe surgeon has ever applied for surgical privileges at this facility. To my knowledge, none of the Beloit Health System NorthPointe surgeons have ever applied for staff privileges at an Illinois licensed hospital.

Rockford Ambulatory Surgery Center is a licensed, accredited, Medicare certified ASTC providing high quality, low cost outpatient surgical services to patients in Rockford and the surrounding communities for the past 20 years. Our ASTC has five operating rooms and two procedure rooms. Currently we have excess capacity available and remain fully equipped and ready to accommodate the outpatient surgical needs of the NorthPointe surgeons who service the residents of northern Illinois and southern Wisconsin.

As I understand it, since your surgeons do not have surgical privileges at an Illinois licensed hospital, or our ASTC, apparently the Beloit Health System has easily accommodated the needs of the NorthPointe surgeons at Beloit Hospital. Indeed, the majority of your health system surgeons service residents of Wisconsin. Only in recent years has the Beloit Health System migrated across the border to capture patients that Rockford Ambulatory Surgery Center has serviced for 20 years and our three local hospitals have serviced for the past 100 years.

Therefore, rather than finding myself or my board of directors in a position to provide a response in support of Beloit Health System's proposal to seek a Certificate of Need from the IHFSRB to establish a freestanding ambulatory surgical treatment center at the NorthPointe location, I regret to inform you that it is our intent to oppose your project.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Gunderson", is written over a horizontal line.

Steven A. Gunderson, DO  
CEO/Administrative Medical Director

---

1016 FEATHERSTONE ROAD ■ ROCKFORD, ILLINOIS 61107 ■ 815-226-3300 ■ FAX 815-226-9990

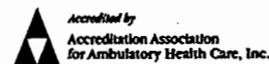


Exhibit 27.8

Illinois, HSA-1  
 Surgery Provider Capacity Overview (macro-analysis)  
 Illinois Providers within 45-minute Drive Time from NorthPointe  
 Based on: CY 2012 IDPH Data  
 (Excludes Hospital-based pain management)

Non-Hospital based Ambulatory Surgery (M = multi-specialty; S = single specialty)

<u>Provider</u>	<u>OR Rooms</u>	<u>Procedure Rooms</u>	<u>2012 Hours</u>	<u>Justified Rooms</u>	<u>Variance</u>
Rockford ASC (M)	5	2	5,066	4	3
Rockford Endoscopy (S)	0	4	12,853	9	(5)
Rockford Orthopedic (S)	<u>2</u>	<u>1</u>	<u>3,078</u>	<u>3</u>	<u>0</u>
Total ASTC	<u>7</u>	<u>7</u>	<u>20,997</u>	<u>14</u>	<u>0</u>

Hospital Based Surgery

	<u>Rooms</u>	<u>2012 Hours</u>	<u>Justified Rooms</u>	<u>Variance</u>
--	--------------	-------------------	------------------------	-----------------

Mercy Hospital

Surgery (OR)	2	1,225	1	1
Procedure (GI)	<u>1</u>	<u>329</u>	<u>1</u>	<u>0</u>
Total	<u>3</u>	<u>1,554</u>	<u>2</u>	<u>1</u>

Rockford Memorial

Surgery (OR)	13	20,222	14	(1)
Procedure (GI)	<u>6</u>	<u>3,411</u>	<u>3</u>	<u>3</u>
Total	<u>19</u>	<u>23,633</u>	<u>17</u>	<u>2</u>

Rochelle Community Hospital

Surgery (OR)	2	1,625	2	0
Procedure (GI)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>2</u>	<u>1,625</u>	<u>2</u>	<u>0</u>

St. Anthony

Surgery (OR)	15	20,671	14	1
Procedure (GI)	<u>4</u>	<u>2,065</u>	<u>2</u>	<u>2</u>
Total	<u>18</u>	<u>22,736</u>	<u>16</u>	<u>3</u>

Exhibit 27.8 (Continued)

<u>Hospital Based Surgery</u>		<u>Rooms</u>	<u>2012 Hours</u>	<u>Justified Rooms</u>
<u>Swedish American (Rockford and Belvidere)</u>				
Surgery (OR)	15	14,260	10	5
Procedure (GI)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>15</u>	<u>14,260</u>	<u>10</u>	<u>5*</u>
Total Hospital	<u>57</u>	<u>63,808</u>	<u>43</u>	<u>14</u>
<hr/>				
Grand Total 45-minute drive time	<u>64</u>	<u>80,715</u>	<u>57</u>	<u>7</u>

Note: Does not account for single purpose specialty rooms such as urology / cysto or open heart which can add to calculated need.

\* Potential excess or available capacity indicated by those organizations responding to the required impact letter.

December 5, 2013

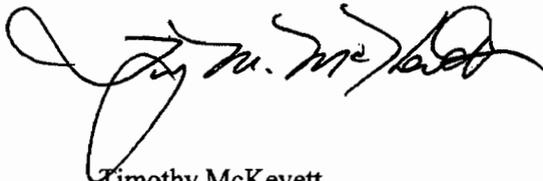
Ms. Courtney R. Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

Re: NorthPointe Health and Wellness Campus  
Hospital Operating Room Capacity

Dear Ms. Avery,

In accordance with Criterion 1110.1540(f), I certify Beloit Memorial Hospital will not increase its operating room capacity until such time the proposed NorthPointe ASTC operating and procedure rooms are utilized at or near the target utilization rate as currently established by the IHFSRB for a period of twelve full months.

Sincerely

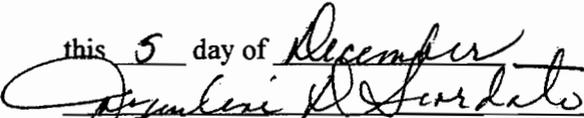


Timothy McKeve  
President

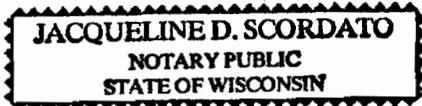
Notarization:

Subscribed and sworn to before me

this 5 day of December

  
Signature of Notary

Seal



**At-Home Healthcare**  
1904 E. Huebbe Parkway  
Beloit, WI • (608) 363-5885

**Beloit Clinic**  
1905 E. Huebbe Parkway  
Beloit, WI • (608) 364-2200

**Clinton Clinic**  
307 Ogden Avenue  
Clinton, WI • (608) 676-2206

**Darien Clinic**  
300 N. Walworth Street  
Darien, WI • (262) 882-1151

**Janesville Clinic**  
1321 Creston Park  
Janesville, WI • (608) 757-1217

**NorthPointe Health & Wellness Campus**  
5605 E. Rockton Road  
Roscoe, IL • (815) 525-4000

**NorthPointe Terrace**  
5601 E. Rockton Road  
Roscoe, IL • (815) 525-4800

**Occupational Health Sports & Family Medicine Center**  
1650 Lee Lane  
Beloit, WI • (608) 362-0211

**Riverside Terrace**  
3055 S. Riverside Dr.  
Beloit, WI • (608) 365-7222

**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510

December 5, 2013

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

Re: NorthPointe Health and Wellness Campus  
Proposed ASTC Charge Commitment

Dear Ms. Avery,

In accordance with Criterion I110.1540(f) and (g), we have included in our underlying CON Permit Application a complete procedural list and proposed charges for each.

We attest to the fact that we will maintain these charges for the first two years of operation of our proposed NorthPointe ASTC; and that these proposed charges for comparable procedures at the ASTC will be lower than those of the existing Hospital.

Sincerely

*William S. Groeper*  
William Groeper  
Vice President and CFO

Notarization:

Subscribed and sworn to before me

this 5 day of December  
*Jacqueline D. Scordato*  
Signature of Notary  
Seal

JACQUELINE D. SCORDATO  
NOTARY PUBLIC  
STATE OF WISCONSIN

**At-Home Healthcare**  
1904 E. Huebbe Parkway  
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**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510

<u>Charge</u>	<u>Description</u>	
2960017	ABDOMINAL AORTIC ANEURYSM, ENDOVASCULAR REPAIR	12,310
2960516	ABDOMINAL AORTIC ANEURYSM STENTING	12,310
2960517	ABDOMINAL AORTIC ANEURYSMECTOMY	12,310
	ABDOMINAL HYSTERECTOMY W/ BILATERAL SALPINGO	
2960518	OOPHERECTOMY, TOTAL	3,014
2960519	ABDOMINAL HYSTERECTOMY, TOTAL	3,014
2960549	ABDOMINAL PARACENTESIS	771
2959813	ABDOMINAL PERINEAL RESECTION	6,060
2960360	ABDOMINAL SACRAL COLPO SUSPENSION	3,014
2959775	ABDOMINOPLASTY	3,014
2959776	ACCESSORY BONE REMOVAL	951
2959780	ADENOIDECTOMY	771
2960215	ADHESIONS, LYSIS OF	771
2959782	ADRENALECTOMY	6,060
2959783	ADVANCEMENT FLAP CLOSURE	771
2959784	ALVEOLECTOMY & ALVEOLOPLASTY	3,014
2959785	AMPUTATION, ABOVE KNEE	1,249
2959786	AMPUTATION, ANKLE	1,249
2959787	AMPUTATION, BELOW KNEE	1,249
2959788	AMPUTATION, ELBOW	1,249
2959789	AMPUTATION, FINGER	1,249
2959790	AMPUTATION, FOREARM	1,249
2959791	AMPUTATION, FOOT	1,249
2959792	AMPUTATION, HAND	1,249
2959793	AMPUTATION, HIP	3,312
2959794	AMPUTATION, HUMERUS	3,312
2959795	AMPUTATION, PENILE	3,014
2959796	AMPUTATION, SHOULDER	3,312
2959797	AMPUTATION, SYME	1,249
2959798	AMPUTATION, TOE	1,249
2959799	AMPUTATION, WRIST	1,249
2959946	ANAL CONDYLOMA, CAUTERY OF	771
2959801	ANAL DILATION	771
2960382	ANAL SPHINCTERECTOMY	771
2960327	ANEURYSM REPAIR, PSEUDO	11,877
2959803	ANGIOGRAPH	5,659
2959804	ANGIOSCOPY	5,659
2959815	ANKLE ARTHRODESIS	3,493
2959826	ANKLE ARTHROSCOPY	6,089
2960440	ANKLE ARTHROPLASTY	6,137
2959856	ANKLE BONE GRAFTING	3,195
2960217	ANKLE MANIPULATION	771
2960200	ANKLE, LIGAMENT RECONSTRUCTION	3,493
2960415	ANKLE, TENDON & NERVE REPAIR	3,195
2959808	ANTERIOR COLPORRHAPHY	3,014
2959777	ANTERIOR CRUCIATE LIG W/BONE TENDON BONE	6,387
2959778	ANTERIOR CRUCIATE LIG RECON W/HAMSTRING	6,387
2959812	ANTERIOR POSTERIOR REPAIR	3,014
2959805	ANTERIOR REPAIR	3,014
2960491	AORTIC VALVE REPLACEMENT	12,175
2959809	AORTOFEMORAL BYPASS GRAFT	12,310
2959810	AORTORENAL BYPASS GRAFT	12,310
2960520	APLIGRAFT APPLICATION	771

<u>Charge</u>	<u>Description</u>	
2950472	APPENDECTOMY, OPEN, PEDIATRIC	3,014
2959811	APPENDECTOMY, OPEN	3,014
2959814	ARCH BARS REMOVAL/PLACEMENT	771
2960055	ARM FASCIOTOMY, UPPER	771
2959832	ARTERIAL LINE PLACEMENT	771
2959834	ARTERIOVENOUS FISTULA	9,264
2959835	ARTERIOVENOUS FISTULA DECLOTTING	9,264
2959836	ARTERIOVENOUS GRAFT	9,264
2960026	AXILLA HYDRADENITIS, EXCISION	771
2959839	AXILLARY LYMPH NODE DISSECTION	776
2959837	AXILLO FEMORAL BYPASS GRAFT	11,909
2959838	AXILLO FEMORAL FEMORAL BYPASS GRAFT	11,909
2960550	BALLOON DILATATION	831
2959840	BANKHART PROCEDURE	3,014
2959841	BARTHOLIN CYST MARSUPIALIZATION	771
2960412	BICEPS TENDON REPAIR	3,195
2960416	BICEPS, TENDON & NERVE REPAIR	3,312
2959842	BILIARY BYPASS GRAFT	3,415
2959845	BIOPSY, BLADDER	771
2959869	BIOPSY, BONE MARROW	771
2959875	BIOPSY, BREAST	771
2959876	BIOPSY, BREAST W/ X-RAY NEEDLE PLACEMENT	771
2959877	BIOPSY, BREAST W/ ULTRASOUND NEEDLE PLACEMENT	771
2959884	BIOPSY, EXCISIONAL	771
2959885	BIOPSY, LIVER	3,014
2959886	BIOPSY, LUNG	3,014
2959889	BIOPSY, LYMPH NODE, OPEN	771
2959887	BIOPSY, MASS	771
2959888	BIOPSY, MUSCLE	771
2959890	BIOPSY, PANCREATIC	771
2959891	BIOPSY, PENIS	771
2959892	BIOPSY, PLEURAL	771
2959893	BIOPSY, PULMONARY	771
2959894	BIOPSY, RENAL	771
2959895	BIOPSY, SCALENE NODE	771
2960368	BIOPSY, SENTINAL LYMPH NODE	1,016
2960403	BIOPSY, TEMPORAL ARTERY	803
2959896	BIOPSY, TESTICLE	771
2959897	BIOPSY, TRANSANAL EXCISIONAL	771
2959898	BIOPSY, URETHRA	1,114
2959899	BIOPSY, VULVAR	771
2959844	BIRCH PROCEDURE	3,014
2959846	BLADDER CALCULUS REMOVAL	771
2959847	BLADDER DILATION	771
2959848	BLADDER SLING PROCEDURE	3,357
2960458	BLADDER TUMOR, TRANSURETHRAL RESECTION	3,568
2959850	BLEB RESECTION	3,014
2959851	BLEPHAROPLASTY, SURGERY	3,014
2959852	BLEPHARPTOSIS	3,014
2959919	BLOCK, CAUDAL	207
2960157	BLOCK, INTERCOSTAL	207
2975775	BLOCK, INTERSCALENE	207
2960397	BLOCK, LUMBAR SYMPATHETIC	207
2960246	BLOCK, NERVE	207

<u>Charge</u>	<u>Description</u>	
2960388	BLOCK, STELLATE GANGLION	207
2959849	BLOOD PATCH	207
2960029	BODIES, LOOSE, EXCISION	771
2959873	BRACHIAL CLEFT CYST EXCISION	771
2959872	BRACHIAL PLEXUS SURGERY	9,264
2959871	BRACHIOPLASTY	9,264
2959874	BREAST AUGMENTATION	3,014
2959878	BREAST EXPANDERS PLACEMENT	3,014
2959881	BREAST IMPLANT REMOVAL	771
2959879	BREAST RECONSTRUCTION	3,014
2959880	BREAST REDUCTION	3,014
2960333	BRONCHO/LARYNGO/NASOPHANGO/ESOPHAGOSCOPY	1,572
1186826	BRONCHOSCOPY	1,572
2959882	BROW LIFT	771
2950492	BUNIONECTOMY, AUSTIN	1,249
2950493	BUNIONECTOMY, TAYLOR	1,249
2950494	BUNIONECTOMY, KELLER	1,249
2959991	BURN DEBRIDEMENT	771
2959904	CALDWELL LUC PROCEDURE	3,014
2959906	CAROTID ARTERY REPAIR	11,909
2959907	CAROTID ENDARTERECTOMY	11,909
2959908	CARPAL TUNNEL RELEASE	951
2960008	CARPAL TUNNEL RELEASE, ENDOSCOPIC	5,259
2960349	CATARACT EXTRACTION, RESTOR IMPLANT	4,026
2960438	CATARACT EXTRACTION WITH TORIC LENS IMPLANT	4,026
2960521	CATARACT EXTRACTION W/ INTRAOCULAR LENS IMPLANT	4,026
2959909	CATHETER INSERTION, BROVIAC	771
2959910	CATHETER INSERTION, DIALYSIS	771
2959911	CATHETER INSERTION, HICKMAN	771
2959912	CATHETER INSERTION, INTRAJUGULAR	771
2959913	CATHETER INSERTION, INDWELLING	771
2959914	CATHETER INSERTION, PERITONEAL DIALYSIS	771
2959915	CATHETER INSERTION, PERMA	771
2959916	CATHETER INSERTION, QUINTON	771
2959917	CATHETER INSERTION, SUPRAPUBIC	771
2959918	CATHETER INSERTION, SWAN GANZ	771
2959920	CAVUS FOOT RECONSTRUCTION	3,493
2959974	CENTRAL LINE PLACEMENT	340
2959816	CERVICAL ARTHRODESIS	3,312
2959921	CERVICAL CERCLAGE	771
2960154	CERVICAL INFECTION INCISION, SUPERFICIAL & DEEP	3,014
2959936	CERVIX, COLD CONIZATION	771
2959970	CESAREAN SECTION, PRIMARY	3,014
2959971	CESAREAN SECTION, REPEAT	3,014
2959923	CHALAZION REMOVAL	771
2959924	CHEILECTOMY	951
2959995	CHEMICAL PEEL/DERMABRASION	771
2959925	CHEMO PORT INSERTION	771
2959926	CHEST TUBE PLACEMENT	771
2959927	CHOLECYSTECTOMY, OPEN	3,415
2959929	CHOLECYSTECTOMY W/ COMMON BILE DUCT, OPEN	3,415
2959928	CHOLEDOCHOSCOPY	5,142
2959930	CIMINO SHUNT CREATION	9,264

<u>Charge</u>	<u>Description</u>	
2959931	CIRCUMCISION	771
2959932	CLAVICLE RESECTION, DISTAL	3,312
2960345	CLAVICLE RESECTION	3,312
2959934	CLEFT LIP & PALATE REPAIR	3,312
2959933	CLEFT LIP REVISION	3,014
2950343	CLOSED REDUCTION SHOULDER FRACTURE	771
2959956	CLOSED REDUCTION ALVEOLAR FRACTURE	771
2959957	CLOSED REDUCTION ANKLE FRACTURE	771
2959958	CLOSED REDUCTION ELBOW FRACTURE	771
2959959	CLOSED REDUCTION FEMUR FRACTURE	771
2959960	CLOSED REDUCTION FINGER FRACTURE	771
2959961	CLOSED REDUCTION FOREARM FRACTURE	771
2959962	CLOSED REDUCTION HAND FRACTURE	771
2959963	CLOSED REDUCTION HIP FRACTURE	771
2959964	CLOSED REDUCTION KNEE FRACTURE	771
2959965	CLOSED REDUCTION MANDIBLE FRACTURE	771
2959966	CLOSED REDUCTION MAXILLA FRACTURE	771
2959967	CLOSED REDUCTION NASAL FRACTURE	771
2959968	CLOSED REDUCTION TOE FRACTURE	771
2959969	CLOSED REDUCTION WRIST FRACTURE	771
2959935	CLUB FOOT DEFORMITY REPAIR	3,493
2959937	COLECTOMY	3,415
2960551	COLON DECOMPRESSION	1,552
2959938	COLON RESECTION	3,415
2959939	COLONOSCOPY	771
2960552	COLONOSCOPY WITH ABLATION	4,189
2960553	COLONOSCOPY WITH BIOPSY	4,314
2960554	COLONOSCOPY WITH POLYPECTOMY	4,380
2960555	COLONOSCOPY WITH POLYPECTOMY AND BIOPSY	4,537
2959940	COLOSTOMY CLOSURE	3,415
2959942	COLOSTOMY TAKEDOWN / HARTMEN REVERSAL	3,415
2960178	COLOSTOMY, LAP DIVERTING	5,142
2959941	COLOSTOMY, PRIMARY	3,415
2959943	COLPOSCOPY	771
2959944	COLPOSUSPENSION PERIVAGINAL REPAIR	3,014
2959945	COMPARTMENT SYNDROME	771
2960072	COMPOSITE FLAP	771
2959947	CONDYLOMA, CAUTERY OF	771
2959950	CORNEAL LACERATION	3,014
2959951	CORNEAL REFRACTIVE PROCEDURE	3,014
2959952	CORNEAL TRANSPLANT	3,014
2959900	CORONARY ARTERY BYPASS GRAFT 1 VESSEL	14,239
2959901	CORONARY ARTERY BYPASS GRAFT 2 VESSEL	14,239
2959902	CORONARY ARTERY BYPASS GRAFT 3 VESSEL	14,239
2959903	CORONARY ARTERY BYPASS GRAFT 4 VESSEL	14,239
2959953	CORPORAL IRRIGATION	771
2959954	CRANIOFACIAL RECONSTRUCTION	3,312
2959955	CRICOPHARYNGEAL MYOTOMY	4,635
2959972	CSF LEAK REPAIR	5,659
2960073	CUTANEOUS FLAP	771
2959975	CYSTECTOMY	5,659
2959981	CYSTO RECTOCELE REPAIR	3,357
2950487	CYSTO URETHROGRAM, VOIDING (VCUG)	1,114
2959978	CYSTOGRAM	550

<u>Charge</u>	<u>Description</u>	
2959980	CYSTOLITHOTOMY	3,014
2959983	CYSTORRHAPHY	771
2959977	CYSTOSCOPY	1,114
2959979	CYSTOSCOPY WITH HYDRODISTENSION	1,114
2959982	CYSTOSCOPY WITH RETROGRADE PYELOGRAM	1,114
2959984	CYSTOSTOMY	6,002
2959989	DACROCYSTORHINOSTOMY (DCR)	5,214
2959987	DARTOS POUCH PROCEDURE	771
2959994	DE QUERVAIN'S RELEASE	951
2959992	DEBRIDEMENT	771
2959993	DECORTICATION	3,014
2950464	DENTAL RELATED PROCEDURE, EMERGENT CARE	771
2960255	DENTISTRY, OPERATIVE	771
2959988	DILATION & CURETTAGE	771
2959990	DILATION & EVACUATION	820
2960231	DISCECTOMY, MICRO	3,312
2959997	DORSAL SLIT	771
2959998	DRESSING CHANGE, SURGICAL	207
2959999	DUPUYTREN'S CONTRACTURE RELEASE	951
2960001	EAR EXAM WITH ANESTHESIA	771
2960000	EAR SURGERY	3,555
2960162	EAR, KELOID EXCISION	771
2960002	ECTROPION REPAIR	771
2959817	ELBOW ARTHRODESIS	3,493
2959827	ELBOW ARTHROSCOPY	6,089
2960441	ELBOW ARTHROPLASTY	6,137
2959857	ELBOW BONE GRAFTING	3,195
2960218	ELBOW MANIPULATION	771
2960286	ELBOW OSTEOTOMY	3,493
2960417	ELBOW, TENDON & NERVE REPAIR	3,195
2950488	ELECTROHYDRAULIC LITHOTRIPSY (EHL)	3,014
2960004	EMBOLECTOMY	11,909
2960005	ENDODONTICS	771
2960009	ENDOLYMPHADIC SHUNT	3,014
2960124	ENDOMETRIAL HYDROABLATION	975
2960253	ENDOMETRIAL ABLATION, NOVASURE	975
2960080	ENDOMETRIOSIS, FULGURATION OF ENDOSCOPIC RETROGRADE	771
2950498	CHOLANGIOPANCREATOGRAPHY (ERCP)	771
2960542	ENDOSCOPIC RETROGRADE CHOLANGIO PANCREATOGRAPHY WITH BALLOON DILATATION	771
2960543	ENDOSCOPIC RETROGRADE CHOLANGIO PANCREATOGRAPHY WITH DILATATION AND PAPILOTOMY	771
2960544	ENDOSCOPIC RETROGRADE CHOLANGIO PANCREATOGRAPHY WITH PAPILOTOMY	771
2960545	ENDOSCOPIC RETROGRADE CHOLANGIO PANCREATOGRAPHY WITH STENT	771
2960546	ENDOSCOPIC RETROGRADE CHOLANGIO PANCREATOGRAPHY WITH STENT AND PAPILOTOMY	771
2960547	ENDOSCOPIC RETROGRADE CHOLANGIO PANCREATOGRAPHY WITH STONE REMOVAL	771

<u>Charge</u>	<u>Description</u>	
	ENDOSCOPIC RETROGRADE CHOLANGIO PANCREATOGRAPHY WITH STONE REMOVAL AND	
2960548	PAPILLOTOMY	771
2960007	ENDOSCOPY	2,898
2960011	ENTROPION REPAIR	771
2960012	ENUCLEATION	3,014
2960013	EPIDIDYMECTOMY	803
2959922	EPIDURAL STEROID INJECTION, CERVICAL	207
2960018	EPIDURAL STEROID INJECTION	207
2960564	EPIDURAL STEROID INJECTION, LUMBAR	208
2960016	EPISTAXIS CONTROL	771
2960020	ESOPHAGEAL ABLATION (HALO PROCEDURE)	1,572
2960022	ESOPHAGECTOMY (CERVICAL) RECONSTRUCTION	3,815
2960003	ESOPHAGOGASTRODUODENOSCOPY	4,044
2960019	ESOPHAGOGASTROSCOPY RIGID/FLEXIBLE	1,572
2960556	ESOPHAGOGASTRODUODENOSCOPY WITH BIOPSY	4,201
2960557	ESOPHAGOGASTRODUODENOSCOPY WITH DILATATION ESOPHAGOGASTRODUODENOSCOPY WITH LESION	3,594
2960559	REMOVAL ESOPHAGOGASTRODUODENOSCOPY WITH BIOPSY AND	4,204
2975903	DILATATION	3,750
2960021	ESOPHAGOSCOPY & BIOPSY	1,572
2975904	ESOPHAGOSCOPY WITH ABLATION, SURGERY	2,538
2960024	EXCISION, CYST	771
2960028	EXCISION, LIPOMA	771
2960030	EXCISION, MASS	771
2960037	EXOSTECTOMY	771
2960413	EXTENSOR TENDON REPAIR	951
2950489	EXTRACORPOREAL SHOCKWAVE LITHOTRIPTOR (ESWL)	28,453
2960023	EYE EVISCERATION	3,014
2960043	EYE TRAUMA, INTRAOCULAR REPAIR PROCEDURE	4,026
2960042	EYELID REPAIR	771
2960044	FACET INJECTION	207
2960046	FACIAL AUGMENTATION	3,014
2960045	FACIAL SKELETAL SURGERY	3,014
2960074	FASCIAL MUSCULAR FLAP	771
2960047	FASCIAL SURGICAL WOUND REPAIR	771
2960048	FASCIOTOMY	771
2960065	FEMORAL DISTAL BYPASS GRAFT	11,909
2960066	FEMORAL FEMORAL BYPASS GRAFT	11,909
2960150	FEMORAL INTRAMEDULLARY RODDING	4,069
2960067	FEMORAL POPLITEAL BYPASS GRAFT	11,909
2960068	FEMORAL TIBIAL BYPASS GRAFT	11,909
2959858	FEMUR BONE GRAFTING	3,195
2960015	FEMUR, EPIPHYSEDESIS	4,069
2960418	FEMUR, TENDON & NERVE REPAIR	3,195
2959859	FIBULA BONE GRAFTING	3,195
2960287	FIBULA OSTEOTOMY	3,493
2960014	FIBULA, EPIPHYSEDESIS	3,493
2959818	FINGER ARTHRODESIS	3,493
2960442	FINGER ARTHROPLASTY	6,137
2959860	FINGER BONE GRAFTING	3,195
2960419	FINGER, TENDON & NERVE REPAIR	951
2960025	FINGERNAIL, EXCISION	771

<u>Charge</u>	<u>Description</u>	
2960070	FISTULA SURGERY	771
2960071	FISTULECTOMY	771
2960338	FLAT FOOT RECONSTRUCTION	3,493
2959445	FLEXIBLE SIGMOIDOSCOPY	771
2960560	FLEXIBLE SIGMOIDOSCOPY WITH POLYPECTOMY	2,267
2975832	FLEXIBLE SIGMOIDOSCOPY WITH BIOPSY FLEXIBLE SIGMOIDOSCOPY WITH BIOPSY AND	1,232
2975833	POLYPECTOMY	2,780
2960414	FLEXOR TENDON REPAIR	951
2960525	FOOT ARTHRODESIS WITH C-ARM	3,312
2959828	FOOT ARTHROSCOPY	6,089
2960050	FOOT FASCIOTOMY	771
2960219	FOOT MANIPULATION	771
2960289	FOOT OSTECTOMY	3,493
2960421	FOOT, TENDON & NERVE REPAIR	3,195
2950337	FORAMEN OVALE, REPAIR OF PATENT	12,175
2959861	FOREARM BONE GRAFTING	3,195
2960049	FOREARM FASCIOTOMY	771
2960288	FOREARM OSTECTOMY	3,493
2960420	FOREARM, TENDON & NERVE REPAIR	3,195
2960057	FOREIGN BODY REMOVAL, ANUS	771
2960058	FOREIGN BODY REMOVAL, EAR	771
2960059	FOREIGN BODY REMOVAL, EYE	771
2960060	FOREIGN BODY REMOVAL, FOOT	951
2960061	FOREIGN BODY REMOVAL, HAND	951
2960062	FOREIGN BODY REMOVAL, NOSE	771
2960063	FOREIGN BODY REMOVAL, PENIS	771
2960064	FOREIGN BODY REMOVAL, OTHER	771
2960075	FREE FLAP	771
2960078	FRENOTOMY	771
2960077	FRENULECTOMY	771
2960079	FRENULOPLASTY	771
2950499	FUNCTIONAL ENDOSCOPIC SINUS SURGERY (FESS)	4,222
2960069	FUNCTIONAL ENDO SINUS SURGERY W/LANDMARK	5,229
2959985	GANGLION CYST, EXCISION	951
2960083	GASTRECTOMY	3,415
2959781	GASTRIC BAND ADJUSTMENT	2,898
2960084	GASTRIC RESECTION	3,415
2960085	GASTROPLASTY	3,415
2960086	GASTROSCOPY	2,898
2960087	GASTROSTOMY	3,014
2960092	GASTROSTOMY TUBE PLACEMENT	3,014
2960089	GENIOGLOSSUS ADVANCEMENT	5,214
2960372	GLAUCOMA PROSTHETIC SHUNT	3,014
2960359	GLOBE EYE, RUPTURE REPAIR	3,014
2960088	GLOSSECTOMY, PARTIAL	771
2960503	GREAT VESSEL INJURY REPAIR, TRAUMA	11,909
2960091	GROIN EXPLORATION	771
2960093	GUYON'S CANAL RELEASE	951
2960094	HAGLUND DEFORMITY, RESECTION	951
2960095	HALLUX LIMITUS CORRECTION	1,249
2960096	HALLUX VALGUS CORRECTION	1,249
2960098	HAMMER TOE REPAIR	1,249
2960443	HAND ARTHROPLASTY	6,137

<u>Charge</u>	<u>Description</u>	
2959862	HAND BONE GRAFTING	3,195
2960051	HAND FASCIOTOMY	771
2960290	HAND OSTEOTOMY	3,493
2960422	HAND, TENDON & NERVE REPAIR	3,195
2950338	HAND/WRIST/FINGER FRACTURE, PERCUTANEOUS PINNING	1,249
2960099	HARDWARE REMOVAL	951
2960100	HARTMAN'S PROCEDURE	3,415
2950500	HEAD & NECK TUMOR RESECTION/RECONSTRUCTION	3,101
2960526	HEART RETURN, OPEN	11,877
2960492	HEART VALVE REPLACEMENT	12,175
2960101	HEEL DEFORMITY	1,249
2960102	HEEL SPUR, REMOVAL	1,249
2950473	HEMICOLECTOMY	3,415
2960106	HEMORRHOID BANDING	771
2960104	HEMORRHOIDECTOMY	771
2960107	HEMORRHOIDECTOMY, STAPLED	771
2960105	HEMORRHOIDPEXY	771
2960108	HERNIA REPAIR, DIAPHRAGMATIC	3,415
2960109	HERNIA REPAIR, FEMORAL	771
2960110	HERNIA REPAIR, HIATAL	3,416
2960111	HERNIA REPAIR, INCISIONAL	771
2960112	HERNIA REPAIR, INGUINAL	771
2960113	HERNIA REPAIR, PERISTOMAL	771
2960114	HERNIA REPAIR, SPIGELIAN	771
2960115	HERNIA REPAIR, UMBILICAL	771
2960116	HERNIA REPAIR, VENTRAL	771
2960117	HERNIA REPAIR, INGUINAL PEDIATRIC	771
2960052	HIP & PELVIS FASCIOTOMY	771
2959819	HIP ARTHRODESIS	3,312
2950339	HIP ARTHROPLASTY, TOTAL, BILATERAL	14,931
2950354	HIP ARTHROPLASTY, TOTAL	9,272
2959843	HIP ARTHROPLASTY, BIPOLAR	9,272
2960352	HIP ARTHROPLASTY, TOTAL, REVISION	9,272
2960529	HIP ARTHROPLASTY, TOTAL, CEMENTLESS	9,272
2959863	HIP BONE GRAFTING	3,014
2960122	HIP CANNULATED SCREW	4,069
2960119	HIP CORE DECOMPRESSION	4,069
2960220	HIP MANIPULATION	771
2960291	HIP OSTEOTOMY	3,312
2960120	HIP PINNING	4,069
2959833	HIP PROSTHESIS, AUSTIN MOORE	4,069
2960121	HIP SPICA CAST	207
2950340	HUMERAL FRACTURE, PROXIMAL PERCUTANEOUS PINNING	1,069
2960151	HUMERUS INTRAMEDULLARY RODDING	3,771
2960423	HUMERUS, TENDON & NERVE REPAIR	3,195
2950480	HYDROCELECTOMY, PEDIATRIC	771
2960123	HYDROCELECTOMY	771
2960125	HYMEN REPAIR, IMPERFORATE	771
2960127	HYPOSPADIAS DEFORMITY REPAIR	771
2960128	HYSTEROSCOPY	2,898
2960145	ILEO CONDUIT	6,060
2960146	ILEO FEMORAL BYPASS GRAFT	12,310

<u>Charge</u>	<u>Description</u>	
2960147	ILEOSCOPY WITH URETERAL STENT PLACEMENT	1,114
2960148	ILEOSTOMY	3,014
2960149	ILIAC LYMPHADENECTOMY	5,659
2950495	INCISION AND DRAINAGE, SHOULDER	771
2960129	INCISION AND DRAINAGE, ABSCESS	771
2960130	INCISION AND DRAINAGE, ANKLE	771
2960131	INCISION AND DRAINAGE, BREAST	771
2960132	INCISION AND DRAINAGE, EAR	771
2960133	INCISION AND DRAINAGE, FACE	771
2960134	INCISION AND DRAINAGE, FEMUR	771
2960135	INCISION AND DRAINAGE, FINGER	771
2960136	INCISION AND DRAINAGE, FOOT	771
2960137	INCISION AND DRAINAGE, FOREARM	771
2960138	INCISION AND DRAINAGE, HAND	771
2960139	INCISION AND DRAINAGE, HIP	771
2960140	INCISION AND DRAINAGE, KNEE	771
2960141	INCISION AND DRAINAGE, SCROTAL ABSCESS	771
2960142	INCISION AND DRAINAGE, THIGH	771
2960143	INCISION AND DRAINAGE, TOE	771
2960144	INCISION AND DRAINAGE, WRIST	771
2960523	INCISION AND DRAINAGE, ELBOW	771
2960155	INFUSE A PORT INSERTION	771
2960156	INSERTION DRAIN	771
2960428	INTERTROCHANTERIC TITANIUM FEMORAL NAILING INTERTROCHANTERIC TITANIUM FEMORAL NAILING,	4,157
2960429	REMOVAL	4,157
2959806	INTRANASAL ANTROSTOMY	771
2960158	INTRAOCULAR RETINAL REPAIR	3,014
2960344	INTRAOCULAR LENS REPOSITIONING	3,014
2960367	INTRAOCULAR LENS IMPLANT, SECONDARY	4,026
2960170	INTRAORAL LACERATION	771
2960160	INTRAVENOUS CUTDOWN	771
2960159	INTUSSUSCEPTION	3,014
2959986	JAW CYST, EXCISION	771
2960395	JAW SUBLUXATION	771
2960161	JEJUNOSTOMY TUBE PLACEMENT	3,014
2960164	KIDNER PROCEDURE	1,249
2959976	KIDNEY, CYST EXCISION	3,415
2959820	KNEE ARTHRODESIS	3,493
2960353	KNEE ARTHROPLASTY, TOTAL, REVISION	9,453
2960531	KNEE ARTHROPLASTY, TOTAL	9,453
2960532	KNEE ARTHROPLASTY, TOTAL, BILATERAL	9,453
2959829	KNEE ARTHROSCOPY	6,089
2959825	KNEE ARTHROTOMY	3,493
2959864	KNEE BONE GRAFTING	3,195
2960221	KNEE MANIPULATION	771
2960292	KNEE OSTEOTOMY	3,195
2960308	KNEE PATELLECTOMY	3,195
2960424	KNEE, TENDON & NERVE REPAIR	3,195
2960165	LABYRINTHECTOMY	3,014
2960167	LACRIMAL DUCT IRRIGATION	771
2960168	LACRIMAL DUCT PROBING	771
2960169	LACRIMAL LACERATION	771
2960171	LAFORTE OSTEOTOMY	5,214

<u>Charge</u>	<u>Description</u>	
2960172	LAMINECTOMY	3,312
2960175	LAP-BAND PORT ADJUSTMENT	771
2950345	LAPAROSCOPIC UMBILICAL HERNIA REPAIR	5,142
2950463	LAPAROSCOPIC ASSISTED VAGINAL HYSTERECTOMY (LAVH)	5,142
2950474	LAPAROSCOPIC INGUINAL HERNIA REPAIR	5,142
2960173	LAPAROSCOPIC APPENDECTOMY	5,142
2960174	LAPAROSCOPIC PEDIATRIC APPENDECTOMY	5,142
2960176	LAPAROSCOPIC GASTRIC BAND REMOVAL	5,142
2960177	LAPAROSCOPIC CHOLECYSTECTOMY	5,142
2960179	LAPAROSCOPIC GASTRIC BANDING	5,142
2960180	LAPAROSCOPIC LIVER BIOPSY	5,142
2960181	LAPAROSCOPIC NEPHRECTOMY	5,142
2960182	LAPAROSCOPIC NISSEN FUNDOPLICATION	5,142
2960184	LAPAROSCOPIC SIGMOID COLON RESECTION	5,142
2960185	LAPAROSCOPIC SPLENECTOMY	5,142
2960186	LAPAROSCOPIC TUBAL LIGATION	5,142
2960187	LAPAROSCOPIC GASTROSTOMY TUBE PLACEMENT	5,142
2960376	LAPAROSCOPIC CHOLECYSTECTOMY, SILS	5,142
2960522	LAPAROSCOPIC ASSISTED COLON RESECTION	5,142
2960527	LAPAROSCOPIC ASSISTED HEMICOLECTOMY	5,142
2960528	LAPAROSCOPIC HIATAL HERNIA REPAIR	5,142
2960530	LAPAROSCOPIC INCISIONAL HERNIA REPAIR	5,142
2960534	LAPAROSCOPIC OVARIAN CYSTECTOMY	5,142
2960539	LAPAROSCOPIC SUPRACERVICAL HYSTERECTOMY	5,142
2960541	LAPAROSCOPIC VENTRAL HERNIA REPAIR	5,142
2950461	LAPAROSCOPY, GYNECOLOGICAL	5,142
2950475	LAPAROSCOPY, GENERAL	5,142
2960038	LAPAROTOMY, GENERAL, EXPLORATORY	3,415
2960039	LAPAROTOMY, GYNE, EXPLORATORY	3,415
2960188	LARYNGECTOMY	3,815
2950501	LARYNGOSCOPY, PEDIATRIC	1,572
2960189	LARYNGOSCOPY	1,572
2960190	LASER ABLATION	771
2960191	LASER RESECTION, BLADDER NECK CONTRACTURE	1,114
2960193	LASER, CO2 ORAL PROCEDURE	3,014
2960192	LASER, CRICOPHARYNGEUS MYOMECTOMY	3,014
2960197	LASER, ENDOLUMENAL VENOUS WITH ULTRASOUND	3,014
2950341	LASER, LITHOTRIPSY	3,014
2960195	LASER, STAPEDECTOMY	5,823
2960196	LASER, STONE MANIPULATION	3,014
2960198	LASER, ZENKERS DIVERTICULECTOMY	3,014
2950481	LEG FASCIOTOMY, LOWER	3,014
2960056	LEG FASCIOTOMY, UPPER	771
2960040	LEG, EXTERNAL FIXATOR	3,698
2960199	LENSECTOMY	4,026
2960027	LESION, EXCISION	771
2960373	LEVEEN SHUNT	3,014
2950502	LIP WEDGE RESECTION, LOWER	771
2960204	LIP WEDGE RESECTION	771
2960203	LIPOSUCTION	771
2960205	LITHOLAPAXY	771
2960206	LIVER RESECTION	3,415
2960509	LOCAL EXCISION, WIDE	771

<u>Charge</u>	<u>Description</u>	
	LOOP ELECTRICAL EXCISION PROCEDURE CERVIX	
2950462	CONIZATION (LEEP)	771
2960208	LOOP STOMA CLOSURE	3,014
2960207	LOOPOGRAM	771
2960209	LOW ANTERIOR RESECTION	3,415
2959821	LUMBAR ARTHRODESIS	3,312
2960210	LUMBAR PUNCTURE, SPINAL	771
2960398	LUMBAR SYMPATHECTOMY	5,659
2960211	LUMPECTOMY	771
	LUMPECTOMY, BREAST W/ ULTRASOUND.GUIDED NEEDLE	
2960212	PLACEMENT	771
2960213	LUNG PPLICATION	3,014
2950485	LUNG WEDGE RESECTION	3,014
2960214	LYMPHADENECTOMY	5,659
2960293	MANDIBLE OSTEOTOMY	3,312
2960455	MANDIBLE, TUMOR EXCISION	3,014
2960234	MANDIBLE/MAXILLA MUCOSAL SKIN GRAFTS	771
2960216	MANDIBULAR RESECTION & RECONSTRUCTION	5,214
2960533	MARSHALL MARCHETTI KRANZ PROCEDURE (MMK)	3,014
2950476	MASTECTOMY, PARTIAL	771
2950477	MASTECTOMY, SIMPLE	771
2950478	MASTECTOMY, SUBCUTANEOUS	771
2960225	MASTECTOMY, MODIFIED RADICAL	3,014
2960224	MASTOIDECTOMY	5,755
2960456	MAXILLA, TUMOR RESECTION	3,014
2960504	MAXILLARY & MANDIBULAR VESTIBULOPLASTY	3,014
2959807	MAXILLARY ANTROSTOMY	771
2960226	MCDONALD SUTURE PROCEDURE	771
2960227	MEATOPLASTY	771
2960228	MEATOTOMY	771
2960348	MEDIASTINAL TUMOR RESECTION AND BIOPSY	6,416
2960229	MEDIASTINOSCOPY	3,771
2960230	MENISCECTOMY	3,014
2960346	METATARSAL HEAD RESECTION	1,249
2950479	MIDGUT MALROTATION REPAIR, PEDIATRIC	3,014
2960493	MITRAL VALVE REPLACEMENT	12,175
2960232	MORTON'S NEUROMA, EXCISION	951
2960235	MUMFORD PROCEDURE	3,312
2960118	MYOCLUTANEOUS ADV FLAP FOR VENTRAL HERNIA	3,014
2960236	MYRINGOTOMY WITHOUT BUTTONS	771
2960006	NASAL EXAM, ENDOSCOPIC UNDER ANESTHESIA	4,222
2960166	NASAL LACRIMAL DUCT INTUBATION	771
2960347	NASAL TUMOR RESECTION	771
2960237	NASOPHARYNGEAL TUMOR RESECTION	3,014
2960238	NECK DISSECTION	311
2960334	NECK DISSECTION, RADICAL	3,101
2960239	NECK EXPLORATION	771
2960240	NEPHRECTOMY	6,060
2960307	NEPHRECTOMY, PARTIAL	6,060
2960335	NEPHRECTOMY, RADICAL	6,060
2960241	NEPHROGRAM	207
2960242	NEPHROLITHOTOMY	3,415
2960243	NEPHROPEXY	3,415
2960245	NEPHROSTOMY TUBE	771

<u>Charge</u>	<u>Description</u>	
2960244	NEPHROURETERECTOMY	3,415
2960090	NERVE GRAFT	771
2960247	NERVE SURGERY, PERIPHERAL	5,659
2960248	NESBIT PROCEDURE	3,014
2960249	NEURO SPINAL SURGERY	3,312
2960031	NEUROMA, EXCISION	771
2960251	NIPPLE RECONSTRUCTION	771
2960250	NIPPLE, INVERTED, CORRECTION	771
2960252	NISSEN FUNDOPLICATION	3,415
2950490	OCULAR LACERATIONS, TRAUMA	771
2959883	OLECRANON BURSECTOMY	951
2959756	OPEN REDUCTION INTERNAL FIXATION CLAVICLE FRACTURE	3,312
2960262	OPEN REDUCTION INTERNAL FIXATION ANKLE FRACTURE	3,878
2960263	OPEN REDUCTION INTERNAL FIXATION CALCANEAL FRACTURE	3,493
2960264	OPEN REDUCTION INTERNAL FIXATION ELBOW FRACTURE	3,493
2960265	OPEN REDUCTION INTERNAL FIXATION FEMUR FRACTURE	3,493
2960266	OPEN REDUCTION INTERNAL FIXATION FIBULA FRACTURE	3,493
2960267	OPEN REDUCTION INTERNAL FIXATION FINGER FRACTURE	3,493
2960268	OPEN REDUCTION INTERNAL FIXATION FOREARM FRACTURE	3,493
2960269	OPEN REDUCTION INTERNAL FIXATION FOOT FRACTURE	3,493
2960270	OPEN REDUCTION INTERNAL FIXATION HAND FRACTURE	3,493
2960271	OPEN REDUCTION INTERNAL FIXATION HIP FRACTURE	3,312
2960272	OPEN REDUCTION INTERNAL FIXATION HUMERUS FRACTURE	3,312
2960273	OPEN REDUCTION INTERNAL FIXATION KNEE FRACTURE	3,493
2960274	OPEN REDUCTION INTERNAL FIXATION PATELLA FRACTURE	3,493
2960275	OPEN REDUCTION INTERNAL FIXATION SCAPHOID FRACTURE	3,493
2960276	OPEN REDUCTION INTERNAL FIXATION SHOULDER FRACTURE	3,312
2960277	OPEN REDUCTION INTERNAL FIXATION TIBIA FRACTURE	3,493
2960278	OPEN REDUCTION INTERNAL FIXATION TIBIAL PLATEAU FRACTURE	3,493
2960279	OPEN REDUCTION INTERNAL FIXATION TOE FRACTURE	3,493
2960280	OPEN REDUCTION INTERNAL FIXATION WRIST FRACTURE	3,878
2960281	OPEN REDUCTION INTERNAL FIXATION ALVEOLAR FRACTURE	3,312
2960282	OPEN REDUCTION INTERNAL FIXATION MANDIBLE FRACTURE	3,312
2960283	OPEN REDUCTION INTERNAL FIXATION MAXILLA FRACTURE	3,312
2960284	OPEN REDUCTION INTERNAL FIXATION TRIPOD FRACTURE	3,312
2960256	ORAL FISTULA REPAIR	771
2960032	ORAL LESION, EXCISION	771

<u>Charge</u>	<u>Description</u>	
2959853	ORBITAL BLOWOUT FRACTURE	3,312
2960258	ORBITAL FRACTURE	3,312
2960257	ORBITAL PROCEDURE	3,312
2960259	ORCHIECTOMY	771
2960260	ORCHIOPEXY	771
2960261	ORGAN PROCUREMENT	3,014
2960081	ORTHO FUSION	3,493
2960285	OSSICULOPLASTY	3,853
2960298	OTOPLASTY	5,823
2960299	OVARIAN CYSTECTOMY	3,014
2960300	PACEMAKER (TEMPORARY & PERMANENT)	3,014
2960053	PALMAR FASCIOTOMY	771
2960302	PANCREATECTOMY	6,060
2960303	PANNICULECTOMY	3,014
2960304	PARATHYROIDECTOMY	3,014
2960306	PAROTIDECTOMY	3,014
2960535	PATELLA TENDON REPAIR, RUPTURED	3,493
2960076	PEDICLED FLAP	771
2960310	PEG TUBE REPLACEMENT	771
2960312	PELVIC & PARA AORTIC LYMPH NODE DISSECTION	3,415
2960311	PELVIC EXPLORATION	3,014
2959948	PENILE CONDYLOMA, CAUTERY OF	771
2960536	PENILE CORPUS CAVERNOSUM REPAIR	771
2960325	PENILE PROSTHESIS	3,014
2960342	PENILE PROSTHESIS, REMOVAL	3,014
	PERCUTANEOUS ENDOSCOPIC GASTROSTOMY TUBE	
2960562	PLACEMENT	3,115
2960313	PERICARDIECTOMY	11,877
2960314	PERIORBITAL SURGERY	3,399
2960315	PHLEBECTOMY	771
2960316	PILONIDAL CYSTECTOMY	771
2960054	PLANTAR FASCIOTOMY	951
2960317	POLYPECTOMY	771
2960309	POSTERIOR CRUCIATE LIGAMENT RECONSTRUCTION	6,387
2960318	POSTERIOR REPAIR	3,014
2960320	PRIAPISM, CORRECTION OF	771
2960321	PROCTOSCOPY	771
2960322	PROCTOSIGMOIDOSCOPY	771
2960194	PROSTATE, PHOTOVAPORIZATION	12,594
2960459	PROSTATE, TRANSURETHRAL RESECTION	3,568
2960323	PROSTATECTOMY, OPEN	6,060
2960336	PROSTATECTOMY, RADICAL	6,060
2960324	PROSTATOLITHOTOMY	6,060
2950491	PTERYGIUM	2,971
2960328	PYELOPLASTY	3,415
2960329	PYELOSTOMY	3,415
2960330	PYELOTOMY	3,415
2960331	PYLOROMYOTOMY, PEDIATRIC	3,014
2960332	PYLOROPLASTY	3,014
2960537	QUADRICEPS TENDON REPAIR, RUPTURED	3,493
2960337	RAMSTEDT PROCEDURE	3,416
2960339	RECTAL EXAM	771
2960340	RECTAL PROLAPSE	771
2960341	RECTOCELE REPAIR	3,014

<u>Charge</u>	<u>Description</u>	
2960343	RENAL ENDOSCOPY	771
2950342	RETINAL DETACHMENT	3,014
2960350	RETINAL REATTACHMENT, INTRAOCULAR GAS	3,014
2960351	RETROPERITONEAL LYMPH NODE DISSECTION, RADICAL	3,415
2960354	RHINOPLASTY	3,014
2960355	RHYTIDECTOMY	3,014
2960356	RHYTIDOPLASTY	3,014
2960357	RIB RESECTION	3,014
2960358	ROTATOR CUFF REPAIR	3,312
2960565	SACRAL ILIAC INJECTION	210
2960294	SAGGITAL SPLIT OSTEOTOMY	3,312
2960033	SALIVARY GLAND, EXCISION	771
2960361	SALPINGO-OOPHORECTOMY	3,014
2960362	SAUVE KAPANEDJI PROCEDURE	3,195
2960363	SCALENOTOMY	3,014
2960364	SCAR REVISION	771
2960563	SCLEROTHERAPY	601
2960365	SCREW REMOVAL	951
2960366	SCROTAL EXPLORATION	771
2950486	SCROTOPLASTY, SIMPLE	3,014
2960370	SEPTOPLASTY	3,014
2960371	SEPTORRHINOPLASTY	3,014
2959779	SHOULDER ACROMIOPLASTY	3,312
2959822	SHOULDER ARTHRODESIS	3,312
2959830	SHOULDER ARTHROSCOPY	6,207
2960444	SHOULDER ARTHROPLASTY	9,272
2959865	SHOULDER BONE GRAFTING	3,014
2959905	SHOULDER CAPSULORRAPHY	3,014
2960103	SHOULDER HEMIARTHROPLASTY	9,273
2960222	SHOULDER MANIPULATION	771
2960295	SHOULDER OSTEOTOMY	3,312
2950503	SIALOTITHS/SUBMANDIBULAR GLANDS, EXCISION	771
2960374	SIGMOID COLECTOMY	3,415
2960375	SIGMOID RESECTION	3,415
2960377	SKIN GRAFT, FULL THICKNESS	1,069
2960538	SKIN GRAFT, SPLIT THICKNESS	1,069
2960034	SKIN TAG, EXCISION	771
2960183	SLAPAROSCOPIC SALPINGO OOPHORECTOMY	5,142
2960378	SLEEP APNEA PROCEDURE	771
2960379	SMALL BOWEL RESECTION	3,415
2960380	SPERMATOCELE REPAIR	771
2960381	SPHENOPALATINE ARTERY LIGATION	3,014
2960383	SPINAL FIXATION, ANTERIOR	5,957
2960384	SPINAL FIXATION, POSTERIOR	5,957
2960385	SPLENECTOMY	3,415
2960386	SPLENORRHAPHY	3,415
2960387	STAPEDECTOMY	5,823
2960389	STENT PLACEMENT	771
2960390	STERNAL WIRE REMOVAL	771
2960391	STOMAL URETERAL STENT CHANGE	771
2960392	STONE MANIPULATION	771
2960393	STRABISMUS REPAIR	3,014
2960394	SUBACROMIAL DECOMPRESSION	3,312
2960369	SUBFASCIAL ENDOSCOPIC PERFORATER SURGERY	5,142

<u>Charge</u>	<u>Description</u>	
2960457	SUBMUCOUS TURBINECTOMY	4,222
2950496	SUPERIOR LABRUM ANTERIOR POSTERIOR REPAIR (SLAP)	3,312
2960396	SUPRA PUBIC TUBE PLACEMENT, PUNCH	207
2960254	SUPRAPUBIC TUBE PLACEMENT, OPEN	771
2960400	SYNDACTYLY	951
2960401	SYNOVECTOMY	951
2960404	TARSAL TUNNEL RELEASE	951
2960406	TEETH EXTRACTION, BABY (1-6)	771
2960408	TEETH EXTRACTIONS, FULL MOUTH	771
2960409	TEETH EXTRACTIONS, MULTIPLE (1-6)	771
2960410	TEETH EXTRACTION, WISDOM TEETH	771
2960407	TEETH FILLINGS	771
2960427	TENNIS ELBOW RELEASE	3,195
2960439	TESTICLE, TORSION OF	803
2960326	TESTICULAR POSTHESIS INSERTION	3,014
2960431	THORACENTESIS, CHEST	207
2950344	THORACIC SURGERY, VIDEO ASSISTED (VATS)	5,142
2960399	THORACOLUMBAR SYMPATHECTOMY	5,957
2960432	THORACOTOMY	3,014
2960433	THROMBECTOMY	11,909
2960082	THUMB REPAIR, GAMEKEEPER	951
2960434	THYROGLOSSAL DUCT EXCISION	3,014
2960435	THYROIDECTOMY	3,014
2960296	TIBIA OSTEOTOMY	3,493
2959866	TIBIAL BONE GRAFTING	3,195
2960152	TIBIAL INTRAMEDULLARY RODDING	4,250
2959823	TOE ARTHRODESIS	3,493
2960445	TOE ARTHROPLASTY	3,493
2959867	TOE BONE GRAFTING	3,195
2960297	TOE OSTEOTOMY	3,493
2960425	TOE, TENDON & NERVE REPAIR	951
2960035	TOENAIL, EXCISION	771
2960437	TONSIL BLEED	771
2960402	TONSILLECTOMY & ADENOIDECTOMY	771
2960540	TONSILLECTOMY	771
2960447	TRABECULECTOMY	3,014
2960448	TRACHEOSTOMY	771
2960405	TRANSESOPHAGEAL ECHOCARDIOGRAPHY (TEE)	3,014
2960450	TRANSRECTAL ULTRASOUND	771
2960451	TRANSURETEROURETEROSTOMY	3,357
2960460	TRANSVAGINAL TAPE PROCEDURE	3,357
2960449	TRANSVERSE COLECTOMY	3,415
2960452	TRAPEZECTOMY	951
2960453	TRIGGER FINGER RELEASE	951
2960454	TRIGGER POINT INJECTION, PAIN	207
2960319	TUBAL LIGATION, POST PARTUM	771
2950497	TUMOR RESECTION, ORTHO	3,195
2960461	TYLECTOMY	771
2960462	TYMPANOMASTOIDECTOMY	3,853
2960463	TYMPANOPLASTY	3,853
2959854	TYMPANOSTOMY WITH TUBES, BILATERAL	771
2960464	TYMPANOTOMY, EXPLORATORY	3,555
2959855	TYPAONOSTOMY WITH T-TUBES, BILATERAL	771

<u>Charge</u>	<u>Description</u>	
2960153	ULNA INTRAMEDULLARY RODDING	3,493
2960202	ULNAR COLATERAL LIGAMENT RECONSTRUCTION	3,195
2960466	ULNAR NERVE RELEASE	951
2960468	URETERECTOMY, TOTAL	6,060
2960471	URETEROCOLONIC CONDUIT	3,415
2960469	URETEROLITHOTOMY	3,014
2960470	URETEROLYSIS	771
2960474	URETEROPLASTY	3,415
2960475	URETEROSCOPY	3,357
2975774	URETEROSCOPY, FLEXIBLE	4,588
2960482	URETEROSIGMOIDOSTOMY	3,260
2960476	URETEROSTOMY	3,014
2960477	URETEROTOMY	3,014
2960478	URETHRAL DILATION	771
2959996	URETHRAL DIVERTICULECTOMY	3,357
2960480	URETHROPLASTY	3,014
2960481	URETHROSCOPY	3,357
2960479	URETHROTOMY	3,014
2960484	UVULECTOMY	771
2960467	UVULOPALATOPHARYNOGOLASTY	771
2960485	UVULOPLASTY	771
2960486	VAGAL NERVE STIMULATOR, INSERTION	3,101
2959949	VAGINAL CONDYLOMA, CAUTERY OF	771
2960488	VAGINAL DELIVERY IN OPERATING ROOM	207
2960487	VAGINAL HYSTERECTOMY	3,014
2960490	VAGINAL VAULT SUSPENSION	3,014
2960489	VAGOTOMY	3,415
2960494	VARICOCELECTOMY	771
2960495	VARICOSE VEIN LIGATION AND STRIPPING	803
2960496	VASECTOMY	771
2960497	VASOTOMY FOR VASOGRAM	771
2960498	VASOVASOTOMY	5,691
2960499	VENACAVAL FILTER	11,877
2960501	VESICOVAGINAL FISTULA CLOSURE	3,014
2960502	VESICULECTOMY	3,014
2960505	VITRECTOMY	4,026
2960506	VOCAL CORD STRIPPING	771
2960507	VULVAPLASTY	771
2960508	WEAVER DUNN PROCEDURE	3,312
2960512	WOUND ASPIRATION	771
2960510	WOUND CLOSURE	771
2960511	WOUND REPAIR, PRIMARY	771
2960513	WOUND REPAIR	771
2959824	WRIST ARTHRODESIS	3,493
2959831	WRIST ARTHROSCOPY	6,089
2960446	WRIST ARTHROPLASTY	6,137
2959868	WRIST BONE GRAFTING	3,195
2960223	WRIST MANIPULATION	771
2960041	WRIST, EXTERNAL FIXATOR	3,878
2960426	WRIST, TENDON & NERVE REPAIR	3,195
2960515	Z-PLASTY WOUND REVISION	771
2960514	ZENKERS DIVERTICULECTOMY	3,416
2950465	ZYGOMATIC COMPLEX FRACTURE	3,312

**O. Criterion 1110.3030 - Clinical Service Areas Other than Categories of Service**

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

Service	# Existing Key Rooms	# Proposed Key Rooms
<input checked="" type="checkbox"/> Laboratory	1	2
<input checked="" type="checkbox"/> Pharmacy	0	1
<input type="checkbox"/>		

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

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
New Services or Facility or Equipment	(b) -	Need Determination - Establishment
Service Modernization	(c)(1) -	Deteriorated Facilities
		and/or
	(c)(2) -	Necessary Expansion
		PLUS
	(c)(3)(A) -	Utilization - Major Medical Equipment
		Or
	(c)(3)(B) -	Utilization - Service or Facility
<b>APPEND DOCUMENTATION AS <u>ATTACHMENT-34</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>		

Section 1110.3030 Clinical Service Area other than Categories of Service

Introduction

By way of background, Beloit Health System, Inc. will operate the proposed NorthPointe ASTC as a department of Beloit Memorial Hospital. Hence, all Hospital policy, procedures, and operational protocols will apply.

The project proposes to modernize the existing NorthPointe Laboratory to add a blood bank to support the non-hospital based ASTC. Blood Banking services are required to support the range of anticipated clinical procedures and meet accreditation, licensing, and best practice guidelines.

The space to be modernized is 295 dgsf.

There is no State Agency utilization criterion for the specific CSA.

In addition, the project proposes to add a pharmacy in newly constructed space. The pharmacy will support the existing Immediate Care Center by providing starter medications, the existing imaging services by providing drugs and contrast media, and also will provide appropriate clinical services to the non-hospital based ASTC. Pharmaceutical support for the proposed ASTC will include anesthetic related drugs including, but not limited to, intravenous fluids, IV sedation fluids, and patient starter medications which may be required for appropriate clinical care.

There is no State Agency criterion for this respective CSA.

### Laboratory Modernization

#### Project Component (Criterion 1110.3030(2)(c)(2))

The existing laboratory will be modernized in place to add blood banking services. This is a necessary expansion to support the proposed ASTC range of clinical services.

The space to be modernized is approximately 295 dgsf.

#### Need Determination (Criterion 1110.3030(c)(2))

Need is determined by state-of-the-art clinical practice, accreditation, and licensing requirements. Service will be to planning area residents utilizing the ASTC as attested to in the associated workload / utilization profiled in the physician referral letters (Attachment 27 and Appendix 2).

#### Service Demand (Criterion 1110.3030(2)(B))

Incremental service demand for laboratory services will be dependent on physician orders related to the 3,457 current ambulatory surgery cases to be relocated / redirected to the proposed NorthPointe ASTC as indicated in the physician referral letters (Attachment 27 and Appendix 2).

#### Impact on Other Area Providers (Criterion 1110.3030(3))

Due to the fact the ASTC workload is based on relocating current outpatient cases from Beloit Memorial Hospital to NorthPointe, there is no anticipated impact on other area providers. In addition, the laboratory modernization to provide Blood Banking services is due to ASTC operational requirements and available only for appropriate clinical protocols.

There are no State Agency utilization standards for this CSA.

#### Service Modernization (Criterion 1110.3030(c)(2))

Laboratory modernization is a necessary expansion to meet appropriate ASTC operational protocols in support of the proposed NorthPointe ASTC for both normal and emergency considerations.

No utilization standards are applicable nor proscribed by the State Agency. Blood Bank utilization is dependent on the patients clinical condition, surgical procedure, and physicians clinical judgment.

## Pharmacy Establishment

### Project Component (Criterion 1110.3030(2)(c)(2))

NorthPointe does not have a pharmacy at this time. Pharmaceutical services are provided to each existing department, as applicable, from Beloit Memorial Hospital's pharmacy. There is also an approved medication dispensing unit for patient use in the NorthPointe ICC.

An ASTC at NorthPointe will generate an increased demand for pharmaceuticals to support procedural cases on an immediate basis in contrast to "stocking" medication rooms. In addition, select surgical cases will, due to a patient's clinical condition, require a patient to be prescribed more regulated pain control medications. This is best done by providing pharmacy support services, on-site, rather than remotely from Beloit Memorial Hospital. The pharmacy will also support the existing on-site ICC, physician offices, and imaging services.

The pharmacy is sized at approximately 370 dgsf. The State Agency has no guidelines for this CSA.

### Need Determination (Criterion 1110.3030(b))

Need is determined by Beloit Memorial Hospital operational policies and procedures as well as by contemporary clinical practice guidelines.

Service will be to planning area residents utilizing current on-site diagnostic and treatment facilities and the proposed NorthPointe ASTC patients which will be redirected based on the physician referral attestation letters (Attachment 27 and Appendix 2).

### Service Demand (Criterion 1110.3030(2)(B))

Demand for pharmacy services will be dependent on physician orders and the need for appropriate medication / pharmacy services similar to laboratory services. There is no valid approach to estimate demand. It will be based on patient conditions, the respective procedure, and physician judgments. The physician referral letters indicate anticipated ASTC workload / utilization. Each of these respective patients will require pharmaceutical protocols.

Impact on Other Providers (Criterion 1110.3030(3))

No impact on other area providers is expected due to the fact the existing on-site diagnostic and therapeutic services already receive pharmaceutical services from Beloit Memorial Hospital; this project component proposes to develop a small on-site Hospital pharmacy satellite. Pharmacy services to the ASTC will be based on relocated cases as attested to by existing Beloit Clinic physicians (Attachment 27 and Appendix 2). Hence, given the various current patients determine the demand, no impact on other providers is contemplated.

Service Modernization (Criterion 1110.3030(c)(2))

Not Applicable. This is an establishment of a satellite pharmacy CSA service at NorthPointe. The same demand / justification is similar to that of the laboratory CSA.

The State Agency has no guidelines for this typical standard clinical support service.



# FitchRatings

## **FITCH AFFIRMS BELOIT HEALTH SYSTEM (WI) REVS AT 'A-'; OUTLOOK STABLE**

Fitch Ratings-Chicago-18 September 2012: Fitch Ratings has affirmed the 'A-' rating on the following bonds issued by the Wisconsin Health & Educational Facilities Authority on behalf of Beloit Health System (BHS):

--\$32.5 million series 2010B revenue refunding bonds.

The Rating Outlook is Stable.

### SECURITY

Bond payments are secured by a pledge of the pledged revenues of the obligated group, a mortgage lien and a debt service reserve fund.

### KEY RATING DRIVERS

**STRONG OPERATING PROFITABILITY:** Operating profitability has been strong and consistent with operating EBITDA margin averaging 10.7% since fiscal 2006 and equal to 10.6% in fiscal 2011 (Dec. 31 year end).

**LEADING MARKET SHARE:** BHS holds a leading market share of 62.4% in its primary service area (PSA) with no competitor holding greater than 16% market share. Market share should continue to remain strong due to its highly aligned structure with the acquisition of the Beloit Clinic (65 multispecialty physician group) in January 2010.

**MANAGEABLE DEBT BURDEN:** BHS has a moderate debt burden with maximum annual debt service (MADS) equal to 2.6% of revenue in fiscal 2011 which, when combined with BHS's strong cash flow, produced solid MADS coverage of 4.4 times (x) EBITDA in fiscal 2011. This should allow BHS to absorb an additional \$11 million debt issuance expected in January 2013 at its current rating level.

**IMPROVED BUT STILL LIGHT LIQUIDITY METRICS:** Liquidity rebounded from the hit it took after the Beloit Clinic acquisition in 2010, but remains light for the 'A' rating category with 134.3 days cash on hand (DCOH) and 93.8% cash to debt at June 30, 2012.

### CREDIT PROFILE

The affirmation of the 'A-' rating reflects BHS's consistently strong operating performance, manageable debt burden, leading market share and improved liquidity metrics.

Operating profitability has been strong and consistent. Operating EBITDA margin averaged 10.7% since fiscal 2006 and equaled 10.6% in fiscal 2011, exceeding Fitch's 'A' category median of 9.8%. Strong operations continued through the six month interim period ending June 30, 2012, with an operating EBITDA margin of 10.3%. BHS maintained strong profitability levels for the rating category despite the purchase of Beloit Clinic in January 2010 which had a history of operating losses.

The lack of post-acquisition dilution reflects the successful consolidation of operations with Beloit Clinic. Consolidation efforts decreased the expense structure by \$3.5 million per year and include the elimination of redundant services including lab, pharmacy, purchasing and radiology services. Additionally, management decreased staffing by 30 FTEs through attrition without a reduction in force.

BHS's strong profitability and moderate debt burden allow for solid coverage of debt service. MADS coverage was solid at 4.4x EBITDA and 4.2x operating EBITDA relative to Fitch's 'A' category medians of 4.1x and 3.3x, respectively. Additionally, MADS accounted for a modest 2.6% of revenues in fiscal 2011.

Credit stability is bolstered by BHS's strong leading market share of 62.4% in its PSA. Mercy-Janesville is BHS's primary competitor in the PSA with 16% market share while UW Health holds 10.6% market share. No other hospital holds greater than 2% market share in the PSA. BHS's market position and operations are bolstered by its strong physician alignment which was further strengthened by the merger with the clinic.

Unrestricted liquidity metrics significantly improved since the clinic acquisition in 2010, but remain light for the rating category. Immediately following the acquisition, liquidity levels were stressed due to the increased debt burden and expense base with 87.9 DCOH and 56.5% cash to debt. Unrestricted cash and investments increased 64% since June 30, 2010 to \$64.2 million at June 30, 2012 equating to 134.3 DCOH and 93.8% cash to debt. While improved, liquidity remains light relative to the 'A' category medians of 191 days and 116.4%.

Near term capital plans include expansion of Beloit's cancer services including the purchase of a new linear accelerator. The expansion is expected to cost approximately \$11 million and BHS plans to fund the project with new debt in January 2013. Fitch believes that BHS has capacity at the current rating to absorb \$11 million of additional debt. Total projected capital spending is \$18 million in fiscal 2012, \$12 million in fiscal 2013, and \$25 million in fiscal 2014.

Credit concerns include BHS's high exposure to government payors and small revenue base. Medicare and Medicaid accounted for 45.6% and 16.1% of gross revenues, respectively. The high exposure makes BHS vulnerable to federal and state budget cuts and reliant on supplemental funding. Medicaid supplemental funding totaled \$11.8 million in fiscal 2011 and is expected to total \$12.5 million in fiscal 2012. BHS's small revenue base makes it vulnerable to physician turnover and changes in reimbursement levels. However, concerns due to the revenue base are mitigated by BHS's strong physician alignment and leading market share.

The Stable Outlook is based on Fitch's expectation that current profitability levels will be maintained and that robust cash flow generation should allow BHS to absorb the expected debt issuance at the current rating level. Further strengthening of liquidity metrics to a level consistent with Fitch's 'A' category medians and continued strong operations could result in positive rating action.

Beloit Health System (BHS) operates a 256 licensed bed community hospital and a multi-specialty physician group in Beloit, Wisconsin, located approximately 75 miles northwest of Chicago. BHS also owns and operates a home care service, independent and assisted living units, urgent care, and related ancillary services. Total operating revenues equaled \$196.4 million in fiscal 2011. BHS covenants to provide annual audited disclosure within 150 days of fiscal year end and quarterly disclosure within 60 days of the first three quarters end and within 90 days of the end of the fourth quarter. Disclosure is provided through the Municipal Securities Rulemaking Board's EMMA system.

**Contact:**

Primary Analyst  
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+1-312-368-3180  
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Chicago, IL 60602

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Additional information is available at 'www.fitchratings.com'. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

**Applicable Criteria and Related Research:**

--'Revenue-Supported Rating Criteria', dated June 12, 2012;

--'Nonprofit Hospitals and Health Systems Rating Criteria', dated July 23, 2012.

**Applicable Criteria and Related Research:**

Revenue-Supported Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=681015](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=681015)

Nonprofit Hospitals and Health Systems Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=683418](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=683418)

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IX. 1120.130 - Financial Viability

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

**Financial Viability Waiver**

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-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

Not Applicable; Beloit Health System is A-rated. See Attachment 36, Exhibit 1

**IX. 1120.130 - Financial Viability**

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

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.

<b>Provide Data for Projects Classified as:</b>	<b>Category A or Category B (last three years)</b>			<b>Category B (Projected)</b>
<b>Enter Historical and/or Projected Years:</b>				
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 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

Not Applicable; Beloit Health System is A-rated. See Attachment 36, Exhibit 1

**X. 1120.140 - Economic Feasibility**

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

**A. Reasonableness of Financing Arrangements Not Applicable; BHS is A-rated**

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; BHS is A-rated**

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 See Attached Exhibit 1**

Read the criterion and provide the following:

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

2.

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											
<b>TOTALS</b>											

\* Include the percentage (%) of space for circulation





Date: Friday, December 6, 2013  
To: Douglas Wait  
From: Richard Bertovic  
CC: Ed Parkhurst  
RE: NorthPointe ASTC Schematic Design Construction Estimate

Mr. Wait,

Please see below for an explanation of cost differences when comparing NorthPointe ASTC to an RS Means SF rate. This should further explain why the SD Revision #3 estimate (dated 06/10/2013) would be in line with a high-end hospital SF rate as opposed to a Medical Clinic building.

Per Means, "SF rates reflect tremendous variation in SF costs throughout the country."

Project Costs (\$/SF)	¼	Median	¾
HOSPITALS	\$202	\$253	\$350
MEDICAL CLINICS	\$129	\$159	\$203

For Roscoe (Rockford), IL location factor **add 9.6%**. For size factor, median for hospitals is 55,000 SF. NorthPointe ASTC is 20,266SF. For size factors less than 50%, **cost multiplier is 1.1**

Rockford , 20,266SF (\$/SF)	¼	Median	¾
HOSPITALS	\$244	\$305	\$422
MEDICAL CLINICS	\$156	\$192	\$245

Notes:

- NorthPointe ASTC SD estimate Revision #3 was \$427/SF with minimal site work and no equipment. RS Means defines the ¼ rates as no site work or equipment, the median rates generally not including site work, and the ¾ rates as maybe including site work and equipment.
- NorthPointe ASTC is a relatively small addition surrounded on most of its exterior with an irregular full façade thus increasing envelope costs.
- Specialized use of the facility with program spaces within NorthPointe ASTC include MRI/CT scan/radiography rooms requiring high end protection, finishes, and structural components due to code requirements/state regulations as compared to typical medical clinic buildings with office space and exam rooms. This results in higher SF costs for both shell and core, and build outs.

Regards.

A handwritten signature in black ink, appearing to read 'R. Bertovic', with a large, stylized initial 'R'.

**Richard A. Bertovic**

Senior Cost Estimator

---

**From:** Ed Parkhurst  
**Sent:** Thursday, December 05, 2013 8:26 AM  
**To:** 'Doug Wait'  
**Cc:** Jason Dotson; Gus Larson; Greg Gaul  
**Subject:** RE: NorthPointe ASTC ORIGINAL CONSTRUCTION COST

Doug,

If I am interpreting your information correctly, the incremental additional costs for the quality of the NorthPointe construction details is approximately \$33.00 per sq. ft. over Means ¾ costs in comparable \$.

Correct?

Ed

---

**From:** Doug Wait [mailto:dwait@beloitmemorialhospital.org]  
**Sent:** Thursday, December 05, 2013 8:07 AM  
**To:** Ed Parkhurst  
**Cc:** Jason Dotson; Gus Larson; Greg Gaul; Doug Wait  
**Subject:** RE: NorthPointe ASTC ORIGINAL CONSTRUCTION COST

Ed:

To construct the original NorthPointe Pavilion, I estimate the cost was \$218.45 GSF. I used the actual GMP construction cost for the building and 50% of the 4.2 million dollar site work.

Having said that, if I use the following assumptions I would estimate had we built the entire NorthPointe Pavillion Building and 50% of the site in 2014 the estimated cost would be \$278.21 GSF.

Here is what is included in the assumptions.

- 1.) Inflation rates for 2009 through 2013 are per Engineering News Record's published Construction Cost Index.
- 2.) Inflation for 2007 and 2008 are an estimated 3%. I do not have ENR data for these years.
- 3.) Inflation for 2014 is 3%... the same as what is on the Concord SD estimate.
- 4.) Again, I can only guess that 50% of the site cost is for the pavilion.

Attached is back-up data for this assumption.

Thanks

Douglas H. Wait, CHFM, LEED AP  
Construction Coordinator  
Beloit Health System  
Phone: 608-363-5917  
Fax: 608-363-5716  
Cell: 608-314-4468

**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.

	<u>Yr 1</u>	<u>Yr 2</u>
<b>D. Operating Costs</b>		
Salaries	1,197,787	1,220,637
Benefits	479,115	488,255
Physician Comp	452,917	522,597
Physician benefits	81,525	94,067
Supplies	336,460	380,857
	<u>2,547,804</u>	<u>2,706,413</u>
procedures	900	1,385
Operating Costs / Surgery	<u>\$ 2,830.89</u>	<u>\$ 1,954.09</u>

**E. Capital Costs**

Interest	699,309	687,846
Amort of financing	11,667	11,667
Depreciation	718,843	718,843
	<u>1,429,819</u>	<u>1,418,356</u>
procedures	900	1,385
Capital costs / Surgery	<u>\$ 1,588.69</u>	<u>\$ 1,024.08</u>

**XI. 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 43.**

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-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

### Safety Net Impact Statement

Beloit Health System / Beloit Memorial Hospital is a safety net provider in the Southern Wisconsin, Northern Illinois state line region. The proposed project, to the degree it enhances market access by decompressing Beloit Memorial Hospital's surgical and GI suites, will increase the System's capacity to provide essential safety net services within the region.

No impact on the other in-market providers is anticipated in that the projects scope is predicated on relocating cases from Beloit Memorial Hospital to its NorthPointe Campus. Hence, no cross-substitution of safety net services is expected.

Discontinuation is not applicable to the proposed project.

<b>Beloit Memorial Hospital</b>			
<b>Safety Net Information per PA 96-0031</b>			
<b>CHARITY CARE</b>			
<b>Charity (# of patients)</b>	<b>Year 2010</b>	<b>Year 2011</b>	<b>Year 2012</b>
Inpatient	118	94	91
Outpatient	1,510	1,269	945
<b>Total</b>	<b>1,628</b>	<b>1,363</b>	<b>1,036</b>
<b>Charity (cost In dollars)</b>			
Inpatient	529,052	474,932	634,850
Outpatient	6,770,073	6,411,582	6,592,680
<b>Total</b>	<b>7,299,125</b>	<b>6,886,514</b>	<b>7,227,260</b>
<b>MEDICAID</b>			
<b>Medicaid (# of patients)</b>	<b>Year 2010</b>	<b>Year 2011</b>	<b>Year 2012</b>
Inpatient	1,160	1,223	1,097
Outpatient	83,679	85,735	81,158
<b>Total</b>	<b>84,839</b>	<b>86,958</b>	<b>82,255</b>
<b>Medicaid (revenue)</b>			
Inpatient	16,440,000	20,113,000	17,648,000
Outpatient	49,469,000	57,850,000	61,799,000
<b>Total</b>	<b>65,909,000</b>	<b>77,963,000</b>	<b>79,447,000</b>

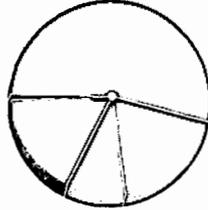
# Financials

*"Our health system financials are consistently strong as confirmed by our most recent A- bond rating by Fitch." BILL GROEPER, VICE PRESIDENT*

Beloit Health System's management is responsible for the integrity and objectivity of all financial information included in this Annual Report. The health system's financial statements have been prepared in accordance with generally accepted accounting principles, and include amounts that are based on the best estimates and judgments of management. Wipfl has audited the health system's financial statements and has expressed its unqualified opinion. Beloit Health System does not use Wipfl for consulting projects, only for auditing the financial information.

*Gregory K. Britton*  
**GREGORY K. BRITTON**  
 PRESIDENT AND CEO

*William E. Groeper*  
**WILLIAM E. GROEPER**  
 VICE PRESIDENT



- \$185.1 MEDICARE LOSSES
- \$0.5 FREE COMMUNITY SERVICES
- \$59.1 OTHER CONTRACTUAL ADJUSTMENTS
- \$27.3 CHARITY CARE/BAD DEBT
- \$61.5 MEDICAID LOSSES

**\$333.5 MILLION TOTAL**

2012 uncompensated care and other community benefits provided by Beloit Health System (in millions of dollars).

REVENUE	
Patient	\$515,317,111
Other	\$8,642,133
<b>TOTAL</b>	<b>\$523,959,244</b>
Less: Amounts Not Reimbursed	\$332,982,923
<b>Net Revenue Received</b>	<b>\$190,976,321</b>

PAYOR SOURCE	
Insurance	33%
Medicare	47%
Medical Assistance	15%
Other Sources	5%
<b>Total</b>	<b>100%</b>

EXPENSES	
Salaries & Fringe Benefits	\$116,500,129
Supplies	\$25,794,005
Purchased Services	\$26,838,960
Building Costs (Depreciation, Interest & Utilities)	\$15,056,742
Insurance	\$1,517,614
Total	\$185,707,450
Income From Operations	\$5,268,871
<b>Fund Balance</b>	<b>\$94,800,032</b>

STATISTICS	
Number of Beds	103
Inpatient Admissions	3,995
Patient Days	16,355
Average Length of Stay in Days	4.09
Outpatient Procedures - Hospital	755,606
Outpatient Procedures - NorthPointe	76,505
Emergency Room Visits	39,853
Laboratory Tests	659,391
Surgical Procedures	4,447
Ambulatory Care Procedures	3,620
Total Clinic Encounters	217,295
Occupational Health Visits	38,170
Patient Meals Served	61,656
Volunteer Hours	39,035

UNCOMPENSATED SERVICES	
Medicare Losses	\$185,043,450
Medicaid Losses	\$61,531,219
Charity Care/Bad Debt	\$27,338,153
Other Adjustments	\$59,070,101
Free Services	\$465,000
<b>Total Uncompensated Services</b>	<b>\$333,447,923</b>

**XII. 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 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS **ATTACHMENT-41**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

<b>Beloit Memorial Hospital</b>			
<b>CHARITY CARE</b>			
	<b>Year 2010</b>	<b>Year 2011</b>	<b>Year 2012</b>
<b>Net Patient Revenue</b>	<b>173,906,566</b>	<b>179,208,011</b>	<b>182,334,188</b>
Amount of Charity Care (charges)	17,673,425	18,867,162	20,620,625
Cost of Charity Care	7,299,125	6,886,514	7,727,530

**Beloit Health System, Inc.**

**Audited Financials**

# **Beloit Health System, Inc. and Affiliate**

Beloit, Wisconsin

## **Combined Financial Statements and Supplementary Information**

Years Ended December 31, 2012 and 2011

# Beloit Health System, Inc. and Affiliate

## Combined Financial Statements and Supplementary Information

Years Ended December 31, 2012 and 2011

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### Table of Contents

Independent Auditor's Report.....1

### Combined Financial Statements

Combined Balance Sheets.....	3
Combined Statements of Operations.....	5
Combined Statements of Changes in Net Assets.....	7
Combined Statements of Cash Flows.....	8
Notes to Combined Financial Statements.....	10

Independent Auditor's Report on Supplementary Information.....48

### Supplementary Information

Combining Balance Sheets.....	49
Combining Statements of Operations.....	51
Combining Statements of Changes in Net Assets.....	53
Balance Sheets - Health System Only.....	55
Statements of Operations - Health System Only.....	56
Statements of Changes in Net Assets - Health System Only.....	57
Statistical Information (Unaudited).....	58

# WIPFLI

## Independent Auditor's Report

Board of Trustees  
Beloit Health System, Inc.  
Beloit, Wisconsin

We have audited the accompanying combined financial statements of Beloit Health System, Inc. and Affiliate which comprise the combined balance sheets as of December 31, 2012 and 2011, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Beloit Health System, Inc. and Affiliate as of December 31, 2012 and 2011, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

*Wipfli LLP*

Wipfli LLP

March 12, 2013  
Milwaukee, Wisconsin

# Beloit Health System, Inc. and Affiliate

## Combined Balance Sheets

December 31, 2012 and 2011

<i>Assets</i>	2012	2011
Current assets:		
Cash and cash equivalents	\$ 25,572,846	\$ 25,050,228
Patient accounts receivable - Net	20,257,270	24,403,307
Other accounts receivable	692,563	388,306
Inventory	2,608,606	2,219,638
Amounts receivable from third-party reimbursement programs	1,828,200	834,016
Prepaid expenses	1,019,587	2,974,623
<b>Total current assets</b>	<b>51,979,072</b>	<b>55,870,118</b>
<b>Investments</b>	<b>46,038,372</b>	<b>38,411,033</b>
<b>Assets limited as to use</b>	<b>13,498,792</b>	<b>12,806,072</b>
<b>Property and equipment - Net</b>	<b>103,870,060</b>	<b>98,351,693</b>
Other assets:		
Deferred financing costs	698,312	728,347
Goodwill	3,300,000	3,300,000
Other intangible assets	140,000	210,000
<b>Total other assets</b>	<b>4,138,312</b>	<b>4,238,347</b>
<b>TOTAL ASSETS</b>	<b>\$ 219,524,608</b>	<b>\$ 209,677,263</b>

<i>Liabilities and Net Assets</i>	2012	2011
Current liabilities:		
Current maturities of long-term debt	\$ 1,847,141	\$ 1,777,268
Current portion of obligations under capital leases	-	72,112
Accounts payable	8,511,591	6,686,605
Accrued liabilities	15,773,173	15,970,954
<b>Total current liabilities</b>	<b>26,131,905</b>	<b>24,506,939</b>
Long-term liabilities:		
Long-term debt, less current maturities	68,331,467	70,168,146
Pension liability	11,257,336	16,754,275
Deferred compensation	4,674,644	3,895,631
Interest rate swap agreement	11,347,323	11,731,493
<b>Total long-term liabilities</b>	<b>95,610,770</b>	<b>102,549,545</b>
<b>Total liabilities</b>	<b>121,742,675</b>	<b>127,056,484</b>
Net assets:		
Unrestricted	91,889,489	76,692,657
Temporarily restricted	4,393,509	4,459,994
Permanently restricted	1,498,935	1,468,128
<b>Total net assets</b>	<b>97,781,933</b>	<b>82,620,779</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 219,524,608</b>	<b>\$ 209,677,263</b>

See accompanying notes to combined financial statements.

4

# Beloit Health System, Inc. and Affiliate

## Combined Statements of Operations

Years Ended December 31, 2012 and 2011

	2012	2011
Revenue:		
Patient service revenue (net of contractual allowances and discounts)	\$ 188,866,500	\$ 188,519,459
Provision for bad debts	(6,532,312)	(9,311,448)
Net patient service revenue less provision for bad debts	182,334,188	179,208,011
Other operating revenue	8,642,133	7,918,289
<b>Total revenue</b>	<b>190,976,321</b>	<b>187,126,300</b>
Expenses:		
Salaries and wages	82,265,386	79,204,083
Employee benefits	34,397,554	31,616,794
Professional fees and purchased services	22,016,459	20,866,132
Supplies	25,810,148	25,224,807
Utilities	2,494,730	2,906,255
Insurance	1,526,998	1,791,846
Hospital assessment	4,940,579	4,602,457
Depreciation and amortization	9,124,467	9,699,138
Interest	3,437,545	3,714,851
<b>Total expenses</b>	<b>186,013,866</b>	<b>179,626,363</b>
Income from operations	4,962,455	7,499,937
Nonoperating income - Net	2,772,417	959,923
<b>Revenue in excess of expenses (Note 1)</b>	<b>7,734,872</b>	<b>8,459,860</b>

# Beloit Health System, Inc. and Affiliate

## Combined Statements of Operations (Continued)

Years Ended December 31, 2012 and 2011

	2012	2011
Other changes in unrestricted net assets:		
Change in net unrealized gains and losses on investments other than trading securities	\$ 1,595,656	\$ (897,039)
Change in fair value of effective portion of interest rate swap agreement designated as cash flow hedges	360,879	(4,761,343)
Net assets released from restrictions and contributions for capital improvements	508,587	520,193
Change in pension obligation other than expense	4,996,838	(4,901,993)
<u>Change in unrestricted net assets</u>	<u>\$ 15,196,832</u>	<u>\$ (1,580,322)</u>

See accompanying notes to combined financial statements.

6

# Beloit Health System, Inc. and Affiliate

## Combined Statements of Changes in Net Assets

Years Ended December 31, 2012 and 2011

	2012	2011
Unrestricted net assets:		
Revenue in excess of expenses	\$ 7,734,872	\$ 8,459,860
Change in net unrealized gains and losses on investments other than trading securities	1,595,656	(897,039)
Change in fair value of effective portion of interest rate swap agreement designated as cash flow hedges	360,879	(4,761,343)
Net assets released from restrictions and contributions for capital improvements	508,587	520,193
Change in pension obligation other than expense	4,996,838	(4,901,993)
<u>Increase (decrease) in unrestricted net assets</u>	<u>15,196,832</u>	<u>(1,580,322)</u>
Temporarily restricted net assets:		
Contributions	184,230	319,263
Investment income	113,341	61,086
Change in net unrealized gains and losses on investments other than trading securities	186,401	(63,410)
Net assets released from restrictions for capital improvements	(508,587)	(521,667)
Net assets released from restrictions for operations	(41,870)	(34,681)
<u>Decrease in temporarily restricted net assets</u>	<u>(66,485)</u>	<u>(239,409)</u>
<u>Increase in permanently restricted net assets - Contributions</u>	<u>30,807</u>	<u>28,370</u>
Change in net assets	15,161,154	(1,791,361)
Net assets at beginning	82,620,779	84,412,140
<u>Net assets at end</u>	<u>\$ 97,781,933</u>	<u>\$ 82,620,779</u>

See accompanying notes to combined financial statements.

7

# Beloit Health System, Inc. and Affiliate

## Combined Statements of Cash Flows

Years Ended December 31, 2012 and 2011

	2012	2011
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 15,161,154	\$ (1,791,361)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	9,124,467	9,699,138
Provision for bad debts	6,532,312	9,311,448
Gain from disposal of property and equipment	(32,492)	-
Change in net unrealized gains and losses on investments other than trading securities	(1,782,057)	960,449
Change in fair value of interest rate swap agreement	(384,170)	5,067,622
Change in pension obligation other than pension expense	(4,996,838)	4,901,993
Restricted contributions and grants	(498,991)	(347,633)
Changes in operating assets and liabilities:		
Patient accounts receivable	(2,386,275)	(8,656,310)
Other receivables	(304,257)	346,490
Inventory	(388,968)	212,830
Amounts receivable from third-party reimbursement programs	(994,184)	253,217
Prepaid expenses	260,546	(1,619,117)
Accounts payable	1,824,986	(62,701)
Accrued and other liabilities	(697,882)	3,674,332
Deferred compensation	779,013	650,086
<b>Net cash provided by operating activities</b>	<b>21,216,364</b>	<b>22,600,483</b>

# Beloit Health System, Inc. and Affiliate

## Combined Statements of Cash Flows (Continued)

Years Ended December 31, 2012 and 2011

	2012	2011
Cash flows from investing activities:		
Purchases of investments and assets limited as to use	(12,295,726)	(8,688,031)
Proceeds from sales of investments and assets limited as to use	5,757,724	3,700,000
Capital expenditures	(12,805,350)	(7,922,389)
<b>Net cash used in investing activities</b>	<b>(19,343,352)</b>	<b>(12,910,420)</b>
Cash flows from financing activities:		
Principal payments on long-term debt	(1,777,273)	(553,015)
Principal payments on obligations under capital leases	(72,112)	(280,319)
Restricted contributions and grants	498,991	347,633
<b>Net cash used in financing activities</b>	<b>(1,350,394)</b>	<b>(485,701)</b>
Net increase in cash and cash equivalents	522,618	9,204,362
Cash and cash equivalents at beginning	25,050,228	15,845,866
<b>Cash and cash equivalents at end</b>	<b>\$ 25,572,846</b>	<b>\$ 25,050,228</b>
<b>Supplemental cash flow information:</b>		
Cash paid during the year for interest, net of amounts capitalized	\$ 3,471,317	\$ 3,249,310
Reclassification of assets	\$ 1,694,490	\$ -

See accompanying notes to combined financial statements.

9

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 1 Summary of Significant Accounting Policies

#### The Entity

Beloit Health System, Inc. (the "System") is a nonstock, not-for-profit corporation. The System operates an acute care hospital with 256 licensed beds and provides inpatient, outpatient, emergency, and home health care services in Beloit, Wisconsin, and the surrounding communities, including north central Illinois. The System owns and operates a 45-unit independent living senior residence located in Beloit, Wisconsin. The System also owns and operates a health and wellness center in northern Illinois, d/b/a/ NorthPointe, consisting of physician clinic space, an urgent care facility, related ancillary services, a fitness center, a separate 24-unit assisted living facility, and a multi-specialty physician practice within its existing geographic marketplace.

The affiliate of the System is Beloit Health System Foundation, Inc. (the "Foundation"), a separate not-for-profit corporation. The specific purpose of the Foundation is to raise funds to promote educational, scientific, and charitable activities of the System. The System is the sole corporate member of the Foundation.

#### Principles of Combination

The combined financial statements include the accounts of the System and the Foundation (collectively the "Corporation"). All significant intercompany accounts and transactions have been eliminated in combination.

#### Financial Statement Presentation

The Corporation follows accounting standards contained in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) for nongovernmental entities.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies (Continued)**

#### **Use of Estimates In Preparation of Financial Statements**

The preparation of the accompanying combined financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

The Corporation considers critical accounting estimates to be those that require more significant judgments and include the valuation of accounts receivable, including contractual allowances and provision for doubtful accounts, estimated third-party settlements, and reserves for losses and expenses related to self-insurance for employee health care.

#### **Cash Equivalents**

The Corporation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited or restricted.

#### **Patient Accounts Receivable and Credit Policy**

Patient accounts receivable are uncollateralized patient obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from local residents, most of whom are insured under third-party payor agreements. The Corporation bills third-party payors on the patient's behalf, or if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary insurance is billed, and patients are billed for copay and deductible amounts that are the patients' responsibility. Payments on accounts receivable are applied to the specific claim identified on the remittance advice or statement.

The Corporation does not have a policy to charge interest on past due accounts.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Patient Accounts Receivables and Credit Policy (Continued)

Patient accounts receivable are recorded in the accompanying combined balance sheets net of contractual adjustments and allowance for doubtful accounts which reflects management's best estimate of the amounts that won't be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to patient accounts receivable. In evaluating the collectibility of patient accounts receivable, the System analyzes historical loss experience on revenue from non-governmental payors. The loss experience rate is applied to current year non-governmental revenue as a basis for the allowance for doubtful accounts. The System also considers receivables from non-governmental payors aged over 151 days. Based on these factors, the System estimates the appropriate allowance for doubtful accounts and provision for bad debts. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

#### Inventory

Inventory of supplies are valued at the lower of cost, determined on the first-in, first out method, or market.

#### Investments and Investment Income

Certificates of deposit are stated at the principal contributed plus any accrued interest earned. Land held for investment is stated at acquisition cost and assessed for impairment annually. All other investments are measured at fair value in the accompanying combined balance sheets.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies (Continued)**

#### **Investments and Investment Income (Continued)**

Investment income or loss (including realized gains and losses on investments, interest, and dividends) on funds held by a trustee for principal and interest payments on borrowings is reported as other operating revenue in the accompanying combined statements of operations. All other investment income (including realized gains and losses, interest, and dividends) is reported as nonoperating income in the accompanying combined statements of operations unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from revenue in excess of expenses unless the investments are trading securities. Realized gains or losses are determined by the specific-identification method.

The Corporation monitors the difference between the cost and fair value of its investments. A decline in market value of an individual investment security below cost that is deemed to be other-than-temporary results in an impairment and the Corporation reduces the investment's carrying value to fair value. A new cost basis is established for the investment and any impairment loss is recorded as a realized loss in investment income.

#### **Assets Limited as to Use**

Assets limited as to use include assets designated by the System's Board of Trustees for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes; assets held in trust under terms of a bond trust indenture agreement; assets held in trust under deferred compensation arrangements; assets set aside by the Foundation's Board for designated purposes; and assets designated to fund temporarily and permanently restricted net assets.

#### **Split-Interest Agreements**

The Corporation's split-interest agreements with donors consist of irrevocable charitable remainder trusts for which the Foundation is the remainder beneficiary. The assets are held in trust by an external trustee. Split-interest agreements are recorded at fair value and classified with assets limited as to use in the accompanying combined balance sheets.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Property, Equipment, and Depreciation

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Property and equipment under capital lease is amortized on the straight-line method over the shorter period of the lease term or the estimated economic life. Estimated useful lives range from 3 to 40 years for land improvements, buildings, and fixed equipment and from 3 to 20 years for major movable equipment.

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from revenue in excess of expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

#### Deferred Financing Costs

Costs related to issuance of long-term debt are amortized over the life of the related debt using the straight-line method.

#### Goodwill and Other Intangible Assets

Goodwill is the excess of the total cost of the acquisition over the fair value of the net assets acquired. Intangible assets consist of separately identifiable intangibles such as patient relationships. Intangible assets that are not deemed to have an indefinite life are amortized over their estimated remaining economic useful life.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 1 **Summary of Significant Accounting Policies** (Continued)

#### **Goodwill and Other Intangible Assets** (Continued)

Goodwill and intangible assets deemed to have indefinite lives are not amortized. Goodwill is subject to annual tests for impairment. For purposes of assessing the impairment of goodwill, the System evaluates goodwill at each reporting unit level. In 2011, the System adopted the provisions of Accounting Standards Update No. 2011-08 *Intangibles - Goodwill and Other (Topic 350) Testing Goodwill Impairment* which allows the System to assess the totality of qualitative factors (such as relevant events and circumstances) to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. If the System determines it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the System estimates the fair value of the reporting unit, and the fair value is then compared with the carrying value of the applicable reporting unit. If the carrying amount of the reporting unit exceeds its calculated fair value, a second step of the goodwill impairment test would be performed to measure the amount of impairment loss, in any.

#### **Interest Rate Swap Agreement**

The Corporation uses interest rate swaps to manage its risk related to interest rate movements. The Corporation's risk management strategy is to stabilize cash flow variability on its variable rate debt with interest rate swaps. At the inception of an interest rate swap agreement, the Corporation documents its risk management strategy and assesses the interest rate swaps' effectiveness at producing offsetting cash flows. Interest rate swap agreements are reported at fair value on the accompanying combined balance sheets with the change in the fair value of the effective portion of the hedge included in other changes in unrestricted net assets in the combined statements of operations and changes in net assets. Any ineffective portion is recorded in nonoperating income in the accompanying combined statements of operations. If the ineffectiveness of the hedge exceeds certain prescribed levels, the derivative would no longer be eligible for hedge accounting, and all future changes in fair value of the derivative would be reported in other income or expense in the combined statements of operations and change in net assets, and the change that was recorded through net assets from the beginning of the interest rate swap would be amortized into earnings over the remaining life of the swap. In the event the interest rate swap is terminated, the total amount that was recorded in net assets from the beginning of the interest rate swap would be reclassified into earnings.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Net Assets

Unrestricted net assets consists of investments and otherwise unrestricted amounts that are not subject to donor-imposed stipulations. Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity. Earnings on permanently restricted endowment funds are recorded as temporarily restricted net assets until appropriated by the Foundation's Board.

#### Asset Retirement Obligations

ASC Topic 410-20, *Accounting for Conditional Asset Retirement Obligations*, clarifies when an entity is required to recognize a liability for a conditional asset retirement obligation. The Corporation has considered ASC Topic 410-20, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. The Corporation believes there is an indeterminate settlement date for the asset retirement obligations because the range of time over which the Corporation may settle the obligation is unknown and cannot be estimated. As a result, the Corporation cannot reasonably estimate the liability related to these asset retirement activities as of December 31, 2012 and 2011.

#### Revenue in Excess of Expenses

The accompanying combined statements of operations include the classification of revenue in excess of expenses, which is considered the operating indicator. Changes in unrestricted net assets, which are excluded from the operating indicator, include unrealized gains and losses on investments other than trading securities, the effective portion of changes in fair values of interest rate swap agreements designated as cash flow hedges, net assets released from restrictions and contributions for capital improvements, and changes in pension obligations and deferred compensation other than expense.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Patient Service Revenue

The System recognizes patient service revenue on the accrual basis at the System's established rates. The provision for contractual adjustments (that is, the differences between established rates and expected third-party payor payments) and the discounts (that is, the difference between established rates and the amount billable) are recognized on the accrual basis. These amounts are deducted from gross patient service revenue to determine patient service revenue (net of contractual allowances and discounts). The provision for bad debts is based on historical loss experience and is deducted from patient service revenue (net of contractual allowances and discounts) to determine net patient service revenue.

#### Charity Care

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

The estimated cost of providing care to patients under the System's charity care policy is calculated by multiplying the ratio of cost to gross charges for the System times the gross uncompensated charges associated with providing charity care.

#### Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Corporation are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is deemed unconditional. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying combined statements of changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying combined financial statements.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Unemployment Compensation

The Corporation is self-insured for unemployment compensation benefits. The Corporation has obtained a letter of credit, which expires on December 31, 2015, to meet state funding requirements.

#### Income Taxes

Both the System and the Foundation are nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The System and Foundation are also exempt from state income taxes on related income.

In order to account for any uncertain tax positions, the Corporation determines whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Corporation recorded no assets or liabilities related to uncertain tax positions in 2012 and 2011. Tax returns for the years ended 2009 and beyond remain subject to examination by the Internal Revenue Service.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Fair Value Measurements

The Corporation measures the fair value of financial instruments, including interest rate swap agreements and assets within the defined benefit noncontributory retirement plan, using a three-tier hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for the identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets and liabilities in inactive markets;
- Inputs, other than quoted prices, that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. See Note 9 for further disclosures regarding fair value measurements of financial instruments.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 1      **Summary of Significant Accounting Policies (Continued)**

#### **New Accounting Pronouncements**

In July 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Health Care Entities*. This ASU amends ASC Topic 954 and requires health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. Entities are also required to enhance disclosures about their policies for recognizing revenue and assessing bad debts. Additionally, this guidance requires disclosure of qualitative and quantitative information about changes in the allowance for doubtful accounts. The guidance in this ASU was effective for the System's year ended December 31, 2012; however, the System chose to early adopt this new guidance for the year ended December 31, 2011.

#### **Subsequent Events**

Subsequent events have been evaluated through March 12, 2013, which is the date the financial statements were issued. See Note 18 for further discussion regarding a particular subsequent event.

### Note 2      **Reimbursement Arrangements With Third-Party Payors**

The System has agreements with third-party payors that provide for reimbursement at amounts which vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

*Medicare* - Inpatient services are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are paid primarily on prospectively determined rates, also based on a patient classification system, or fixed fee schedules.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

*Medicaid* - Inpatient services are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors similar to the Medicare system. Outpatient services are paid on a prospectively determined rate per occasion of service.

*Physician Clinics* - Reimbursement for clinic services rendered is based on charges, discounted charges, or in the case of government programs, prospectively determined reimbursement rates.

*Home Care* - A significant portion of home health revenue is derived under federal and state reimbursement programs. Reimbursement under the home health Medicare program is based on a predetermined rate per episode of care depending on the patients' level of care and types of services provided. Services provided to Medicaid program beneficiaries are reimbursed on prospectively determined rates.

*Others* - The System has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the System under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

#### Accounting for Contractual Arrangements

The System is reimbursed for certain cost reimbursable items at tentative rates with final settlements determined after audit of the related annual cost reports by the respective Medicare fiscal intermediaries. Estimated provisions to approximate the final expected settlements after review by the intermediaries are included in the accompanying combined financial statements. The Medicare cost reports have been audited through December 31, 2007 by the Medicare fiscal intermediary. Medicaid rate-setting practice relies on audited Medicare cost reports; therefore, Medicaid no longer provides an independent audit of Medicaid cost reports.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

#### Electronic Health Record Payments

The American Recovery and Reinvestment Act of 2009 (ARRA) provides for incentive payments under the Medicare and Medicaid programs for certain hospitals and physician practices that demonstrate meaningful use of certified electronic health record (EHR) technology. These provisions of ARRA, collectively referred to as the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), are intended to promote the adoption and meaningful use of health information technology and qualified EHR technology.

The System recorded approximately \$360,000 in EHR incentive revenue from the Medicare program in 2012, which is recorded in other operating revenue in the accompanying combined statements of operations. No Medicare EHR incentive revenue was recorded in 2011. In addition, the System recorded approximately \$571,000 and \$191,000 in EHR incentive revenue from the Medicaid program in 2012 and 2011, respectively, which is also included in other operating revenue in the accompanying combined statements of operations

#### Compliance

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, particularly those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Violation of these laws and regulations could result in the imposition of fines and penalties, as well as repayments of previously billed and collected revenue from patient services. Management believes that the System is in substantial compliance with current laws and regulations.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

The Centers for Medicare and Medicaid Services (CMS) uses Recovery Audit Contractors (RACs) as part of its efforts to ensure accurate payments under the Medicare program. RACs search for potentially inaccurate Medicare payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts. Once a RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. The provider will then have the opportunity to appeal the adjustment before final settlement of the claim is made. As of December 31, 2012, the System has received notice from the RAC of certain claims identified by the RAC as underpaid; reimbursement adjustments related to these claims are not estimated to be significant.

### Note 3 Patient Accounts Receivable and Allowance for Doubtful Accounts

Patient accounts receivable consisted of the following at December 31:

	2012	2011
Patient accounts receivable	\$ 72,871,378	\$ 80,665,925
Less:		
Contractual adjustments	40,963,298	45,782,576
Allowance for doubtful accounts	11,650,810	10,480,042
<u>Patient accounts receivable - Net</u>	<u>\$ 20,257,270</u>	<u>\$ 24,403,307</u>

Write-offs as a percentage of non-governmental gross revenue decreased 1% in 2012 compared to 2011. However, the System's gross revenue from non-governmental payors increased approximately \$10,779,000 in 2012 compared to 2011. These factors caused the allowance for doubtful accounts to increase to 16.0% of patient accounts receivable at December 31, 2012 as compared to 13.1% of patient accounts receivable at December 31, 2011. The System did not change its charity care or uninsured discount policies during 2012 or 2011.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 4 Investments and Assets Limited as to Use

#### Investments

Investments consisted of the following at December 31:

	2012	2011
Certificates of deposit	\$ -	\$ 899,710
Bonds:		
U.S. treasury and government agencies	-	4,070,227
Municipal	-	5,929,927
Corporate	-	10,486,363
Mutual funds:		
U.S. equities	8,936,116	5,997,760
Fixed income	29,493,770	6,109,670
International	4,518,375	2,210,495
Alternative	1,390,111	1,006,881
Land held for investment	1,700,000	1,700,000
<b>Total investments</b>	<b>\$ 46,038,372</b>	<b>\$ 38,411,033</b>

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 4 Investments and Assets Limited as to Use (Continued)

#### Assets Limited as to Use

Assets limited as to use consisted of the following at December 31:

	2012	2011
Held by trustees under bond indenture agreements:		
Cash equivalents	\$ 2,778,650	\$ 2,778,650
Temporarily restricted by donors:		
Cash equivalents	566,305	616,508
Certificates of deposit	707,137	732,620
Mutual funds (US equities)	588,693	346,759
Pledges receivable	1,388,490	1,672,444
Total temporarily restricted by donors	3,250,625	3,368,331
Permanently restricted by donors:		
Cash equivalents	54,001	58,350
Mutual funds (US equities)	1,050,146	1,044,232
Cash surrender value of life insurance	394,788	365,546
Total permanently restricted by donors	1,498,935	1,468,128
Held by trustees under deferred compensation agreements:		
Mutual funds (fixed income)	2,609,675	3,374,996
Cash equivalents	1,604,744	75,226
Total held by trustees under deferred compensation agreements	4,214,419	3,450,222
Board-designated - Mutual funds (US equities)	1,756,163	1,740,741
Total assets limited as to use	\$ 13,498,792	\$ 12,806,072

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 4 Investments and Assets Limited as to Use (Continued)

#### Investment Income

Investment income including, interest, dividends, and realized gains and losses on cash equivalents, investments, and assets limited as to use, consisted of the following:

	2012	2011
Non-operating income - Interest and dividend income, and realized gains and losses	\$ 2,313,712	\$ 1,235,366
Temporarily restricted - Interest and dividend income, and realized gains and losses	113,341	61,086
<b>Total investment income</b>	<b>\$ 2,427,053</b>	<b>\$ 1,296,452</b>
Other changes in unrestricted net assets - Change in net unrealized gains and losses on investments other than trading securities	\$ 1,595,656	\$ (897,039)

Management assesses individual investment securities as to whether declines in the market value are other-than-temporary and result in an impairment. For equity securities including mutual funds, the Corporation considers whether it has the ability and intent to hold the investment until a market price recovery. Evidence considered in this includes the reasons for the impairment, the severity and duration of the impairment, changes in value subsequent to year-end, the issuer's financial condition, and the general market condition in the geographic area or industry the investee operates in. For debt securities, if the Corporation has made a decision to sell the security, or if it's more likely than not the Corporation will sell the security before the recovery of the security's cost basis, an other-than-temporary impairment is considered to have occurred. If the Corporation has not made a decision or does not have an intent to sell the debt security, but the debt security is not expected to recover its value due to a credit loss, an other-than temporary impairment is considered to have occurred. No realized losses for other than temporary declines were recorded in 2012. The Corporation recorded a realized loss of approximately \$27,000 for other than temporary declines in 2011.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 5 Pledges Receivable and Related-Party Transactions

The Foundation has a development campaign, the Emergency Room Expansion and Renovation Appeal, in which individual donors (including various System and Foundation board members and employees) have pledged amounts to the Foundation primarily for expansion and renovation of the System's emergency department. The Foundation has been named as owner and beneficiary on life insurance policies with death benefits of \$1,617,000 as of December 31, 2012 and 2011. Any death benefit in excess of the cash surrender value will be recorded as a contribution when received. The Foundation has also been named as beneficiary of two remainder trusts with present values of \$688,180 and \$709,333 at December 31, 2012 and 2011, respectively.

Pledges receivable, including the split-interest agreements, are expected to be collected as follows as of December 31:

	2012	2011
Less than one year	\$ 274,320	\$ 384,907
One to five years	450,533	587,222
Greater than five years	52,000	106,000
Split-interest agreements	688,180	709,333
<b>Gross pledges receivable</b>	<b>1,465,033</b>	<b>1,787,462</b>
Less:		
Unamortized discount	14,043	29,018
Allowance for uncollectible pledges	62,500	86,000
<b>Pledges receivable - Net</b>	<b>\$ 1,388,490</b>	<b>\$ 1,672,444</b>

Unconditional promises to give that are expected to be collected in future years are measured at fair value at the date promised; then adjusted on a recurring basis using historical trends of collection and market interest rate assumptions (0.95% and 1.27% at December 31, 2012 and 2011, respectively). The interest element resulting from amortization of the discount is reported as contribution revenue.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 5 Pledges Receivable and Related-Party Transactions (Continued)

Contributions received by the Corporation include donations from various members of the Boards of Directors of the System and the Foundation. The Corporation recognized contributions from board members of approximately \$22,000 and \$9,000 in 2012 and 2011, respectively. Contributions are also received by the Corporation from Beloit Memorial Hospital Auxiliary, Inc., a/k/a Beloit Memorial Hospital, Inc. Volunteers in Partnership (the "Auxiliary"), whose sole purpose is to promote and advance the welfare of the System. The Corporation recognized contributions from the Auxiliary of approximately \$70,000 and \$90,000 in 2012 and 2011, respectively.

### Note 6 Property and Equipment

Property and equipment consisted of the following at December 31:

	2012	2011
Land	\$ 6,395,847	\$ 5,865,455
Land improvements	5,953,103	5,920,816
Buildings	106,507,714	105,217,733
Fixed equipment	20,000,098	18,773,600
Major movable equipment	51,256,311	48,603,127
Total property and equipment	190,113,073	184,380,731
Less - Accumulated depreciation and amortization	93,840,773	86,087,285
Net depreciated value	96,272,300	98,293,446
Construction in progress (NOTE 17)	7,597,760	58,247
Property and equipment - Net	<u>\$103,870,060</u>	<u>\$ 98,351,693</u>

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 7 Long-Term Debt

Long-term debt consisted of the following at December 31:

	2012	2011
Mortgage note with bank; due in monthly installments of \$11,100, including interest at 4.62% through January 2014, at which time there is a payment of \$1,134,964 due; secured by certain real property	\$ 1,213,039	\$ 1,287,399
Illinois Finance Authority Revenue Bonds, Series 2010A, dated October 21, 2010; payable in monthly installments including principal and interest through April 2036; variable interest rate set monthly (1.3% at December 31, 2012)	37,305,000	37,610,000
Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2010B, dated October 21, 2010; interest payable semi-annually at varying rates (4.00% to 5.125%) principal due in annual installments through April 2036	31,285,000	32,470,000
Equipment notes, due in varying installments through 2015, interest rates from 6.70% to 7.76%	618,928	831,841
<b>Total</b>	<b>70,421,967</b>	<b>72,199,240</b>
Less:		
Unamortized bond discounts	243,359	253,826
Current maturities	1,847,141	1,777,268
<b>Long-term portion</b>	<b>\$ 68,331,467</b>	<b>\$ 70,168,146</b>

The System and the Foundation together form an Obligated Group for Revenue Bonds. The Revenue Bonds are secured by a security interest in the pledged revenue of the Obligated Group.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 7 Long-Term Debt (Continued)

In October 2010, the Corporation issued its Series 2010A Revenue Bonds with a total principal value of \$37,895,000. The Series 2010A Bonds were issued pursuant to a Bond Trust Indenture by and between the Illinois Finance Authority ("IFA") and The Bank of New York Mellon Trust Company, N.A., as bond trustee, with proceeds loaned to the Corporation pursuant to a Loan Agreement by and between the Corporation and IFA. The Series 2010A Bonds were also issued pursuant to a Master Trust Indenture between the Corporation and U.S. Bank N.A. as Master Trustee. The Corporation is liable for all obligations under the Loan Agreement. The 2010A Bonds were purchased by a financial institution upon issuance, based on a Purchase Agreement, and will remain with the financial institution until October 2015, at which point the bonds may be reoffered if certain conditions have been satisfied pursuant to the Purchase Agreement.

In October 2010, the Corporation issued its Series 2010B Revenue Bonds with a total principal value of \$32,470,000, and a net discount of \$266,910. The Series 2010B Bonds were issued pursuant to a Bond Trust Indenture by and between Wisconsin Health and Educational Facilities Authority ("WHEFA") and The Bank of New York Mellon Trust Company, N.A., as bond trustee, with proceeds loaned to the Corporation pursuant to a Loan Agreement by and between the Corporation and WHEFA. The Series 2010B Bonds were also issued pursuant to the Master Trust Indenture between the Corporation and U.S. Bank N.A. as Master Trustee noted above. The Corporation is liable for all obligations under the Loan Agreement.

The 2010B bond indenture requires the establishment of certain funds to be held by the trustee, which are unavailable for general corporate purposes. Required funds have been established and are shown as assets limited as to use in the accompanying combined financial statements. The bond indenture also provides for various restrictive covenants, including maintenance of various financial ratios and limitations on additional borrowing. At December 31, 2012, management believes the Corporation was in compliance with these covenants.

The carrying value of revenue bonds and notes payable approximates the fair value of these liabilities.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 7 Long-Term Debt (Continued)

Scheduled principal payments on long-term debt at December 31, 2012, including current maturities, are summarized as follows:

2013	\$ 1,847,141
2014	3,001,402
2015	1,838,424
2016	1,780,000
2017	1,865,000
Thereafter	60,090,000
Total	<u>\$ 70,421,967</u>

### Note 8 Interest Rate Swap Agreement

The Corporation has entered into an interest rate swap agreement for the purpose of mitigating the floating interest rate risk on the variable rate bonds. The notional amount of the swap agreement was \$39,700,000 and \$40,025,000 at December 31, 2012 and 2011, respectively. The Corporation pays a fixed rate of 3.88% on the swap agreement, and receives 67% of one month LIBOR.

The interest rate swap agreement is recorded as a liability of \$11,347,323 and \$11,731,493 as of December 31, 2012 and 2011, respectively. The Corporation assesses the effectiveness of the interest rate swaps as cash flow hedge instruments on a periodic basis. For 2012 and 2011, the Corporation determined the hedge to be partially ineffective. During 2012 and 2011, the Corporation recognized nonoperating income of \$23,291 and nonoperating expense of \$306,279, respectively, for the ineffective portion of the interest rate swap agreement. The change in fair value of the portion of the interest rate swap agreement that was deemed to be effective increased unrestricted net assets by \$360,879 in 2012 and decreased unrestricted net assets by \$4,761,343 in 2011.

The Corporation is exposed to credit loss in the event of nonperformance by the counterparty to the interest rate swap agreements. However, the Corporation does not anticipate nonperformance by the counterparty.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 9 Fair Value Measurements

Following is a description of the valuation methodology used for assets measured at fair value.

Cash equivalents are valued based on historical cost, which approximates fair value. Mutual funds are valued at quoted market prices which represents the net asset value (NAV) of shares held by the Corporation at year-end. Bonds are valued using quotes from pricing vendors based on recent trading activity and other observable market data. Split-interest agreements are valued at the estimated value of future payments to be received based on certain actuarial assumptions. Interest rate swap agreements are valued using interest rate yield curves.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Corporation's assets and liabilities at fair value as of December 31:

	2012			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash equivalents	\$ -	\$ 19,264,688	\$ -	\$ 19,264,688
<b>Mutual funds:</b>				
U.S. equities	12,331,118	-	-	12,331,118
Fixed income	32,103,445	-	-	32,103,445
International	4,518,375	-	-	4,518,375
Alternative	1,390,111	-	-	1,390,111
Split-interest agreements	-	-	688,180	688,180
<b>Total assets</b>	<b>\$ 50,343,049</b>	<b>\$ 19,264,688</b>	<b>\$ 688,180</b>	<b>\$ 70,295,917</b>
<b>Liability:</b>				
Interest rate swap agreement	\$ -	\$ (11,347,323)	\$ -	\$ (11,347,323)

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 9 Fair Value Measurements (Continued)

	2011			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents	\$ -	\$ 22,798,015	\$ -	\$ 22,798,015
Bonds:				
U.S. treasury and government agencies	-	4,070,227	-	4,070,227
Corporate	-	10,486,363	-	10,486,363
Municipal	-	5,929,927	-	5,929,927
Mutual funds:				
U.S. equities	9,129,492	-	-	9,129,492
Fixed income	9,484,666	-	-	9,484,666
International	2,210,495	-	-	2,210,495
Alternative	1,006,881	-	-	1,006,881
Split-interest agreements	-	-	709,333	709,333
<b>Total assets</b>	<b>\$21,831,534</b>	<b>\$ 43,284,532</b>	<b>\$ 709,333</b>	<b>\$ 65,825,399</b>
Liability:				
Interest rate swap agreements	\$ -	\$ (11,731,493)	\$ -	\$ (11,731,493)

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 10 Retirement Plans

Effective January 1, 2011, the Corporation froze its defined benefit noncontributory retirement plan for any benefits for participants with less than 20 years of service, as defined in the plan document. All assets of the plan, principally marketable securities, are held in a separate bank-administered trust. The funding policy is to contribute amounts sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974.

The following provides further information about the plan for the years ended December 31:

	2012	2011
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 64,229,810	\$ 59,787,767
Service cost	1,002,850	966,405
Interest cost	3,292,706	3,295,206
Benefits paid	(1,507,914)	(1,281,468)
Actuarial gain	(945,738)	1,461,900
<b>Benefit obligation at end of year</b>	<b>66,071,714</b>	<b>64,229,810</b>
Change in plan assets:		
Fair value of plan assets at beginning of year	47,475,535	48,659,789
Actual return on plan assets	7,181,026	(109,858)
Employer contributions	1,706,534	387,000
Benefits paid	(1,507,914)	(1,281,468)
Administrative expenses	(40,803)	(179,928)
<b>Fair value of plan assets at end of year</b>	<b>54,814,378</b>	<b>47,475,535</b>
<b>Funded status</b>	<b>\$ (11,257,336)</b>	<b>\$ (16,754,275)</b>

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 10 Retirement Plans (Continued)

Pension expense for the years ended December 31 was comprised of the following.

	2012	2011
Pension expense:		
Service cost	\$ 1,002,850	\$ 966,405
Interest cost	3,292,706	3,295,206
Expected return on assets	(3,896,925)	(4,072,393)
Amortization of unrecognized loss	1,078,445	916,249
Amortization of prior service costs	5,824	5,837
<b>Total pension expense</b>	<b>1,482,900</b>	<b>1,111,304</b>
Other changes in plan assets and benefit obligations recognized in net assets:		
Prior service cost	(5,824)	(5,837)
Accumulated gain (loss)	(5,267,481)	4,907,830
<b>Total recognized in net assets</b>	<b>(5,273,305)</b>	<b>4,901,993</b>
<b>Total recognized as pension expense and in net assets</b>	<b>\$ (3,790,405)</b>	<b>\$ 6,013,297</b>

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 10 Retirement Plans (Continued)

Amounts recognized in the accompanying combined balance sheets consisted of the following at December 31:

	2012	2011
<u>Pension liability</u>	<u>\$ 11,257,336</u>	<u>\$ 16,754,275</u>
Net assets:		
Prior service cost	\$ 31,243	\$ 37,067
Accumulated loss	14,830,181	20,097,662
<u>Total amount recognized in net assets</u>	<u>\$ 14,861,424</u>	<u>\$ 20,134,729</u>

The plan's accumulated benefit obligation was \$62,701,071 and \$57,425,635 at December 31, 2012 and 2011, respectively.

Weighted average assumptions used as of December 31, the measurement date, in developing the projected benefit obligation were as follows:

	2012	2011
Discount rate for obligation	5.00 %	5.20 %
Discount rate for expense	5.20 %	5.58 %
Expected return on plan assets	8.25 %	8.25 %
Rate of compensation increase	3.50 %	3.50 %

To develop the expected long-term rate of return on asset assumptions, the Corporation considered the historical returns and future expectations for returns in each asset class, as well as targeted asset allocation percentages within the pension portfolio.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 10 Retirement Plans (Continued)

The Plan's asset allocations at December 31 were as follows:

	2012	2011
Asset category:		
Cash and cash equivalents	2 %	2 %
Fixed income mutual funds	35 %	36 %
Equity mutual funds	62 %	61 %
<u>Investment contract with insurance company</u>	<u>1 %</u>	<u>1 %</u>
<u>Totals</u>	<u>100 %</u>	<u>100 %</u>

Following is a description of the valuation methodology used for pension assets which are measured at fair value.

Mutual funds are valued at quoted market prices or quotes from pricing vendors which represent the net asset value (NAV) of shares held at year-end. Investment contracts with insurance companies are valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 10 Retirement Plans (Continued)

The following table sets forth by level, within the fair value hierarchy, the Corporation's assets within the defined benefit noncontributory retirement plan at fair value as of December 31:

	2012			Total
	Level 1	Level 2	Level 3	
Assets:				
Cash equivalents	\$ -	\$ 1,129,894	\$ -	\$ 1,129,894
Equity mutual funds	34,160,320	-	-	34,160,320
Fixed income mutual funds	18,877,652	-	-	18,877,652
Insurance contract	-	-	646,512	646,512
<b>Total assets</b>	<b>\$ 53,037,972</b>	<b>\$ 1,129,894</b>	<b>\$ 646,512</b>	<b>\$ 54,814,378</b>

	2011			Total
	Level 1	Level 2	Level 3	
Assets:				
Cash equivalents	\$ -	\$ 948,166	\$ -	\$ 948,166
Equity mutual funds	28,921,095	-	-	28,921,095
Fixed income mutual funds	16,990,143	-	-	16,990,143
Insurance contract	-	-	616,131	616,131
<b>Total assets</b>	<b>\$ 45,911,238</b>	<b>\$ 948,166</b>	<b>\$ 616,131</b>	<b>\$ 47,475,535</b>

The Corporation intends to provide an appropriate range of investment options that span the risk/return spectrum. The investment options allow for an investment portfolio consistent with plan circumstances, goals, time horizons, and tolerance for risk.

The Corporation expects to contribute \$1,320,000 to the Plan in 2013.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 10 Retirement Plans (Continued)

Benefit payments are expected to be paid as follows:

2013	\$ 1,741,000
2014	\$ 1,926,000
2015	\$ 2,152,000
2016	\$ 2,357,000
2017	\$ 2,626,000
Succeeding five years	\$ 17,868,000

The Corporation also sponsors a tax-deferred annuity plan and a matching contribution plan that cover employees at least 18 years of age who are not members of a union unless the collective bargaining agreement between the System and the union expressly provides for coverage. Employees may contribute to the tax-deferred annuity plan on a tax-deferred basis subject to plan and regulatory limits. The Corporation contributes to the matching contribution plan an amount equal to 50% of employees' contributions to the tax-deferred annuity plan up to 5% of employees' eligible compensation, such that the maximum matching contribution is 2.5% of an employee's eligible compensation. The Corporation recognized expense of \$1,076,000 and \$1,045,000 related to this plan in 2012 and 2011, respectively. Eligible employees under the tax-deferred annuity plan receive an employer contribution of 4% of employee's eligible compensation, regardless of employee contributions. The Corporation recognized expense of \$2,143,000 and \$1,733,000 related to this plan in 2012 and 2011, respectively.

The System also sponsors deferred compensation programs covering certain physicians and management. Investments designated for deferred compensation, recorded in the accompanying combined balance sheets at fair value as assets limited as to use, were \$4,214,419 and \$3,450,222 at December 31, 2012 and 2011, respectively. Corresponding liabilities totaling \$4,674,644 and \$3,895,631 at December 31, 2012 and 2011, respectively, are also recorded in the accompanying combined balance sheets as long-term liabilities.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 11 Temporarily and Permanently Restricted Net Assets and Endowments

Temporarily restricted net assets include assets set aside in accordance with donor restrictions as to time or use. Temporarily restricted net assets are available for the following purposes:

	2012	2011
Restrictions as to time	\$ 1,388,490	\$ 1,672,444
Expansion and renovation	414,743	414,743
Unappropriated earnings on endowment funds	1,513,841	1,246,164
Specific hospital departments	1,076,435	1,126,643
<b>Total temporarily restricted net assets</b>	<b>\$ 4,393,509</b>	<b>\$ 4,459,994</b>

Income from permanently restricted net assets, with balances of \$1,498,935 and \$1,468,128 at December 31, 2012 and 2011, respectively, has been restricted by donors for capital improvements, education, home health, and various other projects at the System.

The Foundation's endowment consists of approximately 20 different funds established to benefit the System for a variety of purposes. During 2012, the Foundation de-designated unrestricted funds previously designated for endowment purposes after reassessing how the funds are managed. As such, the \$590,589 of unrestricted board designated endowments from 2011 are no longer treated as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowments consisted of the following at December 31:

	2012			2011		
	Board - Designated	Donor- Restricted	Total	Board- Designated	Donor- Restricted	Total
Unrestricted	\$ -	\$ -	\$ -	\$ 590,589	\$ -	\$ 590,589
Temporarily restricted	-	1,513,841	1,513,841	-	1,246,164	1,246,164
Permanently restricted	-	1,498,935	1,498,935	-	1,468,128	1,468,128
<b>Totals</b>	<b>\$ -</b>	<b>\$ 3,012,776</b>	<b>\$ 3,012,776</b>	<b>\$ 590,589</b>	<b>\$ 2,714,292</b>	<b>\$ 3,304,881</b>

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 11 Temporarily and Permanently Restricted Net Assets and Endowments

(Continued)

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as requiring the Foundation to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the donor's gifts to the permanent endowment, (b) the original value of a donor's subsequent gifts to the permanent restricted endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Board of Directors may also set aside certain unrestricted net assets for endowment purposes. Since these amounts are not restricted by the donor but are restricted only by Board policy, the amounts would be classified as unrestricted net assets. The Board of Directors may designate additional amounts from time to time to be added to the endowment fund.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to preserve the purchasing power of the endowment assets. The Foundation uses the Consumer Price Index plus 5% to evaluate the purchasing power of endowment assets. Under the Foundation's investment policy, as approved by the Board of Directors, the endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation, and achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles, and to ensure that any risk assumed is commensurate with the given investment vehicle and the Foundation's objectives. To achieve its investment goals, the Foundation targets an asset allocation that will achieve a balanced return of current income and long-term growth of principal while exercising risk control. The Foundation's asset allocations include a blend of equity and debt securities and cash equivalents.

Investment earnings on donor restricted endowment funds are appropriated for distribution at the discretion of the Foundation's Board of Directors.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 12 Patient Service Revenue (Net of Contractual Allowances and Discounts)

Patient service revenue (net of contractual allowances and discounts) consisted of the following:

	2012	2011
Gross patient service revenue:		
Inpatient	\$ 134,684,422	\$ 136,767,026
Outpatient	359,826,828	322,866,013
Total gross patient service revenue	494,511,250	459,633,039
Deductions - Primarily contractual adjustments and third-party reimbursement agreements	305,644,750	271,113,580
Patient service revenue (net of contractual allowances and discounts)	<u>\$ 188,866,500</u>	<u>\$ 188,519,459</u>

Medicare and Medicaid revenue as a percent of gross patient service revenue approximated 62.1% and 61.7% in 2012 and 2011, respectively.

Patient service revenue (net of contractual allowances and discounts) from these major payor sources is as follows:

	2012	2011
Medicare, Medicaid, Health Maintenance Organization (HMO) Plans, and other third party payers	\$ 174,253,322	\$ 173,620,541
Uninsured patients	14,613,178	14,898,918
Patient service revenue (net of contractual allowances and discounts)	<u>\$ 188,866,500</u>	<u>\$ 188,519,459</u>

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 13 Malpractice Insurance

The Corporation has professional liability insurance for claim losses of less than \$1,000,000 per claim and \$3,000,000 per year for claims incurred during a policy year regardless of when claims are reported (occurrence coverage). The Corporation is insured against losses in excess of these amounts through its mandatory participation in the Patients' Compensation Fund of the State of Wisconsin. The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending through January 1, 2014.

### Note 14 Functional Expenses

The Corporation provides general health care services to residents within its geographic location. Expenses related to providing these services consisted of the following:

	2012	2011
Health care services	\$150,147,720	\$146,234,744
General and administrative	35,559,730	33,124,461
Fund-raising	306,416	267,158
<u>Total expenses</u>	<u>\$186,013,866</u>	<u>\$179,626,363</u>

### Note 15 Concentration of Credit Risk

Financial instruments that potentially subject the Corporation to possible credit risk consist principally of accounts receivable, cash deposits in excess of insured limits, and investments.

Accounts receivable consist of amounts due from patients, their insurers, or governmental agencies (primarily Medicare and Medicaid) for health care provided to the patients. The majority of the System's patients are from Beloit, Wisconsin, and the surrounding area.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

### Note 15 Concentration of Credit Risk (Continued)

The mix of receivables from patients and third-party payors was as follows at December 31:

	2012	2011
Medicare	40 %	44 %
Medicaid	14 %	15 %
Other third-party payors	39 %	35 %
Self-pay	7 %	6 %
Totals	100 %	100 %

The Corporation maintains depository relationships with area financial institutions that are Federal Depository Insurance Corporation (FDIC) insured institutions. On November 9, 2010, the FDIC issued a final rule implementing Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides for unlimited insurance coverage of noninterest-bearing transaction accounts through December 31, 2012. In addition, the Corporation maintains cash in interest-bearing accounts at these institutions which are insured by the FDIC up to \$250,000. Beginning January 1, 2013, noninterest-bearing transaction accounts will be added to any of a depositor's other accounts at the applicable financial institution, with the aggregate balance insured up to \$250,000. At December 31, 2012, the Corporation exceeded the insured limits by approximately \$406,000. In addition, other investments held by financial institutions are uninsured.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 16 Community Benefit and CharityCare

The Corporation provides health care services and other financial support through various programs that are designed, among other matters, to enhance the health of the community, including the health of low-income patients.

The Corporation actively provided or participated in the following community based activities and programs during 2012 and 2011:

- General health education services such are health fairs, cancer education, healthy heart education, family planning, and mental health education.
- Provided health information on the Corporation's website and through health-rated publications distributed at no charge.
- Support groups such as AIDS/HIV, diabetes, substance abuse, and weight management.
- Self help and wellness programs such as nutrition and weight management and sports injury prevention.
- Blood pressure screenings, cholesterol testing, and hearing testing.
- Crisis intervention counseling.
- Guidance, referral, and enrollment assistance for public medical programs and other family support assistance.
- Provided discounted or free medical supplies and equipment to those unable to pay.
- Delivered hot in-home meals.
- Provided emergency bus tokens for the indigent to access health care services.
- Promoted participation in blood drives by employees.
- Contributed to the education of student nurses and other health care professionals.

The Corporation also subsidized dialysis services, provided first aid for community events at no cost, and made cash contributions to support community events.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 16 Community Benefit and CharityCare (Continued)

Consistent with the mission of the Corporation, care is provided to patients regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources or are underinsured. The Corporation gives discounts from established charges to self-pay patients without regard to ability to pay and considers these discounts a part of their community benefit. Health care services to patients under government programs, such as Medicaid, are also considered part of the Corporation's benefit provided to the community since a substantial portion of such services are reimbursed at amounts less than the cost of providing care.

Patients who meet certain criteria for charity care, generally based on federal poverty guidelines, are provided care without charge or at a reduced rate, determined based on qualifying criteria as defined in the Corporation's charity care policy and from applications completed by patients and their families. The estimated cost of providing care to patients under the System's charity care policy was approximately \$7,182,000 and \$6,847,000 in 2012 and 2011, respectively.

### Note 17 Commitments and Contingencies

The Corporation is subject to legal proceedings and claims that arise in the ordinary course of business. While any proceeding or litigation has an element of uncertainty, management of the Corporation believes that the outcome of any pending or threatened actions will not have a material adverse effect on the financial condition of the Corporation.

During 2011, the System entered into an agreement to implement an electronic medical record (EMR) system. The total committed costs are estimated to be \$19,900,000, which includes licensed software, support, installation, equipment and various other items. A portion of this commitment will be capitalized and a portion will be expensed. At December 31, 2012, there is approximately \$6,300,000 in construction in progress (Note 6) related to this project. The implementation phase of the EMR system is estimated to be completed in early 2013. Based on the terms of the agreement, the System will make routine payments to the EMR vendor through 2021.

# Beloit Health System, Inc. and Affiliate

## Notes to Combined Financial Statements

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### Note 18    Subsequent Events

The System borrowed \$10,864,000 of variable rate debt from a financial institution in February 2013 for the construction of a new cancer treatment center facility, which is to be located on land currently held as an investment. There are no construction commitments related to this project at December 31, 2012.

## Supplementary Information

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## Independent Auditor's Report on Supplementary Information

Board of Trustees  
Beloit Health System, Inc.  
Beloit, Wisconsin

We have audited the combined financial statements of Beloit Health System, Inc. and Affiliate as of and for the years ended December 31, 2012 and 2011, and our report thereon dated March 12, 2013, which expressed an unqualified opinion on those combined financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The supplementary information appearing on pages 49 through 58 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information on pages 49 through 57 has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information appearing on pages 49 through 57 is fairly presented in all material respects in relation to the combined financial statements taken as a whole. The statistical information on page 58, which is of a nonaccounting nature, has not been subjected to the auditing procedures applied in the audits of the combined financial statements and, accordingly, we express no opinion on it.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

March 12, 2013  
Milwaukee, Wisconsin

# Beloit Health System, Inc. and Affiliate

## Combining Balance Sheets

December 31, 2012

	Beloit Health System, Inc.	Beloit Health System Foundation, Inc.	Eliminations	Combined Total
<b>Current assets:</b>				
Cash and cash equivalents	\$ 25,517,754	\$ 55,092	\$ -	\$ 25,572,846
Patient accounts receivable - Net	20,257,270	-	-	20,257,270
Other accounts receivable	789,477	-	(96,914)	692,563
Inventory	2,608,606	-	-	2,608,606
Amounts receivable from third-party reimbursement programs	1,828,200	-	-	1,828,200
Prepaid expenses	1,019,587	-	-	1,019,587
<b>Total current assets</b>	<b>52,020,894</b>	<b>55,092</b>	<b>(96,914)</b>	<b>51,979,072</b>
<b>Investments</b>	<b>46,038,372</b>	<b>-</b>	<b>-</b>	<b>46,038,372</b>
<b>Assets limited as to use</b>	<b>6,993,069</b>	<b>6,505,723</b>	<b>-</b>	<b>13,498,792</b>
<b>Property and equipment - Net</b>	<b>103,870,060</b>	<b>-</b>	<b>-</b>	<b>103,870,060</b>
<b>Other assets:</b>				
Deferred financing costs	698,312	-	-	698,312
Goodwill	3,300,000	-	-	3,300,000
Other intangible assets	140,000	-	-	140,000
<b>Total other assets</b>	<b>4,138,312</b>	<b>-</b>	<b>-</b>	<b>4,138,312</b>
<b>TOTAL ASSETS</b>	<b>\$ 213,060,707</b>	<b>\$ 6,560,815</b>	<b>\$ (96,914)</b>	<b>\$ 219,524,608</b>

	Beloit Health System, Inc.	Beloit Health System Foundation, Inc.	Eliminations	Combined Total
<b>Current liabilities:</b>				
Current maturities of long-term debt	\$ 1,847,141	\$ -	\$ -	\$ 1,847,141
Accounts payable	8,511,591	96,914	(96,914)	8,511,591
Accrued liabilities	15,773,173	-	-	15,773,173
<b>Total current liabilities</b>	<b>26,131,905</b>	<b>96,914</b>	<b>(96,914)</b>	<b>26,131,905</b>
<b>Long-term liabilities:</b>				
Long-term debt, less current maturities	68,331,467	-	-	68,331,467
Pension liability	11,257,336	-	-	11,257,336
Deferred compensation	4,674,644	-	-	4,674,644
Interest rate swap agreements	11,347,323	-	-	11,347,323
<b>Total long-term liabilities</b>	<b>95,610,770</b>	<b>-</b>	<b>-</b>	<b>95,610,770</b>
<b>Total liabilities</b>	<b>121,742,675</b>	<b>96,914</b>	<b>(96,914)</b>	<b>121,742,675</b>
<b>Net assets:</b>				
Unrestricted	91,318,032	571,457	-	91,889,489
Temporarily restricted	-	4,393,509	-	4,393,509
Permanently restricted	-	1,498,935	-	1,498,935
<b>Total net assets</b>	<b>91,318,032</b>	<b>6,463,901</b>	<b>-</b>	<b>97,781,933</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 213,060,707</b>	<b>\$ 6,560,815</b>	<b>\$ (96,914)</b>	<b>\$ 219,524,608</b>

See Independent Auditor's Report on Supplementary Information.

49

# Beloit Health System, Inc. and Affiliate

## Combining Balance Sheets

December 31, 2011

	Beloit Health System, Inc.	Beloit Health System Foundation, Inc.	Eliminations	Combined Total
<b>Current assets:</b>				
Cash and cash equivalents	\$ 25,031,525	\$ 18,703	\$ -	\$ 25,050,228
Patient accounts receivable - Net	24,403,307	-	-	24,403,307
Other accounts receivable	493,011	-	(104,705)	388,306
Inventory	2,219,638	-	-	2,219,638
Amounts receivable from third-party reimbursement programs	834,016	-	-	834,016
Prepaid expenses	2,974,623	-	-	2,974,623
<b>Total current assets</b>	<b>55,956,120</b>	<b>18,703</b>	<b>(104,705)</b>	<b>55,870,118</b>
Investments	38,411,033	-	-	38,411,033
Assets limited as to use	6,228,872	6,577,200	-	12,806,072
Property and equipment - Net	98,351,693	-	-	98,351,693
<b>Other assets:</b>				
Deferred financing costs	728,347	-	-	728,347
Goodwill	3,300,000	-	-	3,300,000
Other intangible assets	210,000	-	-	210,000
<b>Total other assets</b>	<b>4,238,347</b>	<b>-</b>	<b>-</b>	<b>4,238,347</b>
<b>TOTAL ASSETS</b>	<b>\$ 203,186,065</b>	<b>\$ 6,595,903</b>	<b>\$ (104,705)</b>	<b>\$ 209,677,263</b>

	Beloit Health System, Inc.	Beloit Health System Foundation, Inc.	Eliminations	Combined Total
<b>Current liabilities:</b>				
Current maturities of long-term debt	\$ 1,777,268	\$ -	\$ -	\$ 1,777,268
Current portion of obligations under capital leases	72,112	-	-	72,112
Accounts payable	6,686,605	104,705	(104,705)	6,686,605
Accrued liabilities	15,970,954	-	-	15,970,954
<b>Total current liabilities</b>	<b>24,506,939</b>	<b>104,705</b>	<b>(104,705)</b>	<b>24,506,939</b>
<b>Long-term liabilities:</b>				
Long-term debt, less current maturities	70,168,146	-	-	70,168,146
Pension liability	16,754,275	-	-	16,754,275
Deferred compensation	3,895,631	-	-	3,895,631
Interest rate swap agreement	11,731,493	-	-	11,731,493
<b>Total long-term liabilities</b>	<b>102,549,545</b>	<b>-</b>	<b>-</b>	<b>102,549,545</b>
<b>Total liabilities</b>	<b>127,056,484</b>	<b>104,705</b>	<b>(104,705)</b>	<b>127,056,484</b>
<b>Net assets:</b>				
Unrestricted	76,129,581	563,076	-	76,692,657
Temporarily restricted	-	4,459,994	-	4,459,994
Permanently restricted	-	1,468,128	-	1,468,128
<b>Total net assets</b>	<b>76,129,581</b>	<b>6,491,198</b>	<b>-</b>	<b>82,620,779</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 203,186,065</b>	<b>\$ 6,595,903</b>	<b>\$(104,705)</b>	<b>\$ 209,677,263</b>

See Independent Auditor's Report on Supplementary Information.

50

# Beloit Health System, Inc. and Affiliate

Combining Statements of Operations  
Year Ended December 31, 2012

	Beloit Health System, Inc.	Beloit Health System Foundation, Inc.	Eliminations	Combined Total
<b>Revenue:</b>				
Patient service revenue (net of contractual allowances and discounts)	\$ 188,866,500	\$ -	\$ -	\$ 188,866,500
Provision for bad debts	(6,532,312)	-	-	(6,532,312)
Net patient service revenue less provision for bad debts	182,334,188	-	-	182,334,188
Other operating revenue	8,642,133	-	-	8,642,133
<b>Total revenue</b>	<b>190,976,321</b>	<b>-</b>	<b>-</b>	<b>190,976,321</b>
<b>Expenses:</b>				
Salaries and wages	82,131,073	134,313	-	82,265,386
Employee benefits	34,369,056	28,498	-	34,397,554
Professional fees and purchased services	21,898,381	118,078	-	22,016,459
Supplies	25,794,005	16,143	-	25,810,148
Utilities	2,494,730	-	-	2,494,730
Insurance	1,517,614	9,384	-	1,526,998
Hospital assessment	4,940,579	-	-	4,940,579
Depreciation and amortization	9,124,467	-	-	9,124,467
Interest	3,437,545	-	-	3,437,545
<b>Total expenses</b>	<b>185,707,450</b>	<b>306,416</b>	<b>-</b>	<b>186,013,866</b>
Income (loss) from operations	5,268,871	(306,416)	-	4,962,455
Nonoperating income - Net	2,606,263	166,154	-	2,772,417
Revenue in excess of (deficiency over) expenses	7,875,134	(140,262)	-	7,734,872
<b>Other changes in unrestricted net assets:</b>				
Change in net unrealized gains and losses on investments other than trading securities	1,551,720	43,936	-	1,595,656
Change in fair value of effective portion of interest rate swap agreements designated as cash flow hedges	360,879	-	-	360,879
Net assets released from restrictions and contributions for capital improvements	508,587	-	-	508,587
Foundation receivable write-down	(104,707)	104,707	-	-
Change in pension obligation and deferred compensation other than expense	4,996,838	-	-	4,996,838
<b>Change in unrestricted net assets</b>	<b>\$ 15,188,451</b>	<b>\$ 8,381</b>	<b>\$ -</b>	<b>\$ 15,196,832</b>

See Independent Auditor's Report on Supplementary Information.

51

# Beloit Health System, Inc. and Affiliate

Combining Statements of Operations  
Year Ended December 31, 2011

	Beloit Health System, Inc.	Beloit Health System Foundation, Inc.	Eliminations	Combined Total
<b>Revenue:</b>				
Patient service revenue (net of contractual allowances and discounts)	\$ 188,519,459	\$ -	\$ -	\$ 188,519,459
Provision for bad debts	(9,311,448)	-	-	(9,311,448)
Net patient service revenue less provision for bad debts	179,208,011	-	-	179,208,011
Other operating revenue	7,918,289	-	-	7,918,289
<b>Total revenue</b>	<b>187,126,300</b>	<b>-</b>	<b>-</b>	<b>187,126,300</b>
<b>Expenses:</b>				
Salaries and wages	79,072,241	131,842	-	79,204,083
Employee benefits	31,584,289	32,505	-	31,616,794
Professional fees and purchased services	20,821,895	44,237	-	20,866,132
Supplies	25,176,494	48,313	-	25,224,807
Utilities	2,906,255	-	-	2,906,255
Insurance	1,781,585	10,261	-	1,791,846
Hospital assessment	4,602,457	-	-	4,602,457
Depreciation and amortization	9,699,138	-	-	9,699,138
Interest	3,714,851	-	-	3,714,851
<b>Total expenses</b>	<b>179,359,205</b>	<b>267,158</b>	<b>-</b>	<b>179,626,363</b>
Income (loss) from operations	7,767,095	(267,158)	-	7,499,937
Nonoperating Income (loss) - Net	787,529	172,394	-	959,923
Revenue in excess of (deficiency over) expenses	8,554,624	(94,764)	-	8,459,860
<b>Other changes in unrestricted net assets:</b>				
Change in net unrealized gains and losses on investments other than trading securities	(885,303)	(11,736)	-	(897,039)
Change in fair value of effective portion of interest rate swap agreements designated as cash flow hedges	(4,761,343)	-	-	(4,761,343)
Net assets released from restrictions and contributions for capital improvements	520,193	-	-	520,193
Foundation receivable write-down	(77,956)	77,956	-	-
Cumulative effect of swap termination	-	-	-	-
Change in pension obligation and deferred compensation other than expense	(4,901,993)	-	-	(4,901,993)
<b>Change in unrestricted net assets</b>	<b>\$ (1,551,778)</b>	<b>\$ (28,544)</b>	<b>\$ -</b>	<b>\$ (1,580,322)</b>

See Independent Auditor's Report on Supplementary Information.

52

# Beloit Health System, Inc. and Affiliate

## Combining Statements of Changes in Net Assets Year Ended December 31, 2012

	Beloit Health System, Inc.	Beloit Health System Foundation, Inc.	Eliminations	Combined Total
Unrestricted net assets:				
Revenue in excess of (deficiency over) expenses	\$ 7,875,134	\$ (140,262)	\$ -	\$ 7,734,872
Change in net unrealized gains and losses on investments other than trading securities	1,551,720	43,936	-	1,595,656
Change in fair value of effective portion of interest rate swap agreements designated as cash flow hedges	360,879	-	-	360,879
Net assets released from restrictions and contributions for capital improvements	508,587	-	-	508,587
Foundation receivable write-down	(104,707)	104,707	-	-
Change in pension obligation and deferred compensation other than expense	4,996,838	-	-	4,996,838
<b>Increase in unrestricted net assets</b>	<b>15,188,451</b>	<b>8,381</b>	<b>-</b>	<b>15,196,832</b>
Temporarily restricted net assets:				
Contributions	-	184,230	-	184,230
Investment income	-	113,341	-	113,341
Change in net unrealized gains and losses on investments other than trading securities	-	186,401	-	186,401
Net assets released from restrictions for capital improvements	-	(508,587)	-	(508,587)
Net assets released from restrictions for operations	-	(41,870)	-	(41,870)
<b>Decrease in temporarily restricted net assets</b>	<b>-</b>	<b>(66,485)</b>	<b>-</b>	<b>(66,485)</b>
Increase in permanently restricted net assets -				
Contributions	-	30,807	-	30,807
<b>Change in net assets</b>	<b>15,188,451</b>	<b>(27,297)</b>	<b>-</b>	<b>15,161,154</b>
Net assets at beginning	76,129,581	6,491,198	-	82,620,779
<b>Net assets at end</b>	<b>\$ 91,318,032</b>	<b>\$ 6,463,901</b>	<b>\$ -</b>	<b>\$ 97,781,933</b>

See Independent Auditor's Report on Supplementary Information.

53

# Beloit Health System, Inc. and Affiliate

## Combining Statements of Changes in Net Assets

Year Ended December 31, 2011

	Beloit Health System, Inc.	Beloit Health System Foundation, Inc.	Eliminations	Combined Total
Unrestricted net assets:				
Revenue in excess of (deficiency over) expenses	\$ 8,554,624	\$ (94,764)	\$ -	\$ 8,459,860
Change in net unrealized gains and losses on investments other than trading securities	(885,303)	(11,736)	-	(897,039)
Change in fair value of effective portion of interest rate swap agreements designated as cash flow hedges	(4,761,343)	-	-	(4,761,343)
Net assets released from restrictions and contributions for capital improvements	520,193	-	-	520,193
Foundation receivable write-down	(77,956)	77,956	-	-
Change in pension obligation and deferred compensation other than expense	(4,901,993)	-	-	(4,901,993)
<b>Decrease in unrestricted net assets</b>	<b>(1,551,778)</b>	<b>(28,544)</b>	<b>-</b>	<b>(1,580,322)</b>
Temporarily restricted net assets:				
Contributions	-	319,263	-	319,263
Investment income	-	61,086	-	61,086
Change in net unrealized gains and losses on investments other than trading securities	-	(63,410)	-	(63,410)
Net assets released from restrictions for capital improvements	-	(521,667)	-	(521,667)
<b>Net assets released from restrictions for operations</b>	<b>-</b>	<b>(34,681)</b>	<b>-</b>	<b>(34,681)</b>
<b>Decrease in temporarily restricted net assets</b>	<b>-</b>	<b>(239,409)</b>	<b>-</b>	<b>(239,409)</b>
Increase in permanently restricted net assets -				
Contributions	-	28,370	-	28,370
<b>Change in net assets</b>	<b>(1,551,778)</b>	<b>(239,583)</b>	<b>-</b>	<b>(1,791,361)</b>
<b>Net assets at beginning</b>	<b>77,681,359</b>	<b>6,730,781</b>	<b>-</b>	<b>84,412,140</b>
<b>Net assets at end</b>	<b>\$ 76,129,581</b>	<b>\$ 6,491,198</b>	<b>\$ -</b>	<b>\$ 82,620,779</b>

See Independent Auditor's Report on Supplementary Information.

54

# Beloit Health System, Inc. and Affiliate

## Balance Sheets - System Only December 31, 2012 and 2011

	2012	2011
Current assets:		
Cash and cash equivalents	\$ 25,517,754	\$ 25,031,525
Patient accounts receivable - Net	20,257,270	24,403,307
Other accounts receivable	789,477	493,011
Inventory	2,608,606	2,219,638
Amounts receivable from third-party reimbursement programs	1,828,200	834,016
Prepaid expenses	1,019,587	2,974,623
<b>Total current assets</b>	<b>52,020,894</b>	<b>55,956,120</b>
<b>Investments</b>	<b>46,038,372</b>	<b>38,411,033</b>
<b>Assets limited as to use</b>	<b>6,993,069</b>	<b>6,228,872</b>
<b>Property and equipment - Net</b>	<b>103,870,060</b>	<b>98,351,693</b>
Other assets:		
Deferred financing costs	698,312	728,347
Goodwill	3,300,000	3,300,000
Other intangible assets	140,000	210,000
<b>Total other assets</b>	<b>4,138,312</b>	<b>4,238,347</b>
<b>TOTAL ASSETS</b>	<b>\$ 213,060,707</b>	<b>\$ 203,186,065</b>

	2012	2011
<b>Current liabilities:</b>		
Current maturities of long-term debt	\$ 1,847,141	\$ 1,777,268
Current portion of obligations under capital leases	-	72,112
Accounts payable	8,511,591	6,686,605
Accrued liabilities	15,773,173	15,970,954
<b>Total current liabilities</b>	<b>26,131,905</b>	<b>24,506,939</b>
<b>Long-term liabilities:</b>		
Long-term debt, less current maturities	68,331,467	70,168,146
Pension liability	11,257,336	16,754,275
Deferred compensation	4,674,644	3,895,631
Interest rate swap agreement	11,347,323	11,731,493
<b>Total long-term liabilities</b>	<b>95,610,770</b>	<b>102,549,545</b>
<b>Total liabilities</b>	<b>121,742,675</b>	<b>127,056,484</b>
<b>Net assets - Unrestricted</b>	<b>91,318,032</b>	<b>76,129,581</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 213,060,707</b>	<b>\$ 203,186,065</b>

See Independent Auditor's Report on Supplementary Information.

55

# Beloit Health System, Inc. and Affiliate

## Statements of Operations - System Only Years Ended December 31, 2012 and 2011

	2012	2011
<b>Revenue:</b>		
Patient service revenue (net of contractual allowances and discounts)	\$ 188,866,500	\$ 188,519,459
Provision for bad debts	(6,532,312)	(9,311,448)
Net patient service revenue less provision for bad debts	182,334,188	179,208,011
Other operating revenue	8,642,133	7,918,289
<b>Total revenue</b>	<b>190,976,321</b>	<b>187,126,300</b>
<b>Expenses:</b>		
Salaries and wages	82,131,073	79,072,241
Employee benefits	34,369,056	31,584,289
Professional fees and purchased services	21,898,381	20,821,895
Supplies	25,794,005	25,176,494
Utilities	2,494,730	2,906,255
Insurance	1,517,614	1,781,585
Hospital assessment	4,940,579	4,602,457
Depreciation and amortization	9,124,467	9,699,138
Interest	3,437,545	3,714,851
<b>Total expenses</b>	<b>185,707,450</b>	<b>179,359,205</b>
Income from operations	5,268,871	7,767,095
Nonoperating income - Net	2,606,263	787,529
Revenue in excess of expenses	7,875,134	8,554,624
<b>Other changes in unrestricted net assets:</b>		
Change in net unrealized gains and losses on investments other than trading securities	1,551,720	(885,303)
Change in fair value of effective portion of interest rate swap agreements designated as cash flow hedges	360,879	(4,761,343)
Net assets released from restrictions and contributions for capital improvements	508,587	520,193
Foundation receivable write-down	(104,707)	(77,956)
Change in pension obligation and deferred compensation other than expense	4,996,838	(4,901,993)
<b>Change in unrestricted net assets</b>	<b>\$ 15,188,451</b>	<b>\$ (1,551,778)</b>

See Independent Auditor's Report on Supplementary Information.

56

# Beloit Health System, Inc. and Affiliate

## Statements of Changes in Net Assets - System Only Years Ended December 31, 2012 and 2011

	2012	2011
Unrestricted net assets:		
Revenue in excess of expenses	\$ 7,875,134	\$ 8,554,624
Change in net unrealized gains and losses on investments other than trading securities	1,551,720	(885,303)
Change in fair value of effective portion of interest rate swap agreements designated as cash flow hedges	360,879	(4,761,343)
Net assets released from restrictions and contributions for capital improvements	508,587	520,193
Foundation receivable write-down	(104,707)	(77,956)
Change in pension obligation and deferred compensation other than expense	4,996,838	(4,901,993)
Increase (decrease) in unrestricted net assets	15,188,451	(1,551,778)
Change in net assets	15,188,451	(1,551,778)
Net assets at beginning	76,129,581	77,681,359
Net assets at end	\$ 91,318,032	\$ 76,129,581

See Independent Auditor's Report on Supplementary Information.

57

# Beloit Health System, Inc. and Affiliate

## Statistical Information (Unaudited)

Years Ended December 31

	2012	2011	2010	2009	2008
Number of admissions - Hospital	3,995	4,404	4,466	4,511	5,035
Number of admissions - Rehabilitation Unit	-	-	3	8	12
<b>Total admissions</b>	<b>3,995</b>	<b>4,404</b>	<b>4,469</b>	<b>4,519</b>	<b>5,047</b>
Average daily census	45	47	50	52	60
Number of inpatient days	16,355	17,139	18,233	18,864	22,076
Average daily newborn census	3.6	3.4	3.5	3.6	3.8
Number of newborn days	1,308	1,242	1,277	1,326	1,386
Number of outpatient procedures - Hospital	755,606	726,095	506,920	470,791	483,080
Number of outpatient procedures - NorthPointe	76,505	74,444	71,575	58,869	50,065
Encounters - Clinic	217,295	220,275	226,787	-	-
Labor hours	2,637,733	2,524,151	2,501,284	1,788,841	1,873,772

See Independent Auditor's Report on Supplementary Information.

58



Notes

NorthPointe Health and Wellness Campus  
 Travel to:  
 Rockford Ambulatory Surgery Center

Trip to:

**1016 Featherstone Rd**  
 Rockford, IL 61107-5902  
 14.66 miles / 18 minutes

**A** 5605 E Rockton Rd, Roscoe, IL 61073-7601

- 1. Start out going east on E Rockton Rd toward Willowbrook Rd. [Map](#)

**0.6 Mi**  
0.6 Mi Total
- 2. Merge onto I-90 E / I-39 S / US-51 S / Jane Addams Memorial Tollway toward Tollway / Chicago (Portions toll). [Map](#)

**9.5 Mi**  
10.1 Mi Total

*If you reach Love Rd you've gone about 0.2 miles too far*
- 3. Take the E. Riverside Blvd exit. [Map](#)

**0.3 Mi**  
10.4 Mi Total
- 4. Keep right to take the ramp toward Machesney Park / Loves Park. [Map](#)

**0.02 Mi**  
10.4 Mi Total
- 5. Merge onto E Riverside Blvd. [Map](#)

**0.8 Mi**  
11.2 Mi Total
- 6. Turn left onto N Perryville Rd. [Map](#)

**2.5 Mi**  
13.7 Mi Total

*N Perryville Rd is 0.1 miles past McFarland Rd  
 Stems Floral Inc is on the corner  
 If you reach Auto Park Dr you've gone about 0.1 miles too far*
- 7. Turn right onto Gullford Rd. [Map](#)

**0.8 Mi**  
14.6 Mi Total

*Gullford Rd is 0.4 miles past Sentinel Rd  
 If you reach Crimson Ridge Dr you've gone about 0.3 miles too far*
- 8. Take the 2nd left onto Featherstone Rd. [Map](#)

**0.1 Mi**  
14.7 Mi Total

*Featherstone Rd is 0.1 miles past Shiloh Rd  
 If you reach N Mulford Rd you've gone about 0.1 miles too far*
- 9. 1016 FEATHERSTONE RD is on the right. [Map](#)

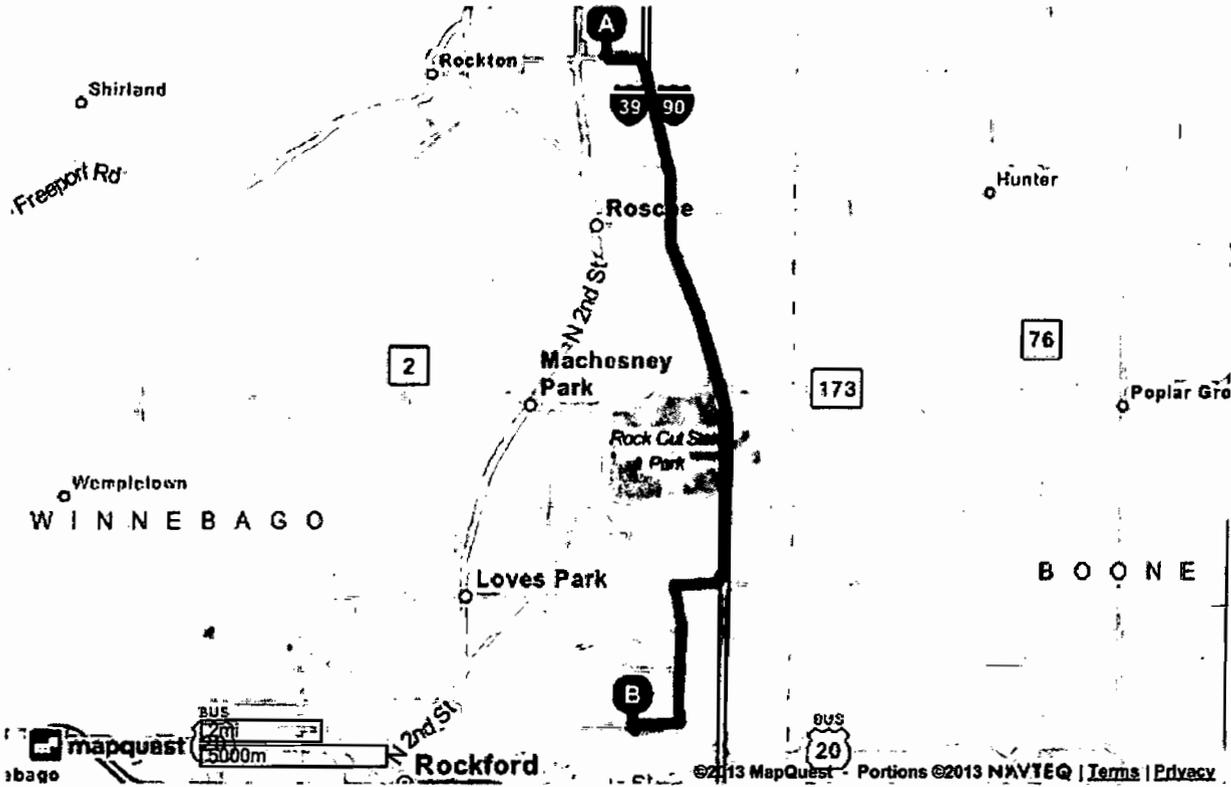
**0.1 Mi**  
14.7 Mi Total

*If you reach Vantage Pl you've gone a little too far*

**B** 1016 Featherstone Rd, Rockford, IL 61107-5902

Total Travel Estimate: 14.66 miles - about 18 minutes

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Notes

NorthPointe Health and Wellness Campus  
Travel to:  
Saint Anthony Medical Center



Trip to:

**5666 E State St**

Rockford, IL 61108-2425

16.27 miles / 19 minutes

**A** 5605 E Rockton Rd, Roscoe, IL 61073-7601



1. Start out going east on E Rockton Rd toward Willowbrook Rd. [Map](#)

**0.6 MI**

0.6 Mi Total



2. Merge onto I-90 E / I-39 S / US-51 S / Jane Addams Memorial Tollway toward Tollway / Chicago (Portions toll). [Map](#)  
*If you reach Love Rd you've gone about 0.2 miles too far*

**12.5 MI**

13.1 Mi Total



3. Take the US-20-BR / State St exit. [Map](#)

**0.8 MI**

13.9 Mi Total



4. Merge onto E State St / US-20-BR toward Rockford. [Map](#)  
*If you reach US-20-BR you've gone a little too far*

**2.4 MI**

16.3 Mi Total



5. 5666 E STATE ST is on the right. [Map](#)

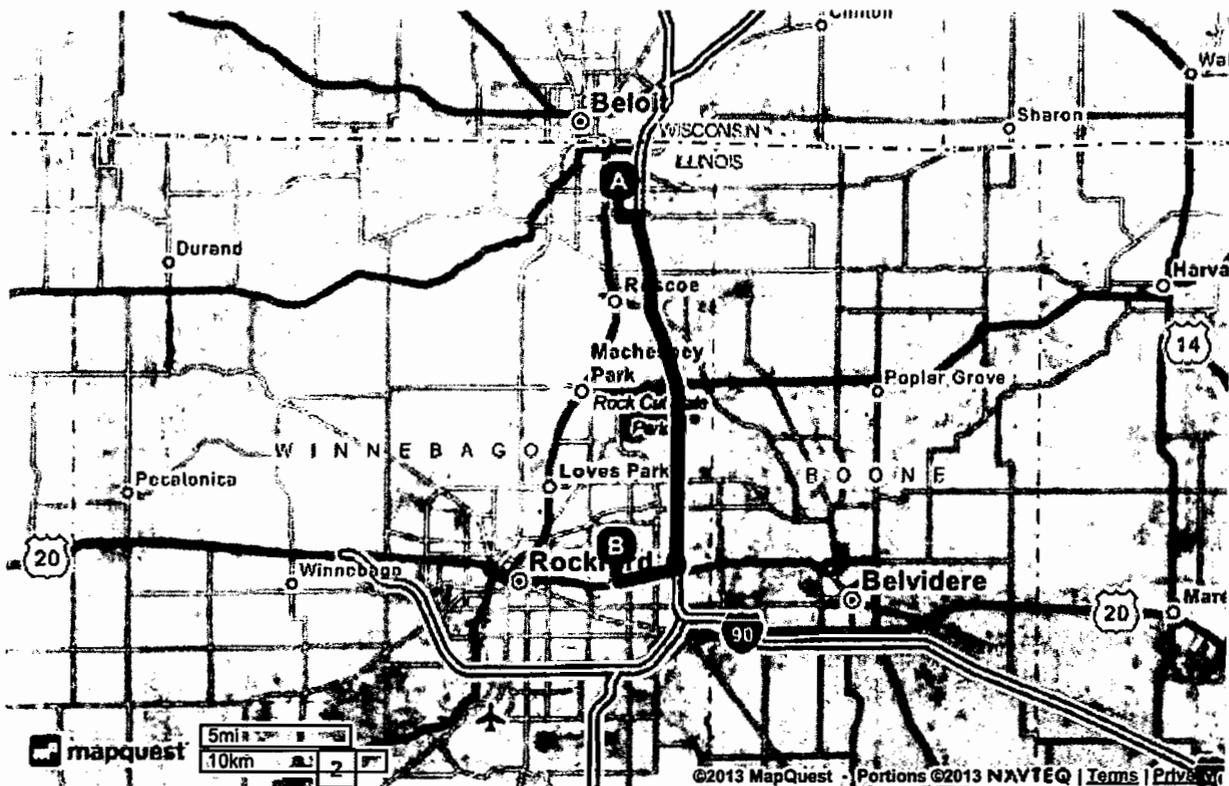
*Your destination is just past Justin Ct  
If you reach Arnold Ave you've gone a little too far*



**B** 5666 E State St, Rockford, IL 61108-2425

Total Travel Estimate: 16.27 miles - about 19 minutes

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Notes

NorthPointe Health and Wellness Campus  
 Travel to:  
 Rockford Orthopedic Surgery Center

Trip to:

**346 Roxbury Rd**  
 Rockford, IL 61107-5090  
 16.35 miles / 20 minutes

**A** 5605 E Rockton Rd, Roscoe, IL 61073-7601

- 

1. Start out going east on E Rockton Rd toward Willowbrook Rd. [Map](#) **0.6 Mi**  
*0.6 Mi Total*
- 


2. Merge onto I-90 E / I-39 S / US-51 S / Jane Addams Memorial Tollway toward Tollway / Chicago (Portions toll). [Map](#) **12.5 Mi**  
*13.1 Mi Total*  
*If you reach Love Rd you've gone about 0.2 miles too far*
- 

3. Take the US-20-BR / State St exit. [Map](#) **0.8 Mi**  
*13.9 Mi Total*
- 


4. Merge onto E State St / US-20-BR toward Rockford. [Map](#) **2.4 Mi**  
*16.3 Mi Total*  
*If you reach US-20-BR you've gone a little too far*
- 

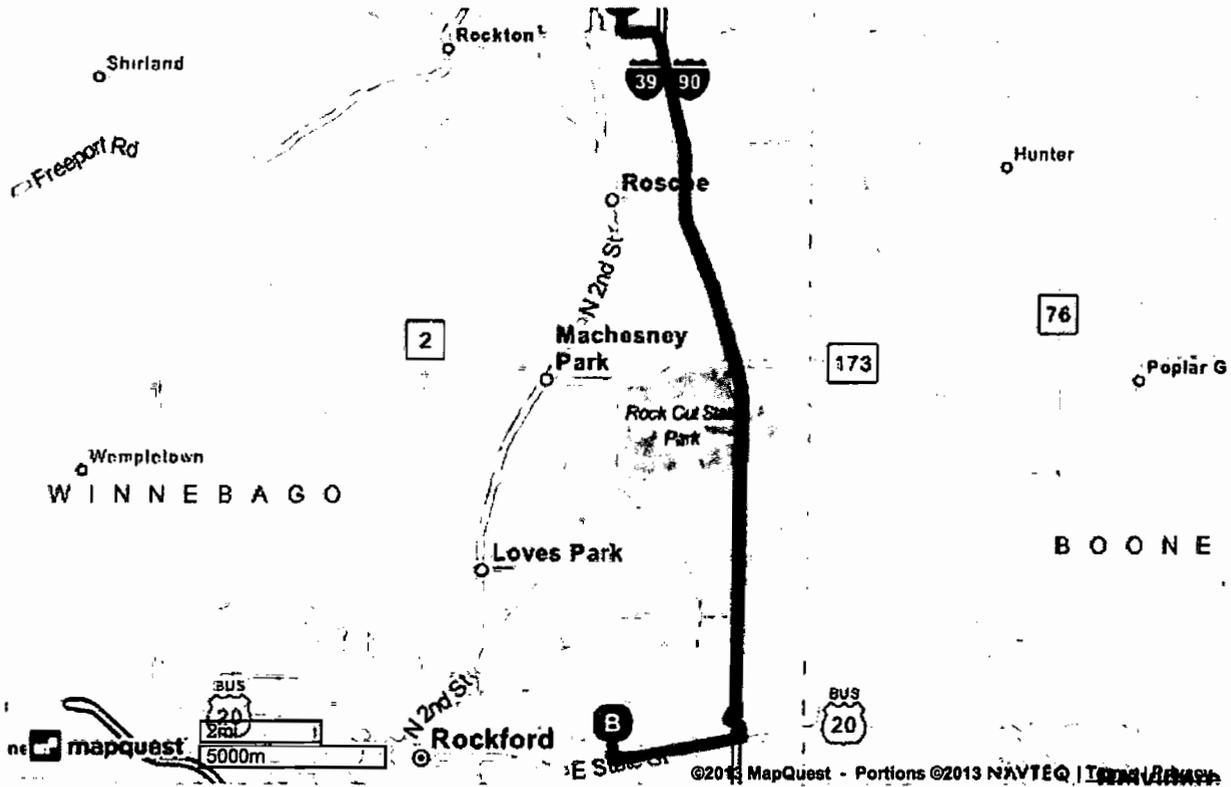
5. Turn right onto Roxbury Rd. [Map](#) **0.05 Mi**  
*16.3 Mi Total*  
*Roxbury Rd is just past Justin Ct*  
*Lino's is on the left*  
*If you reach N Newtowne Dr you've gone about 0.3 miles too far*
- 

6. 346 ROXBURY RD is on the left. [Map](#)  
*If you reach Strathmoor Dr you've gone about 0.3 miles too far*

**B** 346 Roxbury Rd, Rockford, IL 61107-5090

Total Travel Estimate: 16.35 miles - about 20 minutes

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Notes

NorthPointe Health and Wellness Campus  
 Travel to:  
 Rockford Endoscopy Center



Trip to:

**401 Roxbury Rd**  
 Rockford, IL 61107-5075  
 16.54 miles / 20 minutes

**A** 5605 E Rockton Rd, Roscoe, IL 61073-7601

- 

1. Start out going east on E Rockton Rd toward Willowbrook Rd. [Map](#) **0.6 Mi**  
0.6 Mi Total
- 


2. Merge onto I-90 E / I-39 S / US-51 S / Jane Addams Memorial Tollway toward Tollway / Chicago (Portions toll). [Map](#) **12.5 Mi**  
13.1 Mi Total  
*If you reach Love Rd you've gone about 0.2 miles too far*
- 

3. Take the US-20-BR / State St exit. [Map](#) **0.8 Mi**  
13.9 Mi Total
- 


4. Merge onto E State St / US-20-BR toward Rockford. [Map](#) **2.4 Mi**  
16.3 Mi Total  
*If you reach US-20-BR you've gone a little too far*
- 

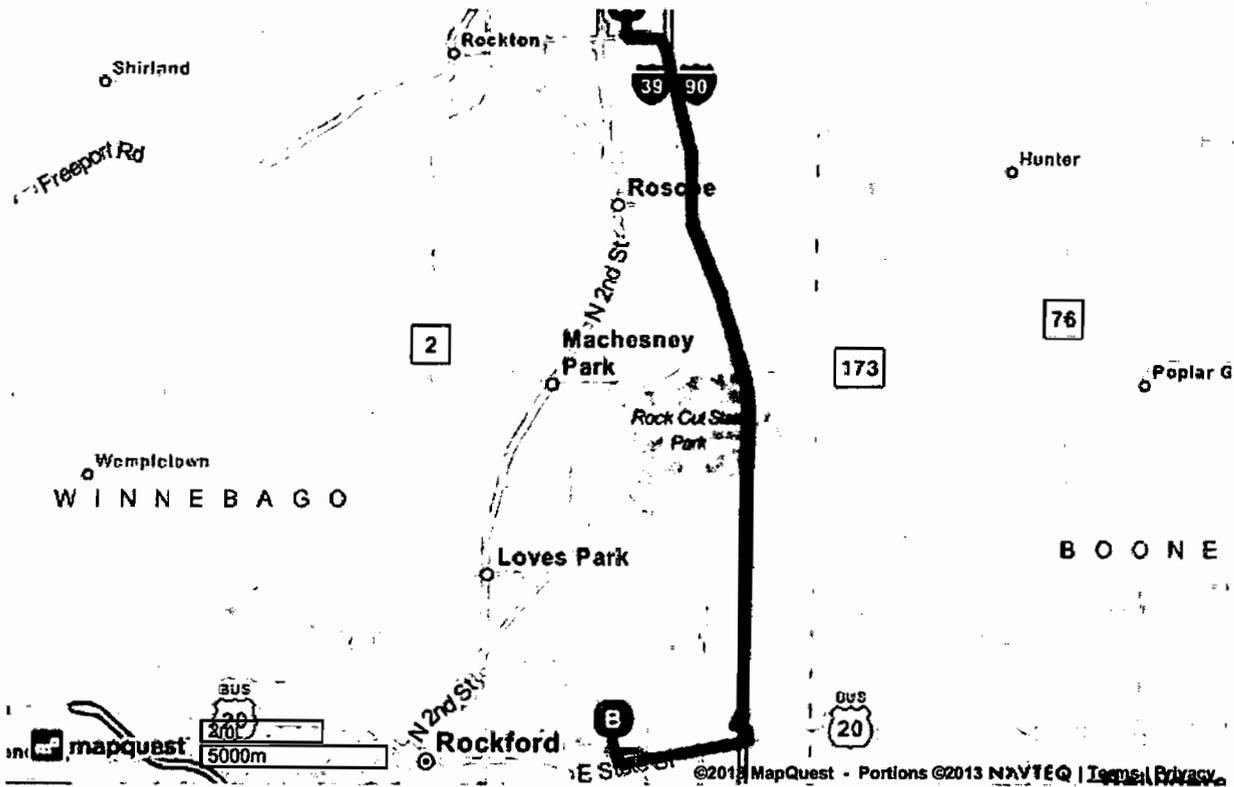
5. Turn right onto Roxbury Rd. [Map](#) **0.2 Mi**  
16.5 Mi Total  
*Roxbury Rd is just past Justin Ct  
 Lino's is on the left  
 If you reach N Newtowne Dr you've gone about 0.3 miles too far*
- 

6. 401 ROXBURY RD is on the right. [Map](#)  
*If you reach Strathmoor Dr you've gone about 0.1 miles too far*

**B** 401 Roxbury Rd, Rockford, IL 61107-5075

Total Travel Estimate: 16.54 miles - about 20 minutes

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Notes

NorthPointe Health and Wellness Campus  
Travel to:  
Rockford Memorial Hospital



Trip to:

**2400 N Rockton Ave**  
Rockford, IL 61103-3655  
14.21 miles / 23 minutes



**5605 E Rockton Rd, Roscoe, IL 61073-7601**



1. Start out going west on E Rockton Rd toward Metric Dr. [Map](#)

**0.7 Mi**  
0.7 Mi Total



2. Merge onto IL-251 S via the ramp on the left toward Roscoe / Rockton. [Map](#)  
*If you reach Quail Trl you've gone about 0.2 miles too far*

**10.4 Mi**  
11.0 Mi Total



3. Turn right onto E Riverside Blvd. [Map](#)  
*E Riverside Blvd is just past Parkway Ave  
Walgreens is on the right  
If you reach Sheridan Dr you've gone a little too far*

**2.0 Mi**  
13.0 Mi Total



4. Turn left onto N Rockton Ave. [Map](#)  
*N Rockton Ave is 0.1 miles past Eagle Ct  
If you reach Elva Ln you've gone a little too far*

**1.2 Mi**  
14.2 Mi Total



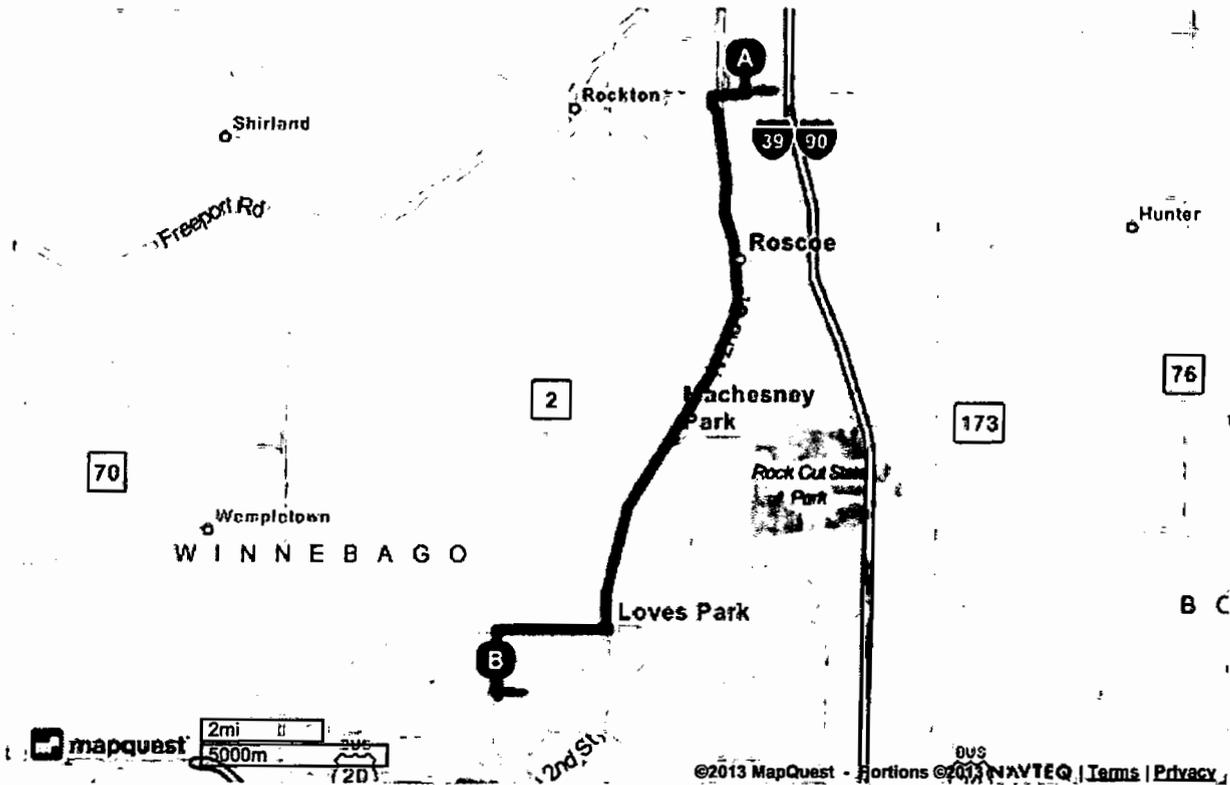
5. **2400 N ROCKTON AVE** is on the right. [Map](#)  
*Your destination is just past Sharon Ave  
If you reach Bell Ave you've gone a little too far*



**2400 N Rockton Ave, Rockford, IL 61103-3655**

Total Travel Estimate: 14.21 miles - about 23 minutes

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Notes

NorthPointe Health and Wellness Campus  
Travel to:  
Swedish American Hospital



Trip to:

**1401 E State St**

Rockford, IL 61104-2315

15.39 miles / 25 minutes

**A** 5605 E Rockton Rd, Roscoe, IL 61073-7601



1. Start out going west on E Rockton Rd toward Metric Dr. [Map](#)

**0.7 Mi**

0.7 Mi Total



2. Merge onto IL-251 S via the ramp on the left toward Roscoe / Rockton. [Map](#)

**13.7 Mi**

*If you reach Quail Trl you've gone about 0.2 miles too far*

14.4 Mi Total



3. Turn slight left to take the 6th Street ramp. [Map](#)

**0.2 Mi**

*0.2 miles past Y Blvd*

14.6 Mi Total



4. Stay straight to go onto N 6th St. [Map](#)

**0.3 Mi**

14.9 Mi Total



5. Turn left onto E State St. [Map](#)

**0.4 Mi**

*E State St is just past E Jefferson St*

*Uncle Nick's is on the corner*

*If you are on S 6th St and reach Charles St you've gone a little too far*

15.4 Mi Total



6. **1401 E STATE ST** is on the right. [Map](#)

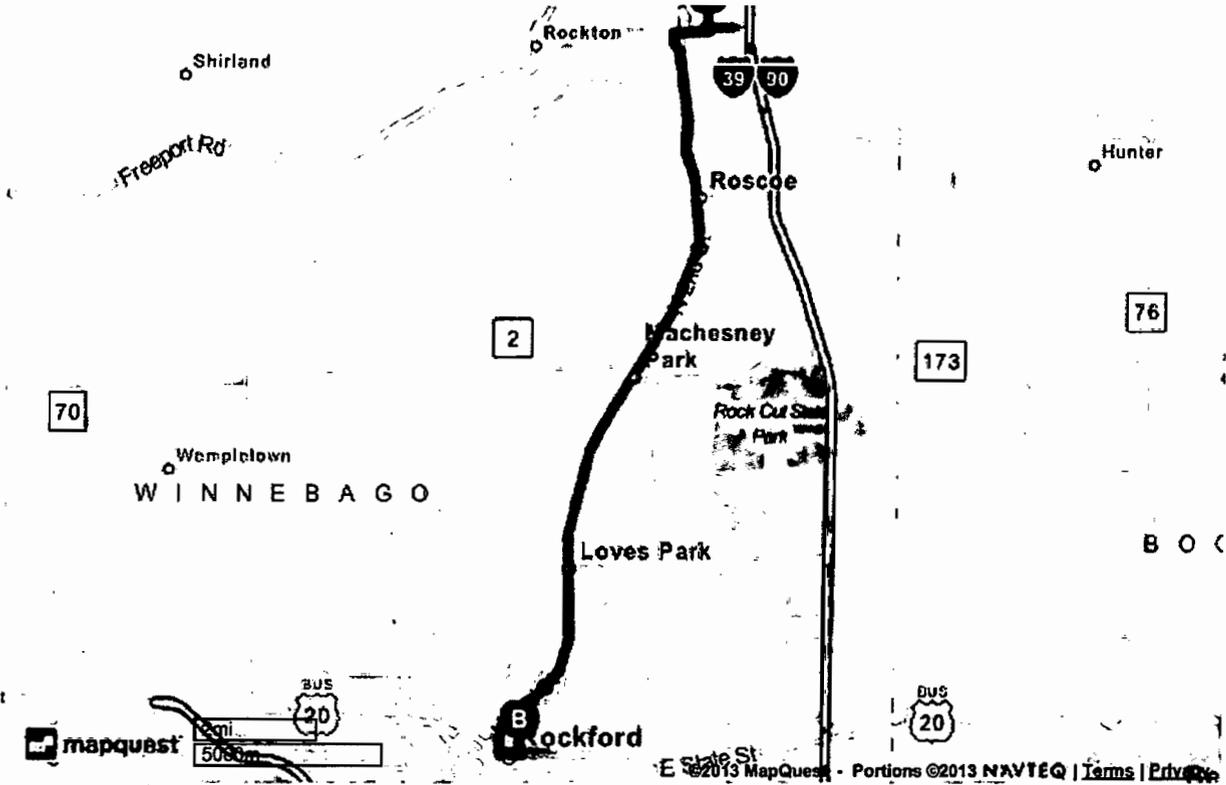
*Your destination is 0.1 miles past 9th St*

*If you reach Regan St you've gone a little too far*

**B** 1401 E State St, Rockford, IL 61104-2315

Total Travel Estimate: 15.39 miles - about 25 minutes

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Notes

NorthPointe  
to  
Swedish American Medical Center-Belvidere

Trip to:

**1625 S State St**  
Belvidere, IL 61008-5907  
22.94 miles / 26 minutes

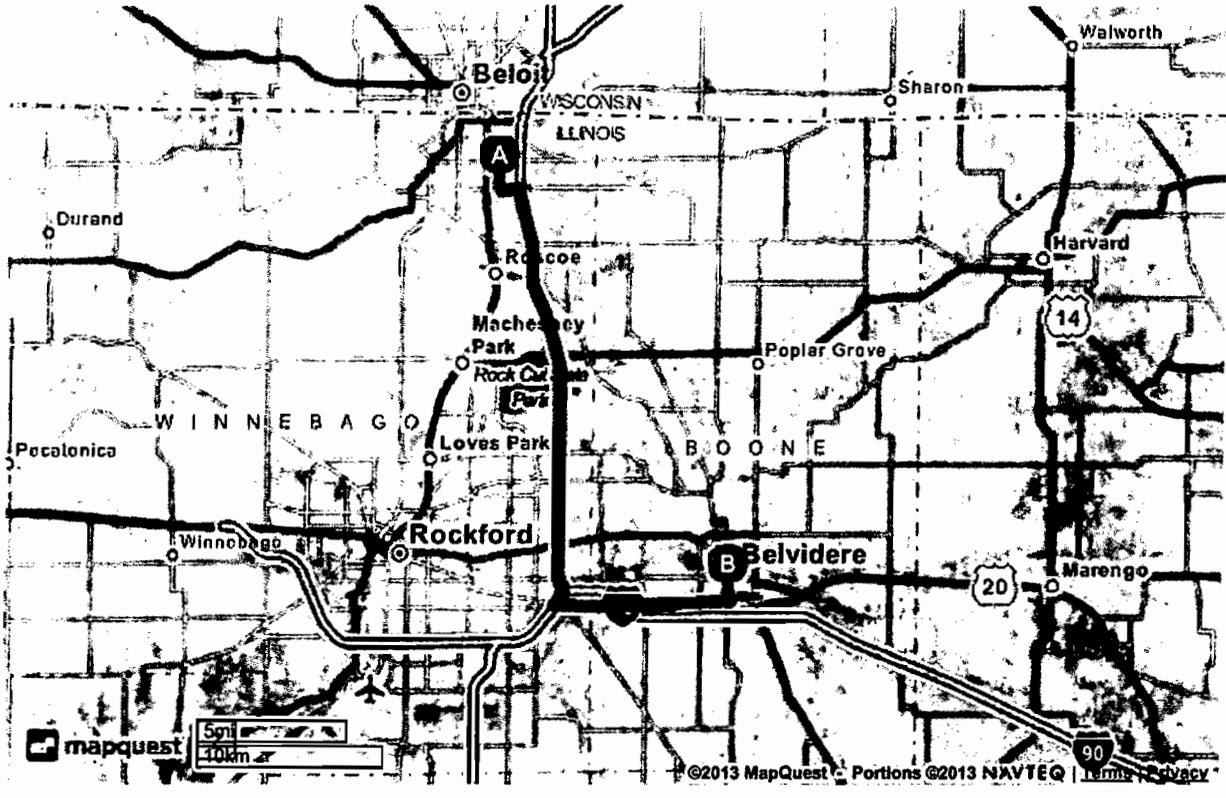
- |  |  |   |
|--|--|---|
|  | <p><b>5605 E Rockton Rd, Roscoe, IL 61073-7601</b></p>   | <p><b>Download<br/>Free App</b></p>     |
|  | <p>1. Start out going east on E Rockton Rd toward Willowbrook Rd. <a href="#">Map</a></p>  | <p><b>0.6 Mi</b><br/>0.6 Mi Total</p>   |
|  | <p> 2. Merge onto I-90 E / I-39 S / US-51 S / Jane Addams Memorial Tollway toward Tollway / Chicago (Portions toll). <a href="#">Map</a><br/><i>If you reach Love Rd you've gone about 0.2 miles too far</i></p> | <p><b>14.6 Mi</b><br/>15.2 Mi Total</p> |
|  | <p> 3. Keep right to take I-39 S / US-51 S toward US-20 / Bloomington. <a href="#">Map</a></p>   | <p><b>0.8 Mi</b><br/>16.0 Mi Total</p>  |
|  | <p> 4. Merge onto US-20 W / Ulysses S Grant Memorial Hwy via EXIT 122B toward Belvidere. <a href="#">Map</a></p>   | <p><b>6.7 Mi</b><br/>22.7 Mi Total</p>  |
|  | <p>5. Turn slight left. <a href="#">Map</a><br/><i>Just past Pearl St</i></p>  | <p><b>0.08 Mi</b><br/>22.8 Mi Total</p> |
|  | <p>6. Turn left onto S State St. <a href="#">Map</a></p>   | <p><b>0.1 Mi</b><br/>22.9 Mi Total</p>  |
|  | <p><b>1625 S State St, Belvidere, IL 61008-5907</b></p>  |   |

Total Travel Estimate: 22.94 miles - about 26 minutes

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Notes

NorhtPointe Health and Wellness Campus  
 travel to:  
 Mercy Harvard Memorial Hospital

Trip to:  
**901 Grant St**  
 Harvard, IL 60033-1821  
 23.81 miles / 34 minutes

**A** 5605 E Rockton Rd, Roscoe, IL 61073-7601

- 

1. Start out going east on E Rockton Rd toward Willowbrook Rd. [Map](#) **6.8 Mi**  
6.8 Mi Total
- 

2. E Rockton Rd becomes Grade School Rd. [Map](#) **2.2 Mi**  
9.0 Mi Total
- 

3. Turn left onto Hunter Rd. [Map](#) **10.0 Mi**  
*If you reach N Boone School Rd you've gone about 1.0 mile too far* 19.0 Mi Total
- 

4. Turn right onto White Oaks Rd. [Map](#) **0.5 Mi**  
19.5 Mi Total
- 

**173** 5. Turn left onto IL-173. [Map](#) **3.3 Mi**  
22.8 Mi Total
- 

**14** 6. Turn left onto S Division St / US-14 / IL-173. Continue to follow S Division St / US-14. [Map](#) **0.8 Mi**  
*S Division St is just past Randall St*  
*If you are on E Brink St and reach S Jefferson St you've gone about 0.1 miles too far* 23.5 Mi Total
- 

7. Turn right onto E McKinley St. [Map](#) **0.3 Mi**  
*E McKinley St is just past E Burbank St*  
*If you reach E Roosevelt St you've gone a little too far* 23.8 Mi Total
- 

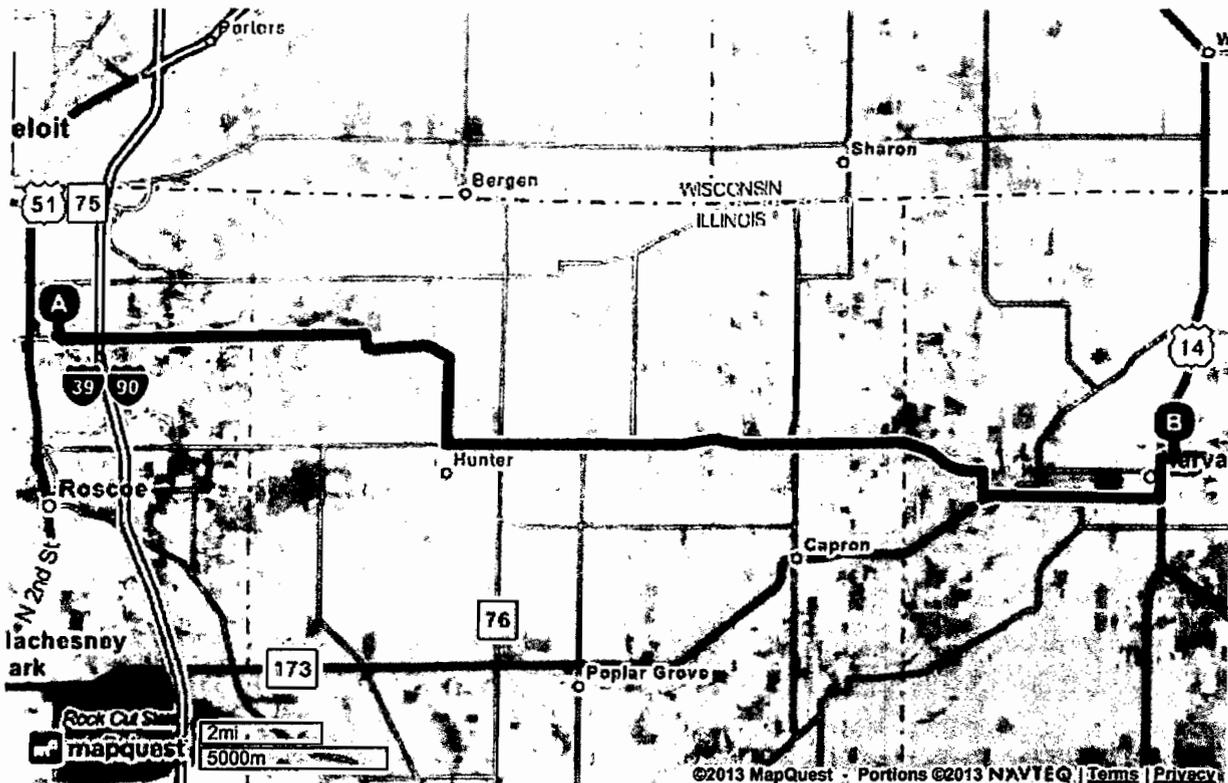
8. Turn left onto Grant St. [Map](#) **0.01 Mi**  
*Grant St is just past Garfield St*  
*If you reach N Hayes St you've gone a little too far* 23.8 Mi Total
- 

9. 901 GRANT ST is on the right. [Map](#)  
*If you reach E Blaine St you've gone about 0.1 miles too far*

**B** 901 Grant St, Harvard, IL 60033-1821

Total Travel Estimate: 23.81 miles - about 34 minutes

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Notes

NorthPointe Health and Wellness Campus  
 Travel to:  
 Rochelle Community Hospital

Trip to:

**900 N 2nd St**  
 Rochelle, IL 61068-1764  
 40.99 miles / 43 minutes

**A** 5605 E Rockton Rd, Roscoe, IL 61073-7601

- 1. Start out going east on E Rockton Rd toward Willowbrook Rd. [Map](#)

**0.6 Mi**  
0.6 Mi Total
- 2. Merge onto I-90 E / I-39 S / US-51 S / Jane Addams Memorial Tollway toward Tollway / Chicago (Portions toll). [Map](#)

**14.6 Mi**  
15.2 Mi Total

*If you reach Love Rd you've gone about 0.2 miles too far*
- 3. Keep right to take I-39 S / US-51 S toward US-20 / Bloomington. [Map](#)

**3.0 Mi**  
18.1 Mi Total
- 4. Keep right to take I-39 S / US-51 S toward Bloomington-Normal. [Map](#)

**20.3 Mi**  
38.5 Mi Total
- 5. Take the IL-38 exit, EXIT 99, toward Rochelle / Dekalb. [Map](#)

**0.3 Mi**  
38.8 Mi Total
- 6. Turn right onto IL-38 W. [Map](#)

**1.8 Mi**  
40.6 Mi Total

*If you reach I-39 S you've gone about 0.2 miles too far*
- 7. Turn left onto Turkington Ter. [Map](#)

*Turkington Ter is 0.1 miles past Calvin Rd  
 Tom & Jerry of Rochelle is on the corner  
 If you are on IL Route 38 and reach Springdale Dr you've gone about 0.1 miles too far*

**0.09 Mi**  
40.7 Mi Total
- 8. Turn right onto W McConaughy Ave. [Map](#)

*If you reach 15th St you've gone about 0.1 miles too far*

**0.1 MI**  
40.8 Mi Total
- 9. Take the 2nd left onto N 2nd St. [Map](#)

*N 2nd St is just past Meadow Ln  
 If you reach N 3rd St you've gone a little too far*

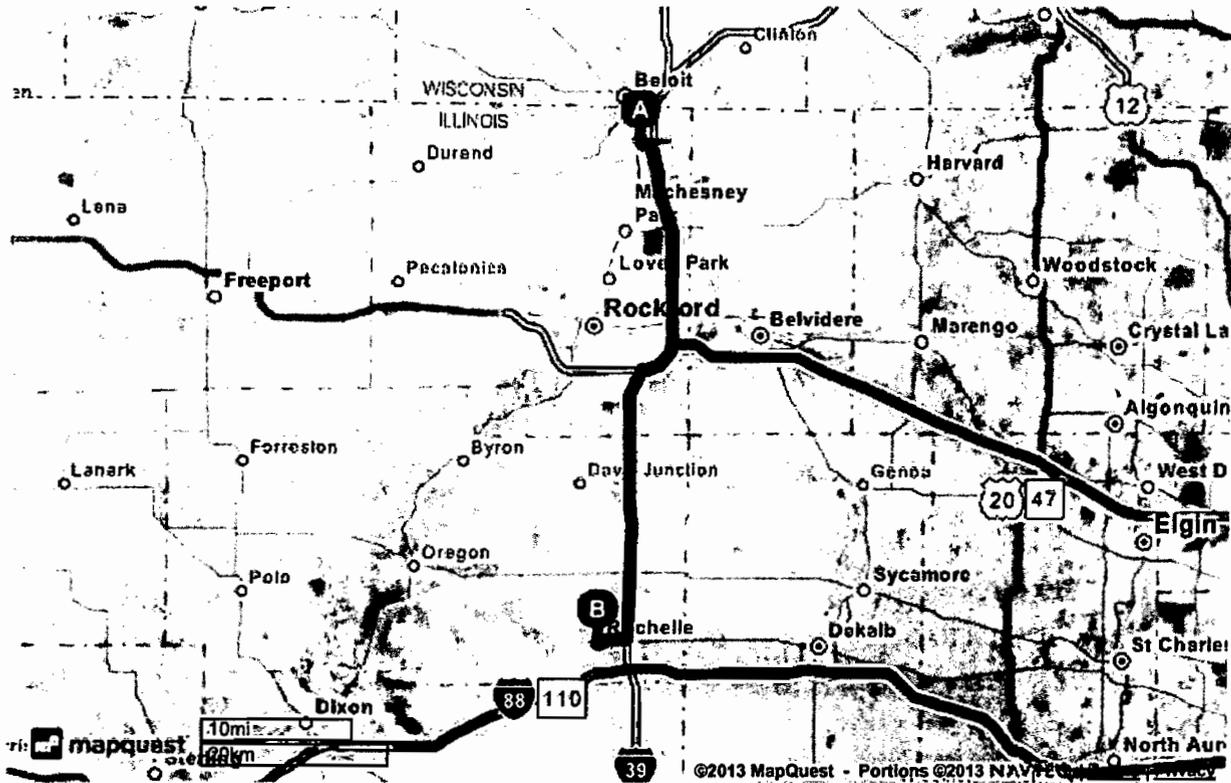
**0.2 Mi**  
41.0 Mi Total
- 10. 900 N 2ND ST is on the right. [Map](#)

*Your destination is just past 15th St  
 If you reach 8th Ave you've gone about 0.1 miles too far*

**B** 900 N 2nd St, Rochelle, IL 61068-1764

Total Travel Estimate: 40.99 miles - about 43 minutes

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Exhibit 27.1  
Physician Referral Letter Summary by Physician  
2012 Outpatient Case Volume / Cases to be relocated to NorthPointe ASTC

2012 Cases by Resident Zip Code

<u>Physician</u>	<u>Surgical Specialty</u>	<u>Illinois</u>	<u>Wisconsin / Other</u>	<u>Total</u>	<u>Subtotal to be relocated to NorthPointe</u>
Karne	General	9	79	88	57
Golner	General	50	193	243	116
Charles	General	47	236	283	170
Johnson	Ortho	57	117	174	148
Ojeda	Urology	36	98	134	88
Donnelly	Urology	37	80	117	70
Kind	Podiatry	2	22	24	22
Sage	Podiatry	6	45	51	46
Reinicke	Podiatry	20	37	57	51
Rojas	Ophthalmology	77	332	409	376
Townshend	Ophthalmology	45	196	241	217
Johanson	Gastro	297	778	1,075	600
Patel	Gastro	63	565	628	600
Wang	Gastro	231	992	1,223	600 *
Tse	Pain (Anes)	6	53	59	53
Wang	Pain (Anes)	3	37	40	40
Balabanova	Pain (Anes)	4	30	34	30
Mohiuddin	Pain (Anes)	10	42	52	47
Bhaskar	Gyn	6	75	81	20
Tan	Gyn	27	145	172	86
Albert	Gyn	<u>12</u>	<u>64</u>	<u>76</u>	<u>20</u>
Total		1,045	4,216	5,261	3,457
Percent Distribution		20%	80%	100%	--

\* Based on 2013 utilization data, annualized. Dr Patel is new to the staff

Exhibit 27.2  
Physician Referral Letter Summary  
By Case Type

General	343
Orthopaedics	148
Urology	158
Podiatry	119
Ophthalmology	593
Gastroenterology	1,800
Pain	170
Gyn	<u>126</u>
Total	<u>3,457</u> cases



December 4, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a general surgeon.

Attached is a profile of my total outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 109 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 88, or 81 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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80C BMH ASTC CON  
12/12/2013

In this regard, I propose to relocate at least 57 outpatient surgery cases, or approximately 65 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Karne Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital			21	88	57

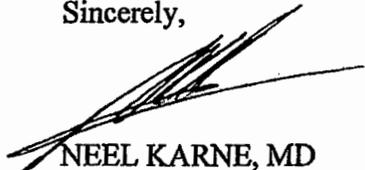
I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
December 4, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,



NEEL KARNE, MD  
GENERAL SURGERY

Subscribed and sworn to before me this 4th day of December, 2013.



NOTARY PUBLIC  
My commission: Expires 3/22/2015

Enclosure: Dr. Karne Patient Origin Zip Code Profile, 2011 and 2012

2012 Cases By  
Zip Code

Physician	Zip code	#
KARNK - KARNE MD,NEELK	53114	1
KARNK - KARNE MD,NEELK	53121	1
KARNK - KARNE MD,NEELK	53511	63
KARNK - KARNE MD,NEELK	53525	6
KARNK - KARNE MD,NEELK	53545	1
KARNK - KARNE MD,NEELK	53546	4
KARNK - KARNE MD,NEELK	53585	3
KARNK - KARNE MD,NEELK	61011	1
KARNK - KARNE MD,NEELK	61072	1
KARNK - KARNE MD,NEELK	61080	5
KARNK - KARNE MD,NEELK	61103	1
KARNK - KARNE MD,NEELK	61115	1
		88



December 4, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a general surgeon.

Attached is a profile of my total outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 319 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 243, or 76 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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80C BMH ASTC CON  
12/12/2013

Physician Referral Attestation Letter  
 Beloit Health System/Beloit Memorial Hospital  
 December 4, 2013  
 Page Two

In this regard, I propose to relocate at least 116 outpatient surgery cases, or approximately 48 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Golner Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	54	110	76	243	116

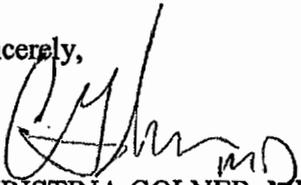
I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

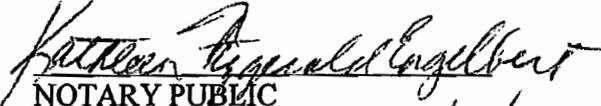
Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
December 4, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,

  
CHRISTINA GOLNER, MD  
GENERAL SURGERY

Subscribed and sworn to before me this 4<sup>th</sup> day of December, 2013.

  
NOTARY PUBLIC  
My commission: expires 3/22/2015

Enclosure: Dr. Golner Patient Origin Zip Code Profile, 2011 and 2012

2012 Cases By  
Zip Code

Physician	Zip code	#
GOLC - GOLNER MD,CHRISTINA	34120	1
GOLC - GOLNER MD,CHRISTINA	48423	1
GOLC - GOLNER MD,CHRISTINA	53114	2
GOLC - GOLNER MD,CHRISTINA	53115	2
GOLC - GOLNER MD,CHRISTINA	53129	1
GOLC - GOLNER MD,CHRISTINA	53191	1
GOLC - GOLNER MD,CHRISTINA	53501	1
GOLC - GOLNER MD,CHRISTINA	53511	149
GOLC - GOLNER MD,CHRISTINA	53512	1
GOLC - GOLNER MD,CHRISTINA	53520	1
GOLC - GOLNER MD,CHRISTINA	53525	9
GOLC - GOLNER MD,CHRISTINA	53534	1
GOLC - GOLNER MD,CHRISTINA	53538	1
GOLC - GOLNER MD,CHRISTINA	53545	3
GOLC - GOLNER MD,CHRISTINA	53546	11
GOLC - GOLNER MD,CHRISTINA	53548	4
GOLC - GOLNER MD,CHRISTINA	53563	3
GOLC - GOLNER MD,CHRISTINA	53585	1
GOLC - GOLNER MD,CHRISTINA	61011	1
GOLC - GOLNER MD,CHRISTINA	61024	1
GOLC - GOLNER MD,CHRISTINA	61072	13
GOLC - GOLNER MD,CHRISTINA	61073	10
GOLC - GOLNER MD,CHRISTINA	61080	21
GOLC - GOLNER MD,CHRISTINA	61089	1
GOLC - GOLNER MD,CHRISTINA	61107	2
GOLC - GOLNER MD,CHRISTINA	61115	1
		243

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
GOLC - GOLNER MD,CHRISTINA	53115	1
GOLC - GOLNER MD,CHRISTINA	53147	1
GOLC - GOLNER MD,CHRISTINA	53511	87
GOLC - GOLNER MD,CHRISTINA	53525	3
GOLC - GOLNER MD,CHRISTINA	53545	0
GOLC - GOLNER MD,CHRISTINA	53546	2
GOLC - GOLNER MD,CHRISTINA	53548	6
GOLC - GOLNER MD,CHRISTINA	60097	1
GOLC - GOLNER MD,CHRISTINA	60115	1
GOLC - GOLNER MD,CHRISTINA	61073	3
GOLC - GOLNER MD,CHRISTINA	61080	5
		110



October 25, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a general surgeon.

Attached is a profile of my outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 515 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 283, or 55 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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**West Side Clinic**  
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80C BMH ASTC CON  
12/12/2013

In this regard, I propose to relocate at least 170 outpatient surgery cases, or approximately 60 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Pierre Charles Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	215	245	232	283	170

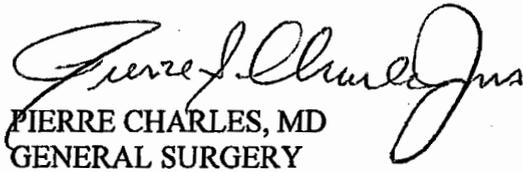
I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
October 25, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,

  
PIERRE CHARLES, MD  
GENERAL SURGERY

Subscribed and sworn to before me this 25<sup>th</sup> day of October, 2013.

  
NOTARY PUBLIC  
My commission: 7-26-15

Enclosure: Dr. Charles Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
CHAP - CHARLES MD,PIERRE S	30241	1
CHAP - CHARLES MD,PIERRE S	44139	2
CHAP - CHARLES MD,PIERRE S	53114	1
CHAP - CHARLES MD,PIERRE S	53115	2
CHAP - CHARLES MD,PIERRE S	53190	1
CHAP - CHARLES MD,PIERRE S	53212	0
CHAP - CHARLES MD,PIERRE S	53511	159
CHAP - CHARLES MD,PIERRE S	53520	3
CHAP - CHARLES MD,PIERRE S	53525	15
CHAP - CHARLES MD,PIERRE S	53545	6
CHAP - CHARLES MD,PIERRE S	53546	4
CHAP - CHARLES MD,PIERRE S	53547	1
CHAP - CHARLES MD,PIERRE S	53548	4
CHAP - CHARLES MD,PIERRE S	53576	1
CHAP - CHARLES MD,PIERRE S	53585	2
CHAP - CHARLES MD,PIERRE S	53813	1
CHAP - CHARLES MD,PIERRE S	60523	1
CHAP - CHARLES MD,PIERRE S	61011	1
CHAP - CHARLES MD,PIERRE S	61024	1
CHAP - CHARLES MD,PIERRE S	61065	1
CHAP - CHARLES MD,PIERRE S	61072	8
CHAP - CHARLES MD,PIERRE S	61073	9
CHAP - CHARLES MD,PIERRE S	61080	16
CHAP - CHARLES MD,PIERRE S	61101	1
CHAP - CHARLES MD,PIERRE S	61104	1
CHAP - CHARLES MD,PIERRE S	61115	1
CHAP - CHARLES MD,PIERRE S	89052	1
CHAP - CHARLES MD,PIERRE S	97401	1
		245

2012 Cases By  
Zip Code

Physician	Zip code	#
CHAP - CHARLES MD,PIERRE S	53114	1
CHAP - CHARLES MD,PIERRE S	53115	1
CHAP - CHARLES MD,PIERRE S	53121	1
CHAP - CHARLES MD,PIERRE S	53147	2
CHAP - CHARLES MD,PIERRE S	53501	1
CHAP - CHARLES MD,PIERRE S	53511	173
CHAP - CHARLES MD,PIERRE S	53520	2
CHAP - CHARLES MD,PIERRE S	53525	13
CHAP - CHARLES MD,PIERRE S	53534	1
CHAP - CHARLES MD,PIERRE S	53536	2
CHAP - CHARLES MD,PIERRE S	53545	5
CHAP - CHARLES MD,PIERRE S	53546	21
CHAP - CHARLES MD,PIERRE S	53547	3
CHAP - CHARLES MD,PIERRE S	53548	2
CHAP - CHARLES MD,PIERRE S	53563	1
CHAP - CHARLES MD,PIERRE S	53576	1
CHAP - CHARLES MD,PIERRE S	53585	3
CHAP - CHARLES MD,PIERRE S	53936	1
CHAP - CHARLES MD,PIERRE S	60098	1
CHAP - CHARLES MD,PIERRE S	61024	2
CHAP - CHARLES MD,PIERRE S	61065	1
CHAP - CHARLES MD,PIERRE S	61072	4
CHAP - CHARLES MD,PIERRE S	61073	8
CHAP - CHARLES MD,PIERRE S	61080	30
CHAP - CHARLES MD,PIERRE S	61115	1
CHAP - CHARLES MD,PIERRE S	80829	1
CHAP - CHARLES MD,PIERRE S	85326	1
		283



October 25, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am an orthopedic surgeon.

Attached is a profile of my outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 268 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 174, or 65 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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1735 Madison Road  
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80C BMH ASTC CON  
12/12/2013

In this regard, I propose to relocate at least 148 outpatient surgery cases, or approximately 85 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Leighton Johnson Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	108	147	94	174	148

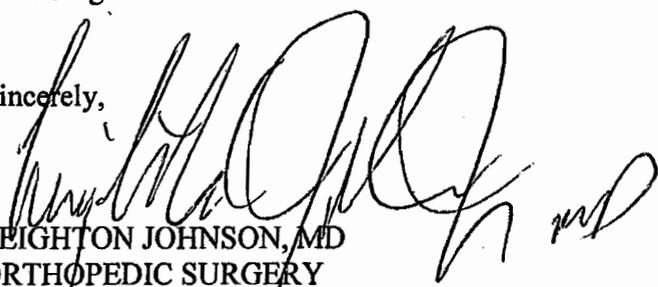
I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
October 25, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,

  
LEIGHTON JOHNSON, MD  
ORTHOPEDIC SURGERY

Subscribed and sworn to before me this 25<sup>th</sup> day of October, 2013.



NOTARY PUBLIC

My commission: expires 7-26-15

Enclosure: Dr. Johnson Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
JOHLC - JOHNSON MD,LEIGHTON C JR	48763	1
JOHLC - JOHNSON MD,LEIGHTON C JR	53121	0
JOHLC - JOHNSON MD,LEIGHTON C JR	53222	1
JOHLC - JOHNSON MD,LEIGHTON C JR	53502	1
JOHLC - JOHNSON MD,LEIGHTON C JR	53511	82
JOHLC - JOHNSON MD,LEIGHTON C JR	53512	0
JOHLC - JOHNSON MD,LEIGHTON C JR	53520	1
JOHLC - JOHNSON MD,LEIGHTON C JR	53525	3
JOHLC - JOHNSON MD,LEIGHTON C JR	53532	1
JOHLC - JOHNSON MD,LEIGHTON C JR	53545	2
JOHLC - JOHNSON MD,LEIGHTON C JR	53546	2
JOHLC - JOHNSON MD,LEIGHTON C JR	53548	4
JOHLC - JOHNSON MD,LEIGHTON C JR	53576	1
JOHLC - JOHNSON MD,LEIGHTON C JR	61019	1
JOHLC - JOHNSON MD,LEIGHTON C JR	61065	2
JOHLC - JOHNSON MD,LEIGHTON C JR	61072	8
JOHLC - JOHNSON MD,LEIGHTON C JR	61073	20
JOHLC - JOHNSON MD,LEIGHTON C JR	61080	11
JOHLC - JOHNSON MD,LEIGHTON C JR	61107	2
JOHLC - JOHNSON MD,LEIGHTON C JR	61111	2
JOHLC - JOHNSON MD,LEIGHTON C JR	61114	1
JOHLC - JOHNSON MD,LEIGHTON C JR	61115	1
		147

2012 Cases By  
Zip Code

Physician	Zip code	#
JOHLC - JOHNSON MD, LEIGHTON C JR	53114	1
JOHLC - JOHNSON MD, LEIGHTON C JR	53121	1
JOHLC - JOHNSON MD, LEIGHTON C JR	53182	1
JOHLC - JOHNSON MD, LEIGHTON C JR	53511	88
JOHLC - JOHNSON MD, LEIGHTON C JR	53525	8
JOHLC - JOHNSON MD, LEIGHTON C JR	53538	1
JOHLC - JOHNSON MD, LEIGHTON C JR	53545	3
JOHLC - JOHNSON MD, LEIGHTON C JR	53546	5
JOHLC - JOHNSON MD, LEIGHTON C JR	53548	6
JOHLC - JOHNSON MD, LEIGHTON C JR	53585	1
JOHLC - JOHNSON MD, LEIGHTON C JR	59102	2
JOHLC - JOHNSON MD, LEIGHTON C JR	61008	1
JOHLC - JOHNSON MD, LEIGHTON C JR	61011	3
JOHLC - JOHNSON MD, LEIGHTON C JR	61024	1
JOHLC - JOHNSON MD, LEIGHTON C JR	61072	5
JOHLC - JOHNSON MD, LEIGHTON C JR	61073	16
JOHLC - JOHNSON MD, LEIGHTON C JR	61080	18
JOHLC - JOHNSON MD, LEIGHTON C JR	61101	2
JOHLC - JOHNSON MD, LEIGHTON C JR	61103	1
JOHLC - JOHNSON MD, LEIGHTON C JR	61104	1
JOHLC - JOHNSON MD, LEIGHTON C JR	61115	8
JOHLC - JOHNSON MD, LEIGHTON C JR	86011	1
		174

December 2, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am an urologist.

Attached is a profile of my outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 187 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 134 or 72 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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80C BMH ASTC CON  
12/12/2013

In this regard, I propose to relocate at least 88 outpatient surgery cases, or approximately 66 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Ojeda Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	61	136	53	134	88

I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
December 2, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,



LARRY OJEDA, MD  
UROLOGY

Subscribed and sworn to before me this 2 day of December, 2013.



NOTARY PUBLIC

My commission: 7-26-2015

Enclosure: Dr. Ojeda Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
OJEL - OJEDA MD,LARRYM	53147	1
OJEL - OJEDA MD,LARRYM	53511	89
OJEL - OJEDA MD,LARRYM	53525	5
OJEL - OJEDA MD,LARRYM	53546	8
OJEL - OJEDA MD,LARRYM	53548	2
OJEL - OJEDA MD,LARRYM	53597	1
OJEL - OJEDA MD,LARRYM	61008	1
OJEL - OJEDA MD,LARRYM	61019	1
OJEL - OJEDA MD,LARRYM	61024	1
OJEL - OJEDA MD,LARRYM	61065	1
OJEL - OJEDA MD,LARRYM	61072	4
OJEL - OJEDA MD,LARRYM	61073	6
OJEL - OJEDA MD,LARRYM	61080	9
OJEL - OJEDA MD,LARRYM	61081	1
OJEL - OJEDA MD,LARRYM	61101	1
OJEL - OJEDA MD,LARRYM	61103	2
OJEL - OJEDA MD,LARRYM	61107	2
OJEL - OJEDA MD,LARRYM	61109	1
		136

2012 Cases By  
Zip Code

Physician	Zip code	#
OJEL - OJEDA MD,LARRYM	53110	1
OJEL - OJEDA MD,LARRYM	53114	2
OJEL - OJEDA MD,LARRYM	53185	1
OJEL - OJEDA MD,LARRYM	53511	72
OJEL - OJEDA MD,LARRYM	53512	5
OJEL - OJEDA MD,LARRYM	53520	1
OJEL - OJEDA MD,LARRYM	53525	3
OJEL - OJEDA MD,LARRYM	53545	1
OJEL - OJEDA MD,LARRYM	53546	6
OJEL - OJEDA MD,LARRYM	53548	1
OJEL - OJEDA MD,LARRYM	53563	1
OJEL - OJEDA MD,LARRYM	53585	2
OJEL - OJEDA MD,LARRYM	55327	1
OJEL - OJEDA MD,LARRYM	61008	1
OJEL - OJEDA MD,LARRYM	61011	2
OJEL - OJEDA MD,LARRYM	61065	1
OJEL - OJEDA MD,LARRYM	61072	6
OJEL - OJEDA MD,LARRYM	61073	8
OJEL - OJEDA MD,LARRYM	61080	10
OJEL - OJEDA MD,LARRYM	61101	1
OJEL - OJEDA MD,LARRYM	61103	1
OJEL - OJEDA MD,LARRYM	61107	2
OJEL - OJEDA MD,LARRYM	61109	1
OJEL - OJEDA MD,LARRYM	61114	1
OJEL - OJEDA MD,LARRYM	61115	2
OJEL - OJEDA MD,LARRYM	72458	1
		134



November 26, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am an urologist.

Attached is a profile of my outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, in Beloit, Wisconsin. In 2012, I personally performed 161 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 117, or 73 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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80C BMH ASTC CON

12/12/2013

Appendix 2

Physician Attestation Letters and Data

In this regard, I propose to relocate at least 70 outpatient surgery cases, or approximately 60 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Donnelly Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	40	117	44	117	70

I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
November 26, 2013  
Page Three

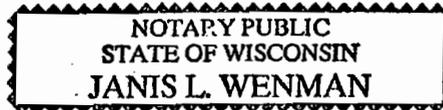
The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,

*Michael A. Donnelly, DO, FACOS*  
MICHAEL DONNELLY, DO, FACOS  
UROLOGY

Subscribed and sworn to before me this 26<sup>th</sup> day of November, 2013.

*Janis L. Wenman*  
NOTARY PUBLIC  
My commission: 4-13-2014



Enclosure: Dr. Donnelly Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
DONM - DONNELLY DO, MICHAEL A	53005	1
DONM - DONNELLY DO, MICHAEL A	53115	2
DONM - DONNELLY DO, MICHAEL A	53511	69
DONM - DONNELLY DO, MICHAEL A	53520	2
DONM - DONNELLY DO, MICHAEL A	53525	2
DONM - DONNELLY DO, MICHAEL A	53545	4
DONM - DONNELLY DO, MICHAEL A	53546	7
DONM - DONNELLY DO, MICHAEL A	53548	4
DONM - DONNELLY DO, MICHAEL A	53566	2
DONM - DONNELLY DO, MICHAEL A	53576	2
DONM - DONNELLY DO, MICHAEL A	61036	1
DONM - DONNELLY DO, MICHAEL A	61072	3
DONM - DONNELLY DO, MICHAEL A	61073	3
DONM - DONNELLY DO, MICHAEL A	61080	8
DONM - DONNELLY DO, MICHAEL A	61088	2
DONM - DONNELLY DO, MICHAEL A	61107	1
DONM - DONNELLY DO, MICHAEL A	61109	1
DONM - DONNELLY DO, MICHAEL A	61111	2
DONM - DONNELLY DO, MICHAEL A	61115	1
		117

2012 Cases By  
Zip Code

Physician	Zip code	#
DONM - DONNELLY DO, MICHAEL A	53115	1
DONM - DONNELLY DO, MICHAEL A	53511	62
DONM - DONNELLY DO, MICHAEL A	53520	1
DONM - DONNELLY DO, MICHAEL A	53525	4
DONM - DONNELLY DO, MICHAEL A	53545	4
DONM - DONNELLY DO, MICHAEL A	53546	5
DONM - DONNELLY DO, MICHAEL A	53547	1
DONM - DONNELLY DO, MICHAEL A	53548	1
DONM - DONNELLY DO, MICHAEL A	53566	1
DONM - DONNELLY DO, MICHAEL A	60033	1
DONM - DONNELLY DO, MICHAEL A	61016	1
DONM - DONNELLY DO, MICHAEL A	61072	6
DONM - DONNELLY DO, MICHAEL A	61073	12
DONM - DONNELLY DO, MICHAEL A	61080	7
DONM - DONNELLY DO, MICHAEL A	61088	1
DONM - DONNELLY DO, MICHAEL A	61101	2
DONM - DONNELLY DO, MICHAEL A	61103	1
DONM - DONNELLY DO, MICHAEL A	61107	1
DONM - DONNELLY DO, MICHAEL A	61114	1
DONM - DONNELLY DO, MICHAEL A	61115	4
		117

November 13, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a podiatrist.

Attached is a profile of my outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, in Beloit, Wisconsin. In 2012, I personally performed 28 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 24, or 86 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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80C BMH ASTC CON  
12/12/2013

In this regard, I propose to relocate at least 22 outpatient surgery cases, or approximately 90 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Kind Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	5	39	4	24	22

I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
November 13, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,



CHARLES KIND, DPM  
PODIATRY

Subscribed and sworn to before me this 13<sup>th</sup> day of November, 2013.



NOTARY PUBLIC

My commission: Expires 3/22/2015

Enclosure: Dr. Kind Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

<b>PHYSICIAN</b>	<b>ZIP</b>	<b>#</b>
KINC - KIND MD,CHARLES	53115	2
KINC - KIND MD,CHARLES	53511	28
KINC - KIND MD,CHARLES	53520	1
KINC - KIND MD,CHARLES	53537	1
KINC - KIND MD,CHARLES	53545	2
KINC - KIND MD,CHARLES	61072	4
KINC - KIND MD,CHARLES	61080	1
		39

2012 Cases By  
Zip Code

Physician	Zip code	#
KINC - KIND MD,CHARLES	53190	2
KINC - KIND MD,CHARLES	53511	16
KINC - KIND MD,CHARLES	53525	1
KINC - KIND MD,CHARLES	53545	2
KINC - KIND MD,CHARLES	53576	1
KINC - KIND MD,CHARLES	61070	1
KINC - KIND MD,CHARLES	61080	1
		24

October 25, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a podiatrist.

Attached is a profile of my outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 61 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 51 or 84 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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80C BMH ASTC CON  
12/12/2013

Appendix 2  
Physician Attestation Letters and Data

In this regard, I propose to relocate at least 46 outpatient surgery cases, or approximately 90 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Sage Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	5	62	10	51	46

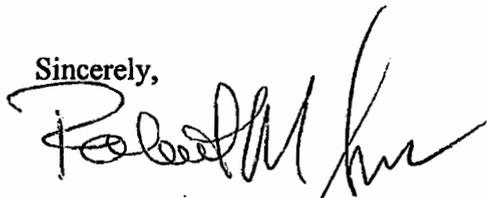
I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
October 25, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,



ROBERT SAGE, MD  
PODIATRY

Subscribed and sworn to before me this 25<sup>th</sup> day of October, 2013.



NOTARY PUBLIC

My commission:

7-26-15

Enclosure: Dr. Sage Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
SAGR - SAGE DPM,ROBERT	53115	1
SAGR - SAGE DPM,ROBERT	53511	33
SAGR - SAGE DPM,ROBERT	53525	7
SAGR - SAGE DPM,ROBERT	53546	6
SAGR - SAGE DPM,ROBERT	53548	3
SAGR - SAGE DPM,ROBERT	61008	2
SAGR - SAGE DPM,ROBERT	61065	1
SAGR - SAGE DPM,ROBERT	61072	2
SAGR - SAGE DPM,ROBERT	61073	2
SAGR - SAGE DPM,ROBERT	61080	5
		62

2012 Cases By  
Zip Code

Physician	Zip code	#
SAGR - SAGE DPM,ROBERT	53121	2
SAGR - SAGE DPM,ROBERT	53147	1
SAGR - SAGE DPM,ROBERT	53511	29
SAGR - SAGE DPM,ROBERT	53525	3
SAGR - SAGE DPM,ROBERT	53546	6
SAGR - SAGE DPM,ROBERT	53548	1
SAGR - SAGE DPM,ROBERT	53563	3
SAGR - SAGE DPM,ROBERT	61072	1
SAGR - SAGE DPM,ROBERT	61073	1
SAGR - SAGE DPM,ROBERT	61080	3
SAGR - SAGE DPM,ROBERT	61114	1
		51



November 12, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a podiatrist.

Attached is a profile of my outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 57 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 57 or 100 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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80C BMH ASTC CON

12/12/2013

Appendix 2

Physician Attestation Letters and Data

In this regard, I propose to relocate at least 51 outpatient surgery cases, or approximately 90 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Reinicke Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	3	58	0	57	51

I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
November 12, 2013  
Page Three

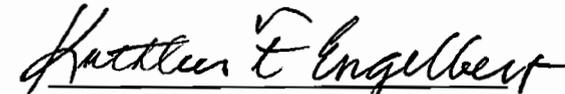
The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,



LISA REINICKE, MD  
PODIATRY

Subscribed and sworn to before me this 12<sup>th</sup> day of November, 2013.

  
NOTARY PUBLIC  
My commission: expires 3/22/2015

Enclosure: Dr. Reinicke Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

<b>PHYSICIAN</b>	<b>ZIP</b>	<b>#</b>
REIL - REINICKE DPM,LISA GARCIA	53511	31
REIL - REINICKE DPM,LISA GARCIA	53512	1
REIL - REINICKE DPM,LISA GARCIA	53525	4
REIL - REINICKE DPM,LISA GARCIA	53534	1
REIL - REINICKE DPM,LISA GARCIA	53536	0
REIL - REINICKE DPM,LISA GARCIA	53545	3
REIL - REINICKE DPM,LISA GARCIA	53546	2
REIL - REINICKE DPM,LISA GARCIA	53576	1
REIL - REINICKE DPM,LISA GARCIA	61072	2
REIL - REINICKE DPM,LISA GARCIA	61073	9
REIL - REINICKE DPM,LISA GARCIA	61080	2
REIL - REINICKE DPM,LISA GARCIA	61103	1
REIL - REINICKE DPM,LISA GARCIA	61114	1
		58

2012 Cases By  
Zip Code

Physician	Zip code	#
REIL - REINICKE DPM,LISA GARCIA	53115	2
REIL - REINICKE DPM,LISA GARCIA	53224	1
REIL - REINICKE DPM,LISA GARCIA	53511	23
REIL - REINICKE DPM,LISA GARCIA	53512	1
REIL - REINICKE DPM,LISA GARCIA	53525	3
REIL - REINICKE DPM,LISA GARCIA	53545	2
REIL - REINICKE DPM,LISA GARCIA	53546	3
REIL - REINICKE DPM,LISA GARCIA	53548	1
REIL - REINICKE DPM,LISA GARCIA	53585	1
REIL - REINICKE DPM,LISA GARCIA	61072	5
REIL - REINICKE DPM,LISA GARCIA	61073	6
REIL - REINICKE DPM,LISA GARCIA	61080	6
REIL - REINICKE DPM,LISA GARCIA	61103	1
REIL - REINICKE DPM,LISA GARCIA	61115	2
		57

October 25, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am an ophthalmologist.

Attached is a profile of my outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 409 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 409 or 100 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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80C BMH ASTC CON  
12/12/2013

In this regard, I propose to relocate at least 376 outpatient surgery cases, or approximately 92 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Rojas Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	0	386	0	409	376

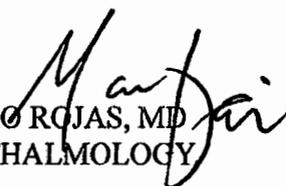
I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
October 25, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,

  
MARIO ROJAS, MD  
OPHTHALMOLOGY

Subscribed and sworn to before me this 25<sup>th</sup> day of October, 2013.

  
NOTARY PUBLIC  
My commission: 7-26-15

Enclosure: Dr. Rojas Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
ROJM - ROJAS MD,MARIO	34120	1
ROJM - ROJAS MD,MARIO	48423	2
ROJM - ROJAS MD,MARIO	48809	2
ROJM - ROJAS MD,MARIO	53114	5
ROJM - ROJAS MD,MARIO	53190	2
ROJM - ROJAS MD,MARIO	53511	250
ROJM - ROJAS MD,MARIO	53520	2
ROJM - ROJAS MD,MARIO	53525	9
ROJM - ROJAS MD,MARIO	53537	2
ROJM - ROJAS MD,MARIO	53545	9
ROJM - ROJAS MD,MARIO	53546	11
ROJM - ROJAS MD,MARIO	53548	4
ROJM - ROJAS MD,MARIO	53563	4
ROJM - ROJAS MD,MARIO	53594	2
ROJM - ROJAS MD,MARIO	53964	1
ROJM - ROJAS MD,MARIO	60033	4
ROJM - ROJAS MD,MARIO	60124	2
ROJM - ROJAS MD,MARIO	61024	2
ROJM - ROJAS MD,MARIO	61072	20
ROJM - ROJAS MD,MARIO	61073	17
ROJM - ROJAS MD,MARIO	61080	34
ROJM - ROJAS MD,MARIO	61102	1
		386

2012 Cases By  
Zip Code

Physician	Zip code	#
ROJM - ROJAS MD,MARIO	33715	2
ROJM - ROJAS MD,MARIO	49910	2
ROJM - ROJAS MD,MARIO	53114	2
ROJM - ROJAS MD,MARIO	53115	2
ROJM - ROJAS MD,MARIO	53121	2
ROJM - ROJAS MD,MARIO	53129	1
ROJM - ROJAS MD,MARIO	53501	1
ROJM - ROJAS MD,MARIO	53511	256
ROJM - ROJAS MD,MARIO	53512	6
ROJM - ROJAS MD,MARIO	53520	2
ROJM - ROJAS MD,MARIO	53525	19
ROJM - ROJAS MD,MARIO	53534	2
ROJM - ROJAS MD,MARIO	53545	11
ROJM - ROJAS MD,MARIO	53546	12
ROJM - ROJAS MD,MARIO	53547	2
ROJM - ROJAS MD,MARIO	53548	2
ROJM - ROJAS MD,MARIO	53563	1
ROJM - ROJAS MD,MARIO	53585	1
ROJM - ROJAS MD,MARIO	53936	2
ROJM - ROJAS MD,MARIO	54853	2
ROJM - ROJAS MD,MARIO	61008	1
ROJM - ROJAS MD,MARIO	61011	3
ROJM - ROJAS MD,MARIO	61072	20
ROJM - ROJAS MD,MARIO	61073	13
ROJM - ROJAS MD,MARIO	61080	36
ROJM - ROJAS MD,MARIO	61103	2
ROJM - ROJAS MD,MARIO	61107	1
ROJM - ROJAS MD,MARIO	61114	1
ROJM - ROJAS MD,MARIO	72834	2
		409

October 25, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am an ophthalmologist.

Attached is a profile of my outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, in Beloit, Wisconsin. In 2012, I personally performed 241 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 241 or 100 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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80C BMH ASTC CON  
12/12/2013

Appendix 2  
Physician Attestation Letters and Data

In this regard, I propose to relocate at least 217 outpatient surgery cases, or approximately 90 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Townshend Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	0	249	0	241	217

I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
October 25, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,



ALICE TOWNSHEND, MD  
OPHTHALMOLOGY

Subscribed and sworn to before me this 25<sup>th</sup> day of October, 2013.



NOTARY PUBLIC

My commission: 7-26-2015

Enclosure: Dr. Townshend Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
TOWA - TOWNSHEND MD,ALICE	53114	1
TOWA - TOWNSHEND MD,ALICE	53115	2
TOWA - TOWNSHEND MD,ALICE	53147	3
TOWA - TOWNSHEND MD,ALICE	53511	176
TOWA - TOWNSHEND MD,ALICE	53520	2
TOWA - TOWNSHEND MD,ALICE	53525	11
TOWA - TOWNSHEND MD,ALICE	53545	4
TOWA - TOWNSHEND MD,ALICE	53546	6
TOWA - TOWNSHEND MD,ALICE	53547	1
TOWA - TOWNSHEND MD,ALICE	53548	4
TOWA - TOWNSHEND MD,ALICE	53576	2
TOWA - TOWNSHEND MD,ALICE	53585	3
TOWA - TOWNSHEND MD,ALICE	55921	1
TOWA - TOWNSHEND MD,ALICE	61011	2
TOWA - TOWNSHEND MD,ALICE	61072	6
TOWA - TOWNSHEND MD,ALICE	61073	5
TOWA - TOWNSHEND MD,ALICE	61080	15
TOWA - TOWNSHEND MD,ALICE	61109	2
TOWA - TOWNSHEND MD,ALICE	61111	3
		249

2012 Cases By  
Zip Code

Physician	Zip code	#
TOWA - TOWNSHEND MD,ALICE	53114	6
TOWA - TOWNSHEND MD,ALICE	53115	3
TOWA - TOWNSHEND MD,ALICE	53184	2
TOWA - TOWNSHEND MD,ALICE	53505	1
TOWA - TOWNSHEND MD,ALICE	53511	154
TOWA - TOWNSHEND MD,ALICE	53512	1
TOWA - TOWNSHEND MD,ALICE	53525	14
TOWA - TOWNSHEND MD,ALICE	53545	3
TOWA - TOWNSHEND MD,ALICE	53546	4
TOWA - TOWNSHEND MD,ALICE	53547	1
TOWA - TOWNSHEND MD,ALICE	53548	2
TOWA - TOWNSHEND MD,ALICE	53575	1
TOWA - TOWNSHEND MD,ALICE	53576	4
TOWA - TOWNSHEND MD,ALICE	61065	1
TOWA - TOWNSHEND MD,ALICE	61072	12
TOWA - TOWNSHEND MD,ALICE	61073	6
TOWA - TOWNSHEND MD,ALICE	61080	22
TOWA - TOWNSHEND MD,ALICE	61101	2
TOWA - TOWNSHEND MD,ALICE	61103	1
TOWA - TOWNSHEND MD,ALICE	61115	1
		241

November 20, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a gastroenterologist.

Attached is a profile of my outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 1451 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 1451, or 100 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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1735 Madison Road  
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80C BMH ASTC CON  
12/12/2013

Appendix 2  
Physician Attestation Letters and Data

In this regard, I propose to relocate at least 600 outpatient cases, or approximately 56 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Johanson Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	333	930	376	1075	600

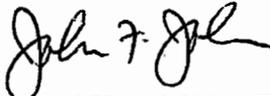
To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
November 20, 2013  
Page Three

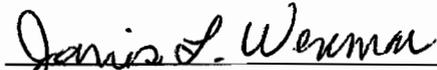
The information in this letter and its attachments is true and accurate to the best of my knowledge.

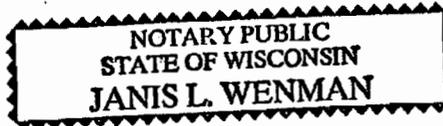
Sincerely,



JOHN JOHANSON, MD  
GASTROENTEROLOGY

Subscribed and sworn to before me this 20<sup>th</sup> day of November, 2013.

  
NOTARY PUBLIC  
My commission: 4-13-2014



Enclosure: Dr. Johanson Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
JOHJ - JOHANSON MD,JOHN F	32907	2
JOHJ - JOHANSON MD,JOHN F	34465	2
JOHJ - JOHANSON MD,JOHN F	48192	1
JOHJ - JOHANSON MD,JOHN F	53114	7
JOHJ - JOHANSON MD,JOHN F	53115	2
JOHJ - JOHANSON MD,JOHN F	53143	1
JOHJ - JOHANSON MD,JOHN F	53147	2
JOHJ - JOHANSON MD,JOHN F	53149	1
JOHJ - JOHANSON MD,JOHN F	53505	1
JOHJ - JOHANSON MD,JOHN F	53511	560
JOHJ - JOHANSON MD,JOHN F	53512	3
JOHJ - JOHANSON MD,JOHN F	53520	13
JOHJ - JOHANSON MD,JOHN F	53521	1
JOHJ - JOHANSON MD,JOHN F	53525	32
JOHJ - JOHANSON MD,JOHN F	53534	1
JOHJ - JOHANSON MD,JOHN F	53537	1
JOHJ - JOHANSON MD,JOHN F	53538	1
JOHJ - JOHANSON MD,JOHN F	53545	20
JOHJ - JOHANSON MD,JOHN F	53546	38
JOHJ - JOHANSON MD,JOHN F	53547	2
JOHJ - JOHANSON MD,JOHN F	53548	10
JOHJ - JOHANSON MD,JOHN F	53563	1
JOHJ - JOHANSON MD,JOHN F	53576	5
JOHJ - JOHANSON MD,JOHN F	53585	5
JOHJ - JOHANSON MD,JOHN F	53711	1
JOHJ - JOHANSON MD,JOHN F	53805	1
JOHJ - JOHANSON MD,JOHN F	53901	2
JOHJ - JOHANSON MD,JOHN F	53933	1
JOHJ - JOHANSON MD,JOHN F	54956	1
JOHJ - JOHANSON MD,JOHN F	60033	2
JOHJ - JOHANSON MD,JOHN F	61008	4
JOHJ - JOHANSON MD,JOHN F	61011	2
JOHJ - JOHANSON MD,JOHN F	61020	1
JOHJ - JOHANSON MD,JOHN F	61024	2
JOHJ - JOHANSON MD,JOHN F	61063	1
JOHJ - JOHANSON MD,JOHN F	61065	3
JOHJ - JOHANSON MD,JOHN F	61072	34
JOHJ - JOHANSON MD,JOHN F	61073	61
JOHJ - JOHANSON MD,JOHN F	61079	1
JOHJ - JOHANSON MD,JOHN F	61080	74
JOHJ - JOHANSON MD,JOHN F	61084	1
JOHJ - JOHANSON MD,JOHN F	61101	1
JOHJ - JOHANSON MD,JOHN F	61103	2
JOHJ - JOHANSON MD,JOHN F	61107	4
JOHJ - JOHANSON MD,JOHN F	61108	3
JOHJ - JOHANSON MD,JOHN F	61109	1
JOHJ - JOHANSON MD,JOHN F	61111	2
JOHJ - JOHANSON MD,JOHN F	61114	4
JOHJ - JOHANSON MD,JOHN F	61115	4
JOHJ - JOHANSON MD,JOHN F	61132	1
JOHJ - JOHANSON MD,JOHN F	75050	1
JOHJ - JOHANSON MD,JOHN F	85132	1
JOHJ - JOHANSON MD,JOHN F	85213	1
JOHJ - JOHANSON MD,JOHN F	97266	1

2011 Outpatient Cases by  
Zip Code

930

2012 Cases By  
Zip Code

Physician	Zip code	#
JOHJ - JOHANSON MD,JOHN F	21921	1
JOHJ - JOHANSON MD,JOHN F	33931	1
JOHJ - JOHANSON MD,JOHN F	38654	1
JOHJ - JOHANSON MD,JOHN F	43326	1
JOHJ - JOHANSON MD,JOHN F	46552	1
JOHJ - JOHANSON MD,JOHN F	53105	2
JOHJ - JOHANSON MD,JOHN F	53114	6
JOHJ - JOHANSON MD,JOHN F	53115	7
JOHJ - JOHANSON MD,JOHN F	53121	1
JOHJ - JOHANSON MD,JOHN F	53147	1
JOHJ - JOHANSON MD,JOHN F	53149	1
JOHJ - JOHANSON MD,JOHN F	53184	1
JOHJ - JOHANSON MD,JOHN F	53185	1
JOHJ - JOHANSON MD,JOHN F	53505	1
JOHJ - JOHANSON MD,JOHN F	53511	591
JOHJ - JOHANSON MD,JOHN F	53512	2
JOHJ - JOHANSON MD,JOHN F	53520	4
JOHJ - JOHANSON MD,JOHN F	53525	48
JOHJ - JOHANSON MD,JOHN F	53530	1
JOHJ - JOHANSON MD,JOHN F	53534	4
JOHJ - JOHANSON MD,JOHN F	53537	1
JOHJ - JOHANSON MD,JOHN F	53545	25
JOHJ - JOHANSON MD,JOHN F	53546	36
JOHJ - JOHANSON MD,JOHN F	53547	2
JOHJ - JOHANSON MD,JOHN F	53548	11
JOHJ - JOHANSON MD,JOHN F	53559	1
JOHJ - JOHANSON MD,JOHN F	53563	1
JOHJ - JOHANSON MD,JOHN F	53576	7
JOHJ - JOHANSON MD,JOHN F	53582	1
JOHJ - JOHANSON MD,JOHN F	53585	10
JOHJ - JOHANSON MD,JOHN F	53933	1
JOHJ - JOHANSON MD,JOHN F	54646	1
JOHJ - JOHANSON MD,JOHN F	60010	1
JOHJ - JOHANSON MD,JOHN F	60033	1
JOHJ - JOHANSON MD,JOHN F	60463	1
JOHJ - JOHANSON MD,JOHN F	60613	1
JOHJ - JOHANSON MD,JOHN F	61008	8
JOHJ - JOHANSON MD,JOHN F	61012	1
JOHJ - JOHANSON MD,JOHN F	61016	2
JOHJ - JOHANSON MD,JOHN F	61019	1
JOHJ - JOHANSON MD,JOHN F	61020	1
JOHJ - JOHANSON MD,JOHN F	61024	3
JOHJ - JOHANSON MD,JOHN F	61032	1
JOHJ - JOHANSON MD,JOHN F	61065	6
JOHJ - JOHANSON MD,JOHN F	61070	1
JOHJ - JOHANSON MD,JOHN F	61072	61
JOHJ - JOHANSON MD,JOHN F	61073	61
JOHJ - JOHANSON MD,JOHN F	61080	97
JOHJ - JOHANSON MD,JOHN F	61101	2
JOHJ - JOHANSON MD,JOHN F	61102	4
JOHJ - JOHANSON MD,JOHN F	61103	3
JOHJ - JOHANSON MD,JOHN F	61107	23
JOHJ - JOHANSON MD,JOHN F	61108	3
JOHJ - JOHANSON MD,JOHN F	61111	3

2012 Cases By  
Zip Code

JOHJ - JOHANSON MD,JOHN F	61114	2
JOHJ - JOHANSON MD,JOHN F	61115	9
JOHJ - JOHANSON MD,JOHN F	61703	1
JOHJ - JOHANSON MD,JOHN F	78539	3
JOHJ - JOHANSON MD,JOHN F	83605	1
JOHJ - JOHANSON MD,JOHN F	87901	1
		<b>1075</b>

November 12, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a gastroenterologist.

Attached is a profile of my outpatient surgical cases by zip code of resident patient origin for the last two years (2012 and 2013). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic since August 2012. In 2012, I personally performed 365 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 277 or 76 percent, were outpatient cases. As of October 1, 2013, I have performed 797 cases in 2013.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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Beloit, WI • (608) 363-7510

80C BMH ASTC CON  
12/12/2013

Appendix 2  
Physician Attestation Letters and Data

In this regard, I propose to relocate at least 600 outpatient surgery cases, or approximately 100 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Patel Case Allocation Based on 2012 and 2013 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2012 Cases		2013 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	88	277	169	628	600

I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
November 12, 2013  
Page Three

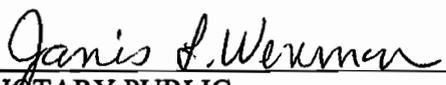
The information in this letter and its attachments is true and accurate to the best of my knowledge.

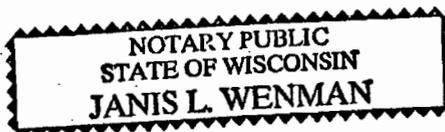
Sincerely,



HEMAL PATEL, MD  
GASTROENTEROLOGY

Subscribed and sworn to before me this 19<sup>th</sup> day of November, 2013.

  
NOTARY PUBLIC  
My commission: 4-13-2014



Enclosure: Dr. Patel Patient Origin Zip Code Profile 2012

2012 Cases By  
Zip Code

Physician	Zip code	#
PATH - PATEL MD,HEMALK	53114	1
PATH - PATEL MD,HEMALK	53115	2
PATH - PATEL MD,HEMALK	53184	2
PATH - PATEL MD,HEMALK	53191	1
PATH - PATEL MD,HEMALK	53511	195
PATH - PATEL MD,HEMALK	53512	1
PATH - PATEL MD,HEMALK	53520	4
PATH - PATEL MD,HEMALK	53525	12
PATH - PATEL MD,HEMALK	53536	1
PATH - PATEL MD,HEMALK	53537	1
PATH - PATEL MD,HEMALK	53545	2
PATH - PATEL MD,HEMALK	53546	15
PATH - PATEL MD,HEMALK	53548	7
PATH - PATEL MD,HEMALK	53563	2
PATH - PATEL MD,HEMALK	53576	2
PATH - PATEL MD,HEMALK	53585	1
PATH - PATEL MD,HEMALK	60173	1
PATH - PATEL MD,HEMALK	61011	1
PATH - PATEL MD,HEMALK	61072	3
PATH - PATEL MD,HEMALK	61073	3
PATH - PATEL MD,HEMALK	61080	17
PATH - PATEL MD,HEMALK	61101	1
PATH - PATEL MD,HEMALK	61103	1
PATH - PATEL MD,HEMALK	61114	1
		277

2013 Cases By

Zip Code

As of December 5, 2013 the 2013 zip code data for Dr. Hemal Patel is unavailable.

November 12, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a gastroenterologist.

Attached is a profile of my outpatient cases by zip code of resident patient origin for the last two years (2011 and 2012). My cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 1593 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 1223 or 77 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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12/12/2013

Appendix 2  
Physician Attestation Letters and Data

Physician Referral Attestation Letter  
 Beloit Health System/Beloit Memorial Hospital  
 November 12, 2013  
 Page Two

In this regard, I propose to relocate at least 600 outpatient cases, or approximately 49 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Wang Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	365	1084	370	1223	600

I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
November 12, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

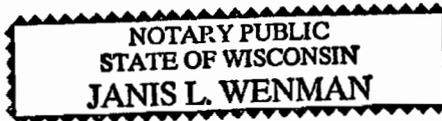
Sincerely,

*TSU Hon Wang MD*

TSU HON WANG, MD  
GASTROENTEROLOGY

Subscribed and sworn to before me this 20<sup>th</sup> day of November, 2013.

*Janis L. Wenman*  
NOTARY PUBLIC  
My commission: 4-13-2014



Enclosure: Dr. Wang Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
WANT - WANG,TSU HON	32976	1
WANT - WANG,TSU HON	33881	1
WANT - WANG,TSU HON	38574	1
WANT - WANG,TSU HON	49969	1
WANT - WANG,TSU HON	50273	1
WANT - WANG,TSU HON	53073	1
WANT - WANG,TSU HON	53114	5
WANT - WANG,TSU HON	53115	9
WANT - WANG,TSU HON	53121	1
WANT - WANG,TSU HON	53147	1
WANT - WANG,TSU HON	53190	1
WANT - WANG,TSU HON	53223	1
WANT - WANG,TSU HON	53505	3
WANT - WANG,TSU HON	53511	693
WANT - WANG,TSU HON	53512	9
WANT - WANG,TSU HON	53520	8
WANT - WANG,TSU HON	53521	1
WANT - WANG,TSU HON	53525	49
WANT - WANG,TSU HON	53534	2
WANT - WANG,TSU HON	53536	2
WANT - WANG,TSU HON	53537	2
WANT - WANG,TSU HON	53545	23
WANT - WANG,TSU HON	53546	40
WANT - WANG,TSU HON	53547	1
WANT - WANG,TSU HON	53548	21
WANT - WANG,TSU HON	53563	2
WANT - WANG,TSU HON	53566	1
WANT - WANG,TSU HON	53576	6
WANT - WANG,TSU HON	53582	1
WANT - WANG,TSU HON	53585	5
WANT - WANG,TSU HON	53590	1
WANT - WANG,TSU HON	53948	1
WANT - WANG,TSU HON	54115	1
WANT - WANG,TSU HON	54304	1
WANT - WANG,TSU HON	61008	4
WANT - WANG,TSU HON	61011	3
WANT - WANG,TSU HON	61019	1
WANT - WANG,TSU HON	61024	2
WANT - WANG,TSU HON	61063	1
WANT - WANG,TSU HON	61065	3
WANT - WANG,TSU HON	61072	52
WANT - WANG,TSU HON	61073	38
WANT - WANG,TSU HON	61080	67
WANT - WANG,TSU HON	61104	1
WANT - WANG,TSU HON	61107	2
WANT - WANG,TSU HON	61109	3
WANT - WANG,TSU HON	61114	2
WANT - WANG,TSU HON	61115	1
WANT - WANG,TSU HON	61131	1
WANT - WANG,TSU HON	61132	1
WANT - WANG,TSU HON	64151	1
WANT - WANG,TSU HON	81211	1
WANT - WANG,TSU HON	85375	1
WANT - WANG,TSU HON	85376	1

2011 Outpatient Cases by  
Zip Code

WANT - WANG,TSU HON

97266

1  
1084

2012 Cases By  
Zip Code

Physician	Zip code	#
WANT - WANG,TSU HON	33881	2
WANT - WANG,TSU HON	53114	9
WANT - WANG,TSU HON	53115	12
WANT - WANG,TSU HON	53121	3
WANT - WANG,TSU HON	53129	1
WANT - WANG,TSU HON	53137	1
WANT - WANG,TSU HON	53147	2
WANT - WANG,TSU HON	53184	2
WANT - WANG,TSU HON	53501	1
WANT - WANG,TSU HON	53511	775
WANT - WANG,TSU HON	53512	8
WANT - WANG,TSU HON	53520	9
WANT - WANG,TSU HON	53525	58
WANT - WANG,TSU HON	53534	5
WANT - WANG,TSU HON	53536	1
WANT - WANG,TSU HON	53537	6
WANT - WANG,TSU HON	53545	17
WANT - WANG,TSU HON	53546	40
WANT - WANG,TSU HON	53548	28
WANT - WANG,TSU HON	53550	1
WANT - WANG,TSU HON	53563	11
WANT - WANG,TSU HON	53576	9
WANT - WANG,TSU HON	53585	11
WANT - WANG,TSU HON	53703	1
WANT - WANG,TSU HON	53813	1
WANT - WANG,TSU HON	53821	1
WANT - WANG,TSU HON	54853	2
WANT - WANG,TSU HON	56378	1
WANT - WANG,TSU HON	60098	2
WANT - WANG,TSU HON	60115	1
WANT - WANG,TSU HON	60608	1
WANT - WANG,TSU HON	61008	4
WANT - WANG,TSU HON	61011	4
WANT - WANG,TSU HON	61012	1
WANT - WANG,TSU HON	61019	2
WANT - WANG,TSU HON	61024	2
WANT - WANG,TSU HON	61046	1
WANT - WANG,TSU HON	61063	1
WANT - WANG,TSU HON	61065	4
WANT - WANG,TSU HON	61072	56
WANT - WANG,TSU HON	61073	54
WANT - WANG,TSU HON	61080	81
WANT - WANG,TSU HON	61102	1
WANT - WANG,TSU HON	61103	2
WANT - WANG,TSU HON	61107	5
WANT - WANG,TSU HON	61108	3
WANT - WANG,TSU HON	61109	3
WANT - WANG,TSU HON	61114	1
WANT - WANG,TSU HON	61115	3
WANT - WANG,TSU HON	61132	1
WANT - WANG,TSU HON	80829	1
WANT - WANG,TSU HON	83120	1

1253

November 26, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am an anesthesiologist.

Attached is a profile of my outpatient cases by zip code of resident patient origin for the last two years (2011 and 2012). My cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with Stateline Anesthesia. In 2012, I personally performed 59 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 59 or 100 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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Appendix 2

Physician Attestation Letters and Data

In this regard, I propose to relocate at least 53 outpatient cases, or approximately 90 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Tse Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	0	57	0	59	53

I expect my cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
November 26, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,



JIMSON TSE, MD  
ANESTHESIOLOGIST

Subscribed and sworn to before me this 26<sup>th</sup> day of November, 2013.



NOTARY PUBLIC

My commission: 7-26-2015

Enclosure: Dr. Tse Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

<b>PHYSICIAN</b>	<b>ZIP</b>	<b>#</b>
TSEJ - TSE MD, JIMSON C	53511	36
TSEJ - TSE MD, JIMSON C	53520	4
TSEJ - TSE MD, JIMSON C	53525	3
TSEJ - TSE MD, JIMSON C	53537	3
TSEJ - TSE MD, JIMSON C	53546	1
TSEJ - TSE MD, JIMSON C	61073	2
TSEJ - TSE MD, JIMSON C	61080	6
TSEJ - TSE MD, JIMSON C	61115	2
		57

2012 Cases By  
Zip Code

Physician	Zip code	#
TSEJ - TSE MD,JIMSON C	53115	1
TSEJ - TSE MD,JIMSON C	53505	1
TSEJ - TSE MD,JIMSON C	53511	40
TSEJ - TSE MD,JIMSON C	53520	2
TSEJ - TSE MD,JIMSON C	53525	5
TSEJ - TSE MD,JIMSON C	53545	3
TSEJ - TSE MD,JIMSON C	53548	1
TSEJ - TSE MD,JIMSON C	61072	3
TSEJ - TSE MD,JIMSON C	61080	3
		59

November 26, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am an anesthesiologist.

Attached is a profile of my outpatient cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with Stateline Anesthesia. In 2012, I personally performed 43 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 43 or 100 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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12/12/2013

Appendix 2  
Physician Attestation Letters and Data

In this regard, I propose to relocate at least 40 outpatient cases, or approximately 100 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Wang Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	0	37	0	40	40

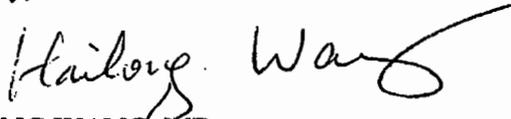
I expect my cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
November 26, 2013  
Page Three

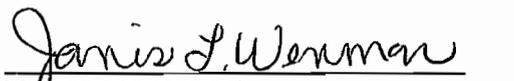
The information in this letter and its attachments is true and accurate to the best of my knowledge.

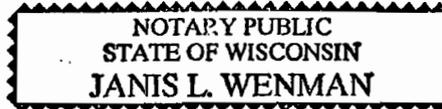
Sincerely,



HAILONG WANG, MD  
ANESTHESIOLOGIST

Subscribed and sworn to before me this 26<sup>th</sup> day of November, 2013.

  
NOTARY PUBLIC  
My commission: 4-13-2014



Enclosure: Dr. Wang Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

<b>PHYSICIAN</b>	<b>ZIP</b>	<b>#</b>
WANH - WANG,HAILONG	53511	26
WANH - WANG,HAILONG	53525	2
WANH - WANG,HAILONG	53545	1
WANH - WANG,HAILONG	53548	1
WANH - WANG,HAILONG	61072	1
WANH - WANG,HAILONG	61073	4
WANH - WANG,HAILONG	61080	2
		37

2012 Cases By  
Zip Code

Physician	Zip code	#
WANH - WANG,HAILONG	53121	1
WANH - WANG,HAILONG	53511	29
WANH - WANG,HAILONG	53525	3
WANH - WANG,HAILONG	53545	1
WANH - WANG,HAILONG	53546	2
WANH - WANG,HAILONG	61072	1
WANH - WANG,HAILONG	61080	2

November 20, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am an anesthesiologist.

Attached is a profile of my outpatient cases by zip code of resident patient origin for the last two years (2011 and 2012). My cases are performed exclusively at Beloit Memorial Hospital.

I am a physician with Stateline Anesthesia. In 2012, I personally performed 34 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 34 or 100 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510

80C BMH ASTC CON  
12/12/2013

In this regard, I propose to relocate at least 30 outpatient cases, or approximately 90 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Balabanova Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	0	0	0	34	30

I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
November 20, 2013  
Page Three

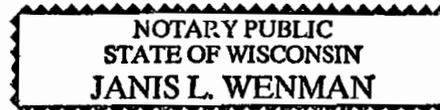
The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,  
*T. Balabanova*

TANIA BALABANOVA, MD  
ANESTHESIOLOGIST

Subscribed and sworn to before me this 20<sup>th</sup> day of November, 2013.

*Janis L. Wenman*  
NOTARY PUBLIC  
My commission: 4-13-2014



Enclosure: Dr. Balabanova Patient Origin Zip Code Profile, 2011 and 2012

2012 Cases By  
Zip Code

Physician	Zip code	#
BALT - BALABANOVA MD,TANIA	53511	20
BALT - BALABANOVA MD,TANIA	53512	1
BALT - BALABANOVA MD,TANIA	53520	1
BALT - BALABANOVA MD,TANIA	53525	1
BALT - BALABANOVA MD,TANIA	53545	1
BALT - BALABANOVA MD,TANIA	53546	3
BALT - BALABANOVA MD,TANIA	53548	3
BALT - BALABANOVA MD,TANIA	61072	2
BALT - BALABANOVA MD,TANIA	61107	1
BALT - BALABANOVA MD,TANIA	61115	1
		34

December 3, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am an anesthesiologist.

Attached is a profile of my outpatient cases by zip code of resident patient origin for the last two years (2011 and 2012). My cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with Stateline Anesthesia. In 2012, I personally performed 52 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 52 or 100 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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80C BMH ASTC CON  
12/12/2013

Appendix 2  
Physician Attestation Letters and Data

In this regard, I propose to relocate at least 47 outpatient cases, or approximately 90 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Mohiuddin Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	0	47	0	52	47

I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
December 3, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,



MOHAMMED MOHIUDDIN, MD  
ANESTHESIOLOGIST

Subscribed and sworn to before me this 4<sup>th</sup> day of December, 2013.



NOTARY PUBLIC

My commission: Expires 7-26-15

Enclosure: Dr. Mohiuddin Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

<b>PHYSICIAN</b>	<b>ZIP</b>	<b>#</b>
MOHM - MOHIUDDIN MD,MOHAMMED	53114	2
MOHM - MOHIUDDIN MD,MOHAMMED	53511	23
MOHM - MOHIUDDIN MD,MOHAMMED	53525	2
MOHM - MOHIUDDIN MD,MOHAMMED	53542	3
MOHM - MOHIUDDIN MD,MOHAMMED	53546	4
MOHM - MOHIUDDIN MD,MOHAMMED	53576	2
MOHM - MOHIUDDIN MD,MOHAMMED	59102	2
MOHM - MOHIUDDIN MD,MOHAMMED	61072	1
MOHM - MOHIUDDIN MD,MOHAMMED	61073	1
MOHM - MOHIUDDIN MD,MOHAMMED	61109	1
MOHM - MOHIUDDIN MD,MOHAMMED	61111	2
MOHM - MOHIUDDIN MD,MOHAMMED	61115	1
MOHM - MOHIUDDIN MD,MOHAMMED	91752	3
		47

2012 Cases By  
Zip Code

Physician	Zip code	#
MOHM - MOHIUDDIN MD,MOHAMMED	53115	3
MOHM - MOHIUDDIN MD,MOHAMMED	53511	29
MOHM - MOHIUDDIN MD,MOHAMMED	53525	5
MOHM - MOHIUDDIN MD,MOHAMMED	53542	2
MOHM - MOHIUDDIN MD,MOHAMMED	53546	1
MOHM - MOHIUDDIN MD,MOHAMMED	61011	1
MOHM - MOHIUDDIN MD,MOHAMMED	61073	1
MOHM - MOHIUDDIN MD,MOHAMMED	61080	4
MOHM - MOHIUDDIN MD,MOHAMMED	61107	2
MOHM - MOHIUDDIN MD,MOHAMMED	61115	1
MOHM - MOHIUDDIN MD,MOHAMMED	89005	3
		52



December 4, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a gynecologist.

Attached is a profile of my total outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 139 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 81 or 58 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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Beloit, WI • (608) 363-7510

80C BMH ASTC CON  
12/12/2013

Appendix 2  
Physician Attestation Letters and Data

In this regard, I propose to relocate at least 20 outpatient surgery cases, or approximately 25 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Bhaskar Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	0	72	0	81	20

I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
December 4, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,



DAVID BHASKAR, MD  
GYNECOLOGY

Subscribed and sworn to before me this 4th day of December, 2013.

  
NOTARY PUBLIC  
My commission: expires 3/22/2015

Enclosure: Dr. Bhaskar Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
BHAD - BHASKAR MD,DAVID R	53511	47
BHAD - BHASKAR MD,DAVID R	53512	1
BHAD - BHASKAR MD,DAVID R	53525	1
BHAD - BHASKAR MD,DAVID R	53545	1
BHAD - BHASKAR MD,DAVID R	53546	3
BHAD - BHASKAR MD,DAVID R	53548	4
BHAD - BHASKAR MD,DAVID R	53549	1
BHAD - BHASKAR MD,DAVID R	60033	1
BHAD - BHASKAR MD,DAVID R	61065	1
BHAD - BHASKAR MD,DAVID R	61072	3
BHAD - BHASKAR MD,DAVID R	61073	4
BHAD - BHASKAR MD,DAVID R	61080	4
BHAD - BHASKAR MD,DAVID R	61115	1
		72

2012 Cases By  
Zip Code

Physician	Zip code	#
BHAD - BHASKAR MD,DAVID R	53511	61
BHAD - BHASKAR MD,DAVID R	53525	4
BHAD - BHASKAR MD,DAVID R	53534	1
BHAD - BHASKAR MD,DAVID R	53536	1
BHAD - BHASKAR MD,DAVID R	53545	1
BHAD - BHASKAR MD,DAVID R	53546	4
BHAD - BHASKAR MD,DAVID R	53548	2
BHAD - BHASKAR MD,DAVID R	53576	1
BHAD - BHASKAR MD,DAVID R	61073	3
BHAD - BHASKAR MD,DAVID R	61080	2
BHAD - BHASKAR MD,DAVID R	61115	1
		81

December 4, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a gynecologist.

Attached is a profile of my total outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 257 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 172 or 67 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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**West Side Clinic**  
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80C BMH ASTC CON  
12/12/2013

Appendix 2  
Physician Attestation Letters and Data

In this regard, I propose to relocate at least 86 outpatient surgery cases, or approximately 50 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Tan Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	0	164	0	172	86

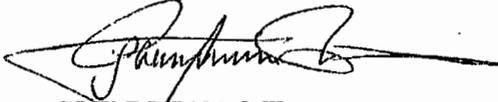
I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
December 4, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,



GLENN TAN, MD  
GYNECOLOGY

Subscribed and sworn to before me this 4th day of December, 2013.



NOTARY PUBLIC  
My commission: expires 3/22/2015

Enclosure: Dr. Tan Patient Origin Zip Code Profile, 2011 and 2012

2012 Cases By  
Zip Code

Physician	Zip code	#
TANG - TAN MD,GLENN	29223	1
TANG - TAN MD,GLENN	49048	1
TANG - TAN MD,GLENN	53502	1
TANG - TAN MD,GLENN	53505	1
TANG - TAN MD,GLENN	53511	109
TANG - TAN MD,GLENN	53520	2
TANG - TAN MD,GLENN	53525	8
TANG - TAN MD,GLENN	53545	7
TANG - TAN MD,GLENN	53546	8
TANG - TAN MD,GLENN	53548	3
TANG - TAN MD,GLENN	53576	3
TANG - TAN MD,GLENN	53716	1
TANG - TAN MD,GLENN	61008	1
TANG - TAN MD,GLENN	61012	1
TANG - TAN MD,GLENN	61020	1
TANG - TAN MD,GLENN	61072	11
TANG - TAN MD,GLENN	61073	1
TANG - TAN MD,GLENN	61080	8
TANG - TAN MD,GLENN	61108	1
TANG - TAN MD,GLENN	61115	2
TANG - TAN MD,GLENN	63021	1
		172

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
TANG - TAN MD,GLENN	53114	1
TANG - TAN MD,GLENN	53115	4
TANG - TAN MD,GLENN	53125	1
TANG - TAN MD,GLENN	53184	1
TANG - TAN MD,GLENN	53511	106
TANG - TAN MD,GLENN	53512	1
TANG - TAN MD,GLENN	53520	2
TANG - TAN MD,GLENN	53522	0
TANG - TAN MD,GLENN	53525	7
TANG - TAN MD,GLENN	53536	2
TANG - TAN MD,GLENN	53545	4
TANG - TAN MD,GLENN	53546	11
TANG - TAN MD,GLENN	53548	2
TANG - TAN MD,GLENN	53576	1
TANG - TAN MD,GLENN	54660	1
TANG - TAN MD,GLENN	61024	2
TANG - TAN MD,GLENN	61072	5
TANG - TAN MD,GLENN	61073	9
TANG - TAN MD,GLENN	61080	3
TANG - TAN MD,GLENN	61107	1
		164

December 4, 2013

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

Re: Physician Referral Attestation Letter  
Non-Hospital Based Ambulatory Surgical Treatment Center (ASTC)  
NorthPointe Health and Wellness Center, Roscoe, IL  
Beloit Health System/Beloit Memorial Hospital

Dear Ms. Avery:

This letter is in response to the new Section 1110.1540 review criteria for Illinois ASTCs. It describes the current origin of my patients by zip code, and provides the volume of those cases I anticipate seeing in the proposed NorthPointe ASTC. I am a gynecologist.

Attached is a profile of my total outpatient surgical cases by zip code of resident patient origin for the last two years (2011 and 2012). My surgical cases are performed exclusively at Beloit Memorial Hospital.

I am a board certified physician with the Beloit Clinic, with offices in Beloit and Roscoe, Illinois (the NorthPointe Health and Wellness Campus). In 2012, I personally performed 143 total inpatient and outpatient cases as profiled in the attached patient origin information; approximately 76 or 53 percent, were outpatient cases.

Beloit Health System and Beloit Memorial Hospital propose to relocate a majority of its outpatient surgical and GI laboratory caseload now performed at Beloit Memorial Hospital into the proposed new NorthPointe ASTC in order to focus its current hospital-based surgical facilities on inpatient cases, and provide more convenient access to a highly-effective and efficient ASTC program proposed for the NorthPointe campus.

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80C BMH ASTC CON  
12/12/2013

Appendix 2  
Physician Attestation Letters and Data

In this regard, I propose to relocate at least 20 outpatient surgery cases, or approximately 26 percent of my current caseload to NorthPointe on opening of the proposed new ASTC. The greatest majority of my patients reside in Wisconsin, but are within 45 minutes travel time of the NorthPointe Health and Wellness Campus.

Dr. Albert Case Allocation Based on 2011 and 2012 Volume

Facility	Total				Outpatient referred cases within 24 months of opening, 2016
	2011 Cases		2012 Cases		
	Inpatient	Outpatient	Inpatient	Outpatient	2018 outpatient cases to NorthPointe are:
Beloit Memorial Hospital	64	80	67	76	20

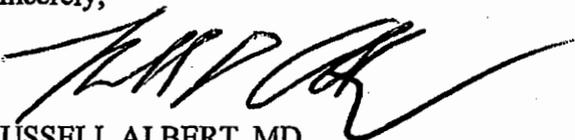
I expect my surgical cases and volume will increase because there is growth in those age cohorts requiring surgical or procedural interventions, but am unsure of the actual volume, so my referral cases in 2018 are conservative. To the best of my knowledge, the patients I will refer will be primarily from Wisconsin and the defined service area, which is within 45 minutes of the NorthPointe Health and Wellness Campus.

I am writing in support of the new proposed multi-specialty ASTC at NorthPointe. I believe that making outpatient surgical services more accessible and affordable in an ASTC will improve overall patient care and be responsive to health system development/healthcare transformation as embodied in the Affordable Care Act. Having services available in a dedicated ASTC, patients will experience less discomfort, be seen more quickly, and will have improved safety and outcomes.

Physician Referral Attestation Letter  
Beloit Health System/Beloit Memorial Hospital  
December 4, 2013  
Page Three

The information in this letter and its attachments is true and accurate to the best of my knowledge.

Sincerely,



RUSSELL ALBERT, MD  
GYNECOLOGY

Subscribed and sworn to before me this 4th day of December, 2013.



NOTARY PUBLIC

My commission: expires 3/22/2015

Enclosure: Dr. Albert Patient Origin Zip Code Profile, 2011 and 2012

2011 Outpatient Cases by  
Zip Code

PHYSICIAN	ZIP	#
ALBR - ALBERT MD,RUSSELL	53115	2
ALBR - ALBERT MD,RUSSELL	53121	1
ALBR - ALBERT MD,RUSSELL	53511	48
ALBR - ALBERT MD,RUSSELL	53525	2
ALBR - ALBERT MD,RUSSELL	53536	2
ALBR - ALBERT MD,RUSSELL	53545	5
ALBR - ALBERT MD,RUSSELL	53546	4
ALBR - ALBERT MD,RUSSELL	53548	1
ALBR - ALBERT MD,RUSSELL	53563	1
ALBR - ALBERT MD,RUSSELL	54467	1
ALBR - ALBERT MD,RUSSELL	54971	1
ALBR - ALBERT MD,RUSSELL	61072	2
ALBR - ALBERT MD,RUSSELL	61073	1
ALBR - ALBERT MD,RUSSELL	61080	4
ALBR - ALBERT MD,RUSSELL	61103	1
ALBR - ALBERT MD,RUSSELL	61108	1
ALBR - ALBERT MD,RUSSELL	61111	1
ALBR - ALBERT MD,RUSSELL	72396	0
		80

2012 Cases By  
Zip Code

Physician	Zip code	#
ALBR - ALBERT MD,RUSSELL	53121	1
ALBR - ALBERT MD,RUSSELL	53190	1
ALBR - ALBERT MD,RUSSELL	53502	2
ALBR - ALBERT MD,RUSSELL	53511	35
ALBR - ALBERT MD,RUSSELL	53520	3
ALBR - ALBERT MD,RUSSELL	53525	5
ALBR - ALBERT MD,RUSSELL	53537	2
ALBR - ALBERT MD,RUSSELL	53545	2
ALBR - ALBERT MD,RUSSELL	53546	8
ALBR - ALBERT MD,RUSSELL	53548	2
ALBR - ALBERT MD,RUSSELL	53563	2
ALBR - ALBERT MD,RUSSELL	53576	1
ALBR - ALBERT MD,RUSSELL	61072	1
ALBR - ALBERT MD,RUSSELL	61073	2
ALBR - ALBERT MD,RUSSELL	61080	8
ALBR - ALBERT MD,RUSSELL	61107	1
		76

Facilities within 45 Minutes Travel of the NorthPointe Proposed ASTC

Facility	Address	City	Zip	MapQuest	
				Distance (Mi.)	Time (Min.)
NorthPointe Health and Wellness Campus	5605 East Rockton Road	Roscoe	61703	--	--
Rockford Ambulatory Surgery Center	1016 Featherstone Road	Rockford	61107	14.66	18
St. Anthony Medical Center	5666 E. State Street	Rockford	61108	16.27	19
Rockford Orthopedic Center	346 Roxbury Road	Rockford	61107	16.35	20
Rockford Endoscopy Center	401 Roxbury Road	Rockford	61107	16.54	20
Rockford Memorial Hospital	2400 North Rockton Avenue	Rockford	61103	14.21	23
Swedish American Hospital *	1401 East State Street	Rockford	61104	15.39	25
Swedish American Medical Center	1625 S. State Street	Belvidere	61008	22.94	26
Mercy Harvard Memorial Hospital	901 Grant Street	Harvard	60033	23.81	34
Rochelle Community Hospital	900 North 2nd Street	Rochelle	61068	40.99	43

Source: MapQuest.com as of October 24, 2013

\* Note: A single impact letter was sent to Swedish American Hospital in compliance with the impact letter requirements within the State Agency rules. A single letter was sent in that Swedish American is a local system. The impact letter response indicated considerations for both facilities.

Beloit Memorial Hospital  
NorthPointe ASTC Impact Letter Mailing List

1. Mercy Harvard Memorial Hospital  
901 South Grant Street  
Harvard, Illinois  
  
Jeni Hallatt, Administrator
2. St. Anthony Medical Center  
5666 East State Street  
Rockford, Illinois  
  
David Schertz, Administrator
3. Swedish American Hospital  
1401 East State Street  
Rockford, Illinois  
  
Kathleen Kelly, MD., Administrator
4. Rockford Memorial Hospital  
2400 North Rockton Avenue  
Rockford, Illinois  
  
Gary Kaatz, Administrator
5. Rochelle Community Hospital  
900 North Second Street  
Rochelle, Illinois  
  
Mark J. Batty, Administrator
6. Rockford Orthopedic Surgery Center  
346 Roxbury Road  
Rockford, Illinois 61107  
  
Don Schreiner, Administrator

7. Rockford Endoscopy Center  
401 Roxbury Road  
Rockford, Illinois 61107

Nancy Garry, Administrator

8. Rockford Ambulatory Surgery Center  
1016 Featherstone Road  
Rockford, Illinois 61107

Dr. Steven Gunderson, Administrator



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www.BeloitHealthSystem.org

November 11, 2013

VIA FEDERAL EXPRESS

Jeni Hallatt, Vice President  
Mercy Harvard Memorial Hospital  
901 South Grant Street  
Harvard, IL 60033

RE: Impact Letter Request  
ASTC Establishment  
NorthPointe Health and Wellness Campus

Dear Ms. Hallatt:

Beloit Health System, which includes Beloit Memorial Hospital, Beloit Clinic, and its NorthPointe Health and Wellness Campus, Roscoe, Illinois, is contemplating the establishment of a multi-specialty non-hospital based ambulatory surgical treatment center (ASTC) on its NorthPointe Campus. The ASTC is planned to have two surgical suites and two procedure rooms.

Our current hospital facilities were constructed in the late 1960's as an inpatient facility. Over the years we have adapted the Hospital to respond to outpatient care delivery trends and programs, but our basic facilities were designed to accommodate an inpatient care model. Most recently, we have been analyzing how best to accommodate an ambulatory surgery program within our inpatient chassis and have determined the least costly approach is to develop a separate ASTC program on our NorthPointe Campus to allow current Hospital surgical facilities to more efficiently serve primarily an inpatient surgical program. An ASTC at NorthPointe will assist our System to respond to healthcare delivery trends and inevitable health system transformation.

In consultation with our medical staff, the respective physicians who wish to relocate cases to NorthPointe have determined approximately 3,550 surgical and procedural cases could be transferred or relocated from Beloit Memorial Hospital to our NorthPointe Health and Wellness Campus ASTC, which is approximately 10 miles from the Hospital Campus. This case load is approximately 48 percent of Beloit Memorial Hospital's 2012 surgical and procedural center utilization.

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Jeni Hallatt, Vice President  
Mercy Harvard Memorial Hospital  
November 11, 2013  
Page 2 of 2

The physicians are in the process of completing necessary physician referral and attestation letters to comply with Illinois Health Facility and Services Review Board (IHFSRB) criteria for establishing an ASTC. Our analysis indicates their relocated outpatient cases could support the establishment of two surgical suites and two procedure rooms on the NorthPointe Campus. If our subsequent Permit Application is approved by the IHFSRB, we anticipate opening the proposed ASTC in the latter part of 2015.

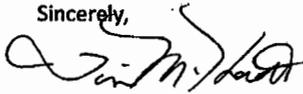
Pursuant to 77 Ill Adm. Code 1110.1540, Beloit Health System is obligated to seek impact letters from those hospitals with ambulatory surgery programs and also from existing ASTC's within a 45-minute travel time from our NorthPointe Campus. This letter requests such input.

Because we are relocating existing surgery and procedure room cases from Beloit Memorial Hospital to an expanded NorthPointe facility, we believe there will be minimal to no impact on existing ambulatory surgery programs in Illinois within a 45-minute travel time from NorthPointe.

We respectfully seek your support and request a response to this impact letter request within 15 days of receipt per IHFSRB rules.

Please contact me at 608/364-5685 if you have any questions. Your written response should be directed to Tim McKeveatt, President, at Beloit Health System, 1969 West Hart Road, Beloit, WI 53511.

Sincerely,



Timothy McKeveatt  
President



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November 11, 2013

**VIA FEDERAL EXPRESS**

David Schertz, CEO  
St. Anthony Medical Center  
5666 East State Street  
Rockford, IL 61108

**RE: Impact Letter Request  
ASTC Establishment  
NorthPointe Health and Wellness Campus**

Dear Mr. Schertz:

Beloit Health System, which includes Beloit Memorial Hospital, Beloit Clinic, and its NorthPointe Health and Wellness Campus, Roscoe, Illinois, is contemplating the establishment of a multi-specialty non-hospital based ambulatory surgical treatment center (ASTC) on its NorthPointe Campus. The ASTC is planned to have two surgical suites and two procedure rooms.

Our current hospital facilities were constructed in the late 1960's as an inpatient facility. Over the years we have adapted the Hospital to respond to outpatient care delivery trends and programs, but our basic facilities were designed to accommodate an inpatient care model. Most recently, we have been analyzing how best to accommodate an ambulatory surgery program within our inpatient chassis and have determined the least costly approach is to develop a separate ASTC program on our NorthPointe Campus to allow current Hospital surgical facilities to more efficiently serve primarily an inpatient surgical program. An ASTC at NorthPointe will assist our System to respond to healthcare delivery trends and inevitable health system transformation.

In consultation with our medical staff, the respective physicians who wish to relocate cases to NorthPointe have determined approximately 3,550 surgical and procedural cases could be transferred or relocated from Beloit Memorial Hospital to our NorthPointe Health and Wellness Campus ASTC, which is approximately 10 miles from the Hospital Campus. This case load is approximately 48 percent of Beloit Memorial Hospital's 2012 surgical and procedural center utilization.

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David Schertz, CEO  
St. Anthony Medical Center  
November 11, 2013  
Page 2 of 2

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Pursuant to 77 Ill Adm. Code 1110.1540, Beloit Health System is obligated to seek impact letters from those hospitals with ambulatory surgery programs and also from existing ASTC's within a 45-minute travel time from our NorthPointe Campus. This letter requests such input.

Because we are relocating existing surgery and procedure room cases from Beloit Memorial Hospital to an expanded NorthPointe facility, we believe there will be minimal to no impact on existing ambulatory surgery programs in Illinois within a 45-minute travel time from NorthPointe.

We respectfully seek your support and request a response to this impact letter request within 15 days of receipt per IHFSRB rules.

Please contact me at 608/364-5685 if you have any questions. Your written response should be directed to Tim McKeveatt, President, at Beloit Health System, 1969 West Hart Road, Beloit, WI 53511.

Sincerely,



Timothy McKeveatt  
President



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November 11, 2013

**VIA FEDERAL EXPRESS**

William R. Gorski, M.D.  
President & CEO  
SwedishAmerican Hospital  
1401 East State Street  
Rockford, IL 61104

RE: Impact Letter Request  
ASTC Establishment  
NorthPointe Health and Wellness Campus

Dear Dr. Gorski:

Beloit Health System, which includes Beloit Memorial Hospital, Beloit Clinic, and its NorthPointe Health and Wellness Campus, Roscoe, Illinois, is contemplating the establishment of a multi-specialty non-hospital based ambulatory surgical treatment center (ASTC) on its NorthPointe Campus. The ASTC is planned to have two surgical suites and two procedure rooms.

Our current hospital facilities were constructed in the late 1960's as an inpatient facility. Over the years we have adapted the Hospital to respond to outpatient care delivery trends and programs, but our basic facilities were designed to accommodate an inpatient care model. Most recently, we have been analyzing how best to accommodate an ambulatory surgery program within our inpatient chassis and have determined the least costly approach is to develop a separate ASTC program on our NorthPointe Campus to allow current Hospital surgical facilities to more efficiently serve primarily an inpatient surgical program. An ASTC at NorthPointe will assist our System to respond to healthcare delivery trends and inevitable health system transformation.

In consultation with our medical staff, the respective physicians who wish to relocate cases to NorthPointe have determined approximately 3,550 surgical and procedural cases could be transferred or relocated from Beloit Memorial Hospital to our NorthPointe Health and Wellness Campus ASTC, which is approximately 10 miles from the Hospital Campus. This case load is approximately 48 percent of Beloit Memorial Hospital's 2012 surgical and procedural center utilization.

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William R. Gorski, M.D.  
SwedishAmerican Hospital  
November 11, 2013  
Page 2 of 2

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Pursuant to 77 Ill Adm. Code 1110.1540, Beloit Health System is obligated to seek impact letters from those hospitals with ambulatory surgery programs and also from existing ASTC's within a 45-minute travel time from our NorthPointe Campus. This letter requests such input.

Because we are relocating existing surgery and procedure room cases from Beloit Memorial Hospital to an expanded NorthPointe facility, we believe there will be minimal to no impact on existing ambulatory surgery programs in Illinois within a 45-minute travel time from NorthPointe.

We respectfully seek your support and request a response to this impact letter request within 15 days of receipt per IHFSRB rules.

Please contact me at 608/364-5685 if you have any questions. Your written response should be directed to Tim McKeveatt, President, at Beloit Health System, 1969 West Hart Road, Beloit, WI 53511.

Sincerely,



Timothy McKeveatt  
President



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www.BeloitHealthSystem.org

November 11, 2013

**VIA FEDERAL EXPRESS**

Gary E. Kaatz, President & CEO  
Rockford Memorial Hospital  
2400 North Rockton Avenue  
Rockford, IL 61103

RE: Impact Letter Request  
ASTC Establishment  
NorthPointe Health and Wellness Campus

Dear Mr. Kaatz:

Beloit Health System, which includes Beloit Memorial Hospital, Beloit Clinic, and its NorthPointe Health and Wellness Campus, Roscoe, Illinois, is contemplating the establishment of a multi-specialty non-hospital based ambulatory surgical treatment center (ASTC) on its NorthPointe Campus. The ASTC is planned to have two surgical suites and two procedure rooms.

Our current hospital facilities were constructed in the late 1960's as an inpatient facility. Over the years we have adapted the Hospital to respond to outpatient care delivery trends and programs, but our basic facilities were designed to accommodate an inpatient care model. Most recently, we have been analyzing how best to accommodate an ambulatory surgery program within our inpatient chassis and have determined the least costly approach is to develop a separate ASTC program on our NorthPointe Campus to allow current Hospital surgical facilities to more efficiently serve primarily an inpatient surgical program. An ASTC at NorthPointe will assist our System to respond to healthcare delivery trends and inevitable health system transformation.

In consultation with our medical staff, the respective physicians who wish to relocate cases to NorthPointe have determined approximately 3,550 surgical and procedural cases could be transferred or relocated from Beloit Memorial Hospital to our NorthPointe Health and Wellness Campus ASTC, which is approximately 10 miles from the Hospital Campus. This case load is approximately 48 percent of Beloit Memorial Hospital's 2012 surgical and procedural center utilization.

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Gary E. Kaatz, President & CEO  
Rockford Memorial Hospital  
November 11, 2013  
Page 2 of 2

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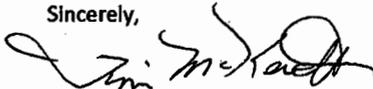
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Please contact me at 608/364-5685 if you have any questions. Your written response should be directed to Tim McKeveatt, President, at Beloit Health System, 1969 West Hart Road, Beloit, WI 53511.

Sincerely,



Timothy McKeveatt  
President



Operated by Beloit Memorial Hospital

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November 11, 2013

VIA FEDERAL EXPRESS

Mark J. Batty, CEO  
Rochelle Community Hospital  
900 North Second Street  
Rochelle, IL 61068

RE: Impact Letter Request  
ASTC Establishment  
NorthPointe Health and Wellness Campus

Dear Mr. Batty:

Beloit Health System, which includes Beloit Memorial Hospital, Beloit Clinic, and its NorthPointe Health and Wellness Campus, Roscoe, Illinois, is contemplating the establishment of a multi-specialty non-hospital based ambulatory surgical treatment center (ASTC) on its NorthPointe Campus. The ASTC is planned to have two surgical suites and two procedure rooms.

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Mark J. Batty, CEO  
Rochelle Community Hospital  
November 11, 2013  
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Please contact me at 608/364-5685 if you have any questions. Your written response should be directed to Tim McKeveatt, President, at Beloit Health System, 1969 West Hart Road, Beloit, WI 53511.

Sincerely,



Timothy McKeveatt  
President



Operated by Beloit Memorial Hospital

1969 West Hart Road • Beloit, Wisconsin 53511-2230 • (608) 364-5011  
www.BeloitHealthSystem.org

November 11, 2013

VIA FEDERAL EXPRESS

Don Schreiner, CEO  
Rockford Orthopedic Surgery Center  
324 Roxbury Road  
Rockford, IL 61107

RE: Impact Letter Request  
ASTC Establishment  
NorthPointe Health and Wellness Campus

Dear Mr. Schreiner:

Beloit Health System, which includes Beloit Memorial Hospital, Beloit Clinic, and its NorthPointe Health and Wellness Campus, Roscoe, Illinois, is contemplating the establishment of a multi-specialty non-hospital based ambulatory surgical treatment center (ASTC) on its NorthPointe Campus. The ASTC is planned to have two surgical suites and two procedure rooms.

Our current hospital facilities were constructed in the late 1960's as an inpatient facility. Over the years we have adapted the Hospital to respond to outpatient care delivery trends and programs, but our basic facilities were designed to accommodate an inpatient care model. Most recently, we have been analyzing how best to accommodate an ambulatory surgery program within our inpatient chassis and have determined the least costly approach is to develop a separate ASTC program on our NorthPointe Campus to allow current Hospital surgical facilities to more efficiently serve primarily an inpatient surgical program. An ASTC at NorthPointe will assist our System to respond to healthcare delivery trends and inevitable health system transformation.

In consultation with our medical staff, the respective physicians who wish to relocate cases to NorthPointe have determined approximately 3,550 surgical and procedural cases could be transferred or relocated from Beloit Memorial Hospital to our NorthPointe Health and Wellness Campus ASTC, which is approximately 10 miles from the Hospital Campus. This case load is approximately 48 percent of Beloit Memorial Hospital's 2012 surgical and procedural center utilization.

**At-Home Healthcare**  
1904 E. Huebbe Parkway  
Beloit, WI • (608) 363-5885

**Beloit Clinic**  
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Beloit, WI • (608) 364-2200

**Clinton Clinic**  
307 Ogden Avenue  
Clinton, WI • (608) 676-2206

**Darien Clinic**  
300 N. Walworth Street  
Darien, WI • (262) 882-1151

**Janesville Clinic**  
1321 Creston Park  
Janesville, WI • (608) 757-1217

**NorthPointe Health & Wellness Campus**  
5605 E. Rockton Road  
Roscoe, IL • (815) 525-4000

**NorthPointe Terrace**  
5601 E. Rockton Road  
Roscoe, IL • (815) 525-4800

**Occupational Health Sports & Family Medicine Center**  
1650 Lee Lane  
Beloit, WI • (608) 362-0211

**Riverside Terrace**  
3055 S. Riverside Dr.  
Beloit, WI • (608) 365-7222

**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510

Don Schreiner, CEO  
Rockford Orthopedic Surgery Center  
November 11, 2013  
Page 2 of 2

The physicians are in the process of completing necessary physician referral and attestation letters to comply with Illinois Health Facility and Services Review Board (IHFSRB) criteria for establishing an ASTC. Our analysis indicates their relocated outpatient cases could support the establishment of two surgical suites and two procedure rooms on the NorthPointe Campus. If our subsequent Permit Application is approved by the IHFSRB, we anticipate opening the proposed ASTC in the latter part of 2015.

Pursuant to 77 Ill Adm. Code 1110.1540, Beloit Health System is obligated to seek impact letters from those hospitals with ambulatory surgery programs and also from existing ASTC's within a 45-minute travel time from our NorthPointe Campus. This letter requests such input.

Because we are relocating existing surgery and procedure room cases from Beloit Memorial Hospital to an expanded NorthPointe facility, we believe there will be minimal to no impact on existing ambulatory surgery programs in Illinois within a 45-minute travel time from NorthPointe.

We respectfully seek your support and request a response to this impact letter request within 15 days of receipt per IHFSRB rules.

Please contact me at 608/364-5685 if you have any questions. Your written response should be directed to Tim McKeveitt, President, at Beloit Health System, 1969 West Hart Road, Beloit, WI 53511.

Sincerely,



Timothy McKeveitt  
President



Operated by Beloit Memorial Hospital

1969 West Hart Road • Beloit, Wisconsin 53511-2230 • (608) 364-5011  
www.BeloitHealthSystem.org

November 11, 2013

**VIA FEDERAL EXPRESS**

Nancy Garry, Administrator  
Rockford Endoscopy Center  
401 Roxbury Road  
Rockford, IL 61107

RE: Impact Letter Request  
ASTC Establishment  
NorthPointe Health and Wellness Campus

Dear Ms. Garry:

Beloit Health System, which includes Beloit Memorial Hospital, Beloit Clinic, and its NorthPointe Health and Wellness Campus, Roscoe, Illinois, is contemplating the establishment of a multi-specialty non-hospital based ambulatory surgical treatment center (ASTC) on its NorthPointe Campus. The ASTC is planned to have two surgical suites and two procedure rooms.

Our current hospital facilities were constructed in the late 1960's as an inpatient facility. Over the years we have adapted the Hospital to respond to outpatient care delivery trends and programs, but our basic facilities were designed to accommodate an inpatient care model. Most recently, we have been analyzing how best to accommodate an ambulatory surgery program within our inpatient chassis and have determined the least costly approach is to develop a separate ASTC program on our NorthPointe Campus to allow current Hospital surgical facilities to more efficiently serve primarily an inpatient surgical program. An ASTC at NorthPointe will assist our System to respond to healthcare delivery trends and inevitable health system transformation.

In consultation with our medical staff, the respective physicians who wish to relocate cases to NorthPointe have determined approximately 3,550 surgical and procedural cases could be transferred or relocated from Beloit Memorial Hospital to our NorthPointe Health and Wellness Campus ASTC, which is approximately 10 miles from the Hospital Campus. This case load is approximately 48 percent of Beloit Memorial Hospital's 2012 surgical and procedural center utilization.

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5601 E. Rockton Road  
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Beloit, WI • (608) 365-7222

**Beloit Clinic**  
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**Darien Clinic**  
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Beloit, WI • (608) 362-0211

**West Side Clinic**  
1735 Madison Road  
Beloit, WI • (608) 363-7510

Nancy Garry, Administrator  
Rockford Endoscopy Center  
November 11, 2013  
Page 2 of 2

The physicians are in the process of completing necessary physician referral and attestation letters to comply with Illinois Health Facility and Services Review Board (IHFSRB) criteria for establishing an ASTC. Our analysis indicates their relocated outpatient cases could support the establishment of two surgical suites and two procedure rooms on the NorthPointe Campus. If our subsequent Permit Application is approved by the IHFSRB, we anticipate opening the proposed ASTC in the latter part of 2015.

Pursuant to 77 Ill Adm. Code 1110.1540, Beloit Health System is obligated to seek impact letters from those hospitals with ambulatory surgery programs and also from existing ASTC's within a 45-minute travel time from our NorthPointe Campus. This letter requests such input.

Because we are relocating existing surgery and procedure room cases from Beloit Memorial Hospital to an expanded NorthPointe facility, we believe there will be minimal to no impact on existing ambulatory surgery programs in Illinois within a 45-minute travel time from NorthPointe.

We respectfully seek your support and request a response to this impact letter request within 15 days of receipt per IHFSRB rules.

Please contact me at 608/364-5685 if you have any questions. Your written response should be directed to Tim McKeveatt, President, at Beloit Health System, 1969 West Hart Road, Beloit, WI 53511.

Sincerely,



Timothy McKeveatt  
President



November 11, 2013

**VIA FEDERAL EXPRESS**

Steven Gunderson, D.O.  
CEO & Medical Director  
Rockford Ambulatory Surgery Center  
1016 Featherstone Road  
Rockford, IL 61107

RE: Impact Letter Request  
ASTC Establishment  
NorthPointe Health and Wellness Campus

Dear Dr. Gunderson:

Beloit Health System, which includes Beloit Memorial Hospital, Beloit Clinic, and its NorthPointe Health and Wellness Campus, Roscoe, Illinois, is contemplating the establishment of a multi-specialty non-hospital based ambulatory surgical treatment center (ASTC) on its NorthPointe Campus. The ASTC is planned to have two surgical suites and two procedure rooms.

Our current hospital facilities were constructed in the late 1960's as an inpatient facility. Over the years we have adapted the Hospital to respond to outpatient care delivery trends and programs, but our basic facilities were designed to accommodate an inpatient care model. Most recently, we have been analyzing how best to accommodate an ambulatory surgery program within our inpatient chassis and have determined the least costly approach is to develop a separate ASTC program on our NorthPointe Campus to allow current Hospital surgical facilities to more efficiently serve primarily an inpatient surgical program. An ASTC at NorthPointe will assist our System to respond to healthcare delivery trends and inevitable health system transformation.

In consultation with our medical staff, the respective physicians who wish to relocate cases to NorthPointe have determined approximately 3,550 surgical and procedural cases could be transferred or relocated from Beloit Memorial Hospital to our NorthPointe Health and Wellness Campus ASTC, which is approximately 10 miles from the Hospital Campus. This case load is approximately 48 percent of Beloit Memorial Hospital's 2012 surgical and procedural center utilization.

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**Beloit Clinic**  
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Beloit, WI • (608) 364-2200

**Clinton Clinic**  
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Clinton, WI • (608) 676-2206

**Darien Clinic**  
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**Janesville Clinic**  
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Janesville, WI • (608) 757-1217

**NorthPointe Health & Wellness Campus**  
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Roscoe, IL • (815) 525-4000

**NorthPointe Terrace**  
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**West Side Clinic**  
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Beloit, WI • (608) 363-7510

Steven Gunderson, D.O.  
Rockford Ambulatory Surgery Center  
November 11, 2013  
Page 2 of 2

The physicians are in the process of completing necessary physician referral and attestation letters to comply with Illinois Health Facility and Services Review Board (IHFSRB) criteria for establishing an ASTC. Our analysis indicates their relocated outpatient cases could support the establishment of two surgical suites and two procedure rooms on the NorthPointe Campus. If our subsequent Permit Application is approved by the IHFSRB, we anticipate opening the proposed ASTC in the latter part of 2015.

Pursuant to 77 Ill Adm. Code 1110.1540, Beloit Health System is obligated to seek impact letters from those hospitals with ambulatory surgery programs and also from existing ASTC's within a 45-minute travel time from our NorthPointe Campus. This letter requests such input.

Because we are relocating existing surgery and procedure room cases from Beloit Memorial Hospital to an expanded NorthPointe facility, we believe there will be minimal to no impact on existing ambulatory surgery programs in Illinois within a 45-minute travel time from NorthPointe.

We respectfully seek your support and request a response to this impact letter request within 15 days of receipt per IHFSRB rules.

Please contact me at 608/364-5685 if you have any questions. Your written response should be directed to Tim McKeveatt, President, at Beloit Health System, 1969 West Hart Road, Beloit, WI 53511.

Sincerely,



Timothy McKeveatt  
President

## Impact Letter Receipts

1. Mercy Harvard Memorial Hospital  
901 South Grant Street  
Harvard, Illinois

Jeni Hallatt, Administrator

2. St. Anthony Medical Center  
5666 East State Street  
Rockford, Illinois

David Schertz, Administrator

3. Swedish American Hospital  
1401 East State Street  
Rockford, Illinois

Kathleen Kelly, MD., Administrator

4. Rockford Memorial Hospital  
2400 North Rockton Avenue  
Rockford, Illinois

Gary Kaatz, Administrator

5. Rochelle Community Hospital  
900 North Second Street  
Rochelle, Illinois

Mark J. Batty, Administrator

6. Rockford Orthopedic Surgery Center  
346 Roxbury Road  
Rockford, Illinois 61107

Don Schreiner, Administrator

7. Rockford Endoscopy Center  
401 Roxbury Road  
Rockford, Illinois 61107

Nancy Garry, Administrator

8. Rockford Ambulatory Surgery Center  
1016 Featherstone Road  
Rockford, Illinois 61107

Dr. Steven Gunderson, Administrator



FedEx Tracking Number 8619 9008 4396

Form 40 No.

0215

SCH12

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1 From Please print and print legible  
 Date 11/11/13 Sender's FedEx Account Number 1077-3285-3  
 Sender's Name Jason Dotson Phone (608) 364-2227  
for Tim McKeveitt  
 Company BELOIT CLINIC  
 Address 1905 HUEBBE PKWY  
 City BELOIT State WI ZIP 53511-1842

2 Your Internal Billing Reference OPTICAL

3 To Recipient's Name Jeni Hallatt Phone 815,9435431  
 Company Mercy Harvard Memorial Hosp.  
 Recipient's Address 901 South Grant St.  
 City Harvard State IL ZIP 60033  
 0369727527

4a Express Package Service  
 FedEx Priority Overnight  
 FedEx Standard Overnight  
 FedEx 2Day  
 FedEx Express Saver

4b Express Freight Service  
 FedEx 1Day Freight  
 FedEx 2Day Freight  
 FedEx 3Day Freight

5 Packaging  
 FedEx Envelope  
 FedEx Pak  
 FedEx Box  
 FedEx Tube  
 Other

6 Special Handling  
 SATURDAY Delivery  
 HOLD Weekday at FedEx Location  
 HOLD Saturday at FedEx Location  
 No  
 Yes  
 Yes  
 Dry Ice  
 Cargo Aircraft Only

7 Payment Bill Me  
 Sender's Account  
 Recipient  
 Third Party  
 Credit Card  
 Cash/Check

FedEx Acct. No. / Credit Card No.	Total Packages	Total Weight	Total Declared Value*
			\$ <u>0</u> .00

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November 12, 2013

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Tracking number:	861990084396	Ship date:	Nov 11, 2013
		Weight:	0.5 lbs/0.2 kg
Recipient:	IL US	Shipper:	BELOIT, WI US

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Company BELOIT CLINIC  
Address 1905 HUEBBE PKWY  
City BELOIT State WI ZIP 53511-1842

**2 Your Internal Billing Reference** OPTIONAL

**3 To**  
Recipient's Name David Schertz Phone 815, 226-2000  
Company St. Anthony Medical Ctr.  
Address 5144 East State Street  
City Rockford State IL ZIP 61108  
0369727527

**4a Express Package Service**  
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 FedEx Express Saver  
 FedEx 2Day  
 FedEx 2Day Freight

**4b Express Freight Service**  
 FedEx 1Day Freight  
 FedEx 2Day Freight  
 FedEx 3Day Freight

**5 Packaging**  
 FedEx Envelope  
 FedEx Pak  
 FedEx Box  
 FedEx Tube  
 Other

**6 Special Handling**  
 SATURDAY Delivery  
 HOLD Weekday  
 HOLD Saturday  
 Dry Ice  
 Fragile  
 Signature Required

**7 Payment** Bill to:  
 Sender  
 Recipient  
 Third Party  
 Credit Card  
 Cash/Check

Total Packages: 1 Total Weight: 0.5 Total Declared Value: \$ 00

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Service type:	FedEx Priority Overnight	Delivery date:	Nov 12, 2013 09:25
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	Direct Signature Required		

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 Sender's Name Jason Dotson for Tim McKevitt Phone 609 364-2227  
 Company BELOIT CLINIC  
 Address 1905 HUEBBE PKWY  
 City BELOIT State WI ZIP 53511-1842

2 Your Internal Billing Reference  
 Rec'd characters will appear on invoice.

3 To Recipient's Name William Gorski, MD Phone 815,968,4400  
 Company Swedish American Hospital  
 Recipient's Address 1401 East State Street  
 City Rockford State IL ZIP 61104

4a Express Package Service  
 FedEx Priority Overnight  
 FedEx Standard Overnight  
 FedEx First Overnight  
 FedEx 2Day  
 FedEx Express Saver  
 FedEx 1Day Freight  
 FedEx 2Day Freight  
 FedEx 3Day Freight

4b Express Freight Service  
 FedEx 1Day Freight  
 FedEx 2Day Freight  
 FedEx 3Day Freight

5 Packaging  
 FedEx Envelope  
 FedEx Pak  
 FedEx Box  
 FedEx Tube  
 Other

6 Special Handling  
 SATURDAY Delivery  
 HOLD Weekday at FedEx Location  
 HOLD Saturday at FedEx Location  
 No  
 Yes  
 Yes  
 No  
 Yes  
 No

7 Payment Bill to:  
 Sender  
 Recipient  
 Third Party  
 Credit Card  
 Cash/Check

Total Packages 1  
 Total Weight 1  
 Total Declared Value \$ 0.00

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	Direct Signature Required		

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Shipping Information:			
Tracking number:	861990084411	Ship date:	Nov 11, 2013
		Weight:	0.5 lbs/0.2 kg

Recipient: IL US  
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**1 From** Please print and print last.  
Date 11/11/13 Sender's FedEx Account Number 1077-3285-3  
Sender's Name Tason Dotson Phone (608) 364-2227  
for Tim Mckevett  
Company BELOIT CLINIC  
Address 1905 HUERBE PKWY  
City BELOIT State WI ZIP 53511-1842

**2 Your Internal Billing Reference** OPT104AL

**3 To**  
Recipient's Name Gary Kaatz Phone 815, 971-5000  
Company Rockford Memorial Hospital  
Address 2400 North Rockton Ave  
City Rockford State IL ZIP 61103  
0369727527

**4a Express Package Service**  
 FedEx Priority Overnight  
 FedEx Standard Overnight  
 FedEx Express Saver  
 FedEx 2Day  
 FedEx 2Day Freight

**4b Express Freight Service**  
 FedEx 1Day Freight  
 FedEx 2Day Freight

**5 Packaging**  
 FedEx Envelope  
 FedEx Pak  
 FedEx Box  
 FedEx Tube  
 Other

**6 Special Handling**  
 SATURDAY Delivery  
 HOLD Weekday at FedEx Location  
 HOLD Saturday at FedEx Location  
 No Dry Ice  
 Yes As per attached Shipper's Declaration  
 Yes Shipper's Declaration not required

**7 Payment Method**  
 Sender  
 Recipient  
 Third Party  
 Credit Card  
 Cash/Check

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Signed for by:	S.MITCHELL	Delivery location:	IL
Service type:	FedEx Priority Overnight	Delivery date:	Nov 12, 2013 09:43
Special Handling:	Deliver Weekday		
	Direct Signature Required		

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Shipping Information:			
Tracking number:	861990084422	Ship date:	Nov 11, 2013
		Weight:	0.5 lbs/0.2 kg
Recipient:	IL US	Shipper:	BELOIT, WI US

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**1 From** means price and discount  
Date **11/11/13** Sender's FedEx Account Number **1077-3285-3**  
Sender's Name **Jason Dotson** Phone **608 364-2227**  
**FOR TIM MCKEVITT**  
Company **BELOIT CLINIC**  
Address **1905 HUEBBE PKWY**  
City **BELOIT** State **WI** ZIP **53511-1842**

**2 Your Internal Billing Reference** First 24 characters will appear on invoice. **OPTIONAL**

**3 To**  
Recipient's Name **Mark Batty** Phone **815 562-2781**  
Company **Rochelle Community Hospital**  
Recipient's Address **900 North Second St.**  
City **Rochelle** State **IL** ZIP **61068**  
0369727527

**4a Express Package Service**  
 FedEx Priority Overnight Next business morning\* Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  FedEx Standard Overnight Next business afternoon, Saturday Delivery NOT available.  FedEx First Overnight Earliest next business morning delivery to select locations, Saturday Delivery NOT available.  
 FedEx 2Day Second business day\*\* Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  FedEx Express Saver Third business day\*\* Saturday Delivery NOT available.

**4b Express Freight Service**  
 FedEx 1Day Freight\* Next business day\*\* Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  FedEx 2Day Freight Second business day\*\* Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  FedEx 3Day Freight Third business day\*\* Saturday Delivery NOT available.

**5 Packaging**  
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**6 Special Handling**  
 SATURDAY Delivery FedEx Standard Overnight, FedEx First Overnight, FedEx Express Saver, or FedEx 2Day Freight.  HOLD Weekday at FedEx Location FedEx First Overnight, FedEx Express Saver, or FedEx 2Day Freight.  HOLD Saturday at FedEx Location FedEx Priority Overnight and FedEx 2Day Delivery to select locations.  
Does this shipment contain dangerous goods?  
 No  Yes As per attached Shipper's Declaration and required.  Yes Shipper's Declaration not required.  Dry Ice Dry Ice, 6 UN 1845  Cargo Aircraft Only

**7 Payment** Enter FedEx Acct. No. or Credit Card No. below.  
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November 12, 2013

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Special Handling:	Deliver Weekday		
	Direct Signature Required		

Signature Image is available. In order to view image and detailed information, the shipper or payor account number of the shipment must be provided.

Shipping Information:			
Tracking number:	861990084477	Ship date:	Nov 11, 2013
		Weight:	0.5 lbs/0.2 kg
Recipient:	IL US	Shipper:	BELOIT, WI US

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SCH12

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Sender's Name **Jason Nelson** Phone **(608) 364-2227**  
**for Tim McKeveff**  
Company **BELOIT CLINIC**  
Address **1905 HUEBBE PKWY**  
City **BELOIT** State **WI** ZIP **53511-1842**

**2 Your Internal Billing Reference** OPTIONAL

**3 To**  
Recipient Name **Don Schreiner** Phone **(815) 398-9491**  
Company **Rockford Orthopedic Surgery Ctr**  
Recipient's Address **3416 Roxbury Rd.**  
City **Rockford** State **IL** ZIP **61107**

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**4a Express Package Service**  
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 FedEx Express Saver  
\*To meet location

**4b Express Freight Service**  
 FedEx 1Day Freight  
 FedEx 2Day Freight  
 FedEx 3Day Freight  
\*To meet location

**5 Packaging**  
 FedEx Envelope  
 FedEx Pak  
 FedEx Box  
 FedEx Tube  
 Other

**6 Special Handling**  
 SATURDAY Delivery  
 HOLD Weekday at FedEx Location  
 HOLD Saturday at FedEx Location  
Does this shipment contain dangerous goods?  
 No  Yes  Yes  Dry Ice  Cargo Aircraft Only

**7 Payment Bill to:** Enter FedEx Acct. No. or Credit Card No. below.  
 Sender  Recipient  Third Party  Credit Card  Cash/Check

Total Packages: **1** Total Weight: **0.5** Total Declared Value: **\$ 0.00**

**8 Residential Delivery Signature Options**  
 No Signature Required  
 Direct Signature  
 Indirect Signature

**519**

**FedEx**

November 12, 2013  
Dear Customer:  
The following is the proof-of-delivery for tracking number 861990084444.

Delivery Information:			
Status:	Delivered	Delivered to:	Shipping/Receiving
Signed for by:	M.OWENS	Delivery location:	IL
Service type:	FedEx Priority Overnight	Delivery date:	Nov 12, 2013 09:50
Special Handling:	Deliver Weekday		
	Direct Signature Required		

Signature image is available. In order to view image and detailed information, the shipper or payor account number of the shipment must be provided.

Shipping Information:			
Tracking number:	861990084444	Ship date:	Nov 11, 2013
		Weight:	0.5 lbs/0.2 kg
Recipient:	IL US	Shipper:	BELOIT, WI US

Thank you for choosing FedEx.

# FedEx Express US Airbill

FedEx Tracking Number **8619 9008 4455**

Form ID No. **0215**

SHIP TO  
Santitas Hwy

**1 FROM** Please print and paste here  
 Date 11/11/13 Sender's FedEx Account Number 1077-3285-3  
 Sender's Name Jason Dotson Phone 608 364-2227  
for Tim McKeveatt  
 Company BELOIT CLINIC  
 Address 1905 HUEBBE PKWY  
Dept./Floor/Suite/Room  
 City BELOIT State WI ZIP 53511-1842

**2 Your Internal Billing Reference** First 34 characters will appear on invoice  
 OPTIONAL

**3 TO**  
 Recipient's Name Nancy Garry Phone 815 397-7340  
 Company Rockford Endoscopy Center  
 Recipient's Address 44 Roxbury Rd.  
We cannot deliver to P.O. boxes or P.O. ZIP codes.  
Dept./Floor/Suite/Room  
 Address  
To request a package be held at a specific FedEx location, print FedEx address here.  
 City Rockford State IL ZIP 61107  
 0369727527

 **Schedule a pickup at fedex.com**  
 Simplify your shipping. Manage your account. Access all the tools you need.

**4a Express Package Service**  
 FedEx Priority Overnight Next business day\*\*  
 FedEx Standard Overnight Next business day\*\*  
 FedEx 2Day Second business day\*\*  
 FedEx Express Saver Third business day\*\*  
\* Call for Confirmation

**4b Express Freight Service**  
 FedEx 1Day Freight\* Next business day\*\*  
 FedEx 2Day Freight Second business day\*\*  
 Packages over 150 lbs. FedEx First Overnight, FedEx Next Business Morning, Saturday Delivery NOT available.

**5 Packaging**  
 FedEx Envelope\*  FedEx Pak\*  FedEx Box  FedEx Tube  Other  
\* Declared value limit \$500

**6 Special Handling**  
 SATURDAY Delivery Next business day\*\*  
 HOLD Weekday at FedEx Location Next business day\*\*  
 HOLD Saturday at FedEx Location Next business day\*\*  
 No  Yes  Dry Ice  Cargo Aircraft Only  
Does this shipment contain dangerous goods? (See back for restrictions)

**7 Payment** Enter FedEx Acct. No. or Credit Card No. below.  
 Sender  Recipient  Third Party  Credit Card  Cash/Check

FedEx Acct. No. / Credit Card No. Est. Date  
 Total Packages 1 Total Weight 0.5 Total Declared Value\* \$ 00

**8 Residential Delivery Signature Options** If you require a signature, check Direct or Indirect.  
 No Signature Required  Direct Signature  Indirect Signature

**519**  
Rev. Date 10/06/Part #0227-0194-S20 FedEx PRINTED IN U.S.A./S20



November 12, 2013

Dear Customer:

The following is the proof-of-delivery for tracking number 861990084455.

Delivery Information:			
Status:	Delivered	Delivered to:	Receptionist/Front Desk
Signed for by:	P.HYLAND	Delivery location:	IL
Service type:	FedEx Priority Overnight	Delivery date:	Nov 12, 2013 09:38
Special Handling:	Deliver Weekday		
	Direct Signature Required		

Signature image is available. In order to view image and detailed information, the shipper or payor account number of the shipment must be provided.

Shipping Information:			
Tracking number:	861990084455	Ship date:	Nov 11, 2013
		Weight:	0.5 lbs/0.2 kg
Recipient:	IL US	Shipper:	BELOIT, WI US

Thank you for choosing FedEx.

# FedEx. US Airbill

Express

FedEx Tracking Number **8619 9008 4466**

Form No. **0215** SCH12  
 Sender's Copy

**1 From** Please print and press hard  
 Date 11/11/13 Sender's FedEx Account Number 1077-3285-3  
 Sender's Name Jason Dotson Phone (608) 364-2227  
For Tim McKeveff  
 Company BELOIT CLINIC  
 Address 1905 HUEBBE PKWY  
 City BELOIT State WI ZIP 53511-1842

**2 Your Internal Billing Reference** OPTIONAL

**3 To**  
 Recipient's Name Dr. Steven Gunderson Phone (815) 226-3300  
 Company Rockford Ambulatory Surgery Center  
 Recipient's Address 1016 Featherstone Rd.  
 City Rockford State IL ZIP 61107  
 0369727527

**4a Express Package Service**  
 FedEx Priority Overnight Next business morning. \*Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  
 FedEx 2Day Second business day. \*Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  
 FedEx Standard Overnight Next business afternoon. Saturday Delivery NOT available.  
 FedEx Express Saver Third business day. Saturday Delivery NOT available.

**4b Express Freight Service**  
 FedEx 1Day Freight Next business day. \*Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  
 FedEx 2Day Freight Second business day. \*Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  
 FedEx 3Day Freight Third business day. Saturday Delivery NOT available.

**5 Packaging**  
 FedEx Envelope\*  FedEx Pak\*  FedEx Box  FedEx Tube  Other  
\*Declared value \$50-\$250

**6 Special Handling**  
 SATURDAY Delivery NOT Available for FedEx Standard Overnight, FedEx First Overnight, FedEx Express Saver, or FedEx 2Day Freight.  
 HOLD Weekday at FedEx Location NOT Available for FedEx Priority Overnight and FedEx 2Day to select locations.  
 HOLD Saturday at FedEx Location Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations.  
 No  Yes As per attached Shipper's Declaration  Yes Shipper's Declaration not required.  Dry Ice Day Ice, IL UN 1945  Cargo Aircraft Only  
Dangerous goods including dry ice cannot be shipped in FedEx packaging.

**7 Payment** Bill to:  Sender  Recipient  Third Party  Credit Card  Cash/Check

Total Packages	Total Weight	Total Declared Value <sup>1</sup>
1	1	\$ .00

**8 Residential Delivery Signature Options** If you require a signature, check Direct or Indirect.

No Signature Required  Direct Signature Signature at recipient's address; pay sign for delivery fee.  Indirect Signature If any one is available at recipient's address, someone at a neighboring address may sign for delivery, or equivalent. **519**

 Store your addresses at fedex.com  
 Simplify your shipping. Manage your account. Access all the tools you need.



November 12, 2013  
 Dear Customer:  
 The following is the proof-of-delivery for tracking number 861990084466.

Delivery Information:			
Status:	Delivered	Delivered to:	Receptionist/Front Desk
Signed for by:	B. JOHNSON	Delivery location:	IL
Service type:	FedEx Priority Overnight	Delivery date:	Nov 12, 2013 09:46
Special Handling:	Deliver Weekday		
	Direct Signature Required		

Signature image is available. In order to view image and detailed information, the shipper or payor account number of the shipment must be provided.

Shipping Information:			
Tracking number:	861990084466	Ship date:	Nov 11, 2013
		Weight:	0.5 lbs/0.2 kg
Recipient:	IL US	Shipper:	BELOIT, WI US

Thank you for choosing FedEx.

Beloit Health System ASTC CON Permit Application  
Table of Contents

Section	Description	Page Number(s)
I	Applicant Information and Contacts	1 – 3
I	Operating License	5 – 6
I	Narrative	8
I	Support Letters	9 – 30
I	Project Costs and Sources of Funds	31
I	Facility Bed Capacity and Surgical Utilization	34 – 38
I	Certification Page	39
	Index to Attachments	40
<b>Attachments</b>		
1	Applicant/Co-applicant Identification including Certificate of Good Standing	41 - 43
2	Site Ownership	44 – 48
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	52 – 54
5	Flood Plain Requirements	55 – 57
6	Historic Preservation Act Requirements	58 – 59
7	Project and Sources of Funds Itemization	60 – 72
9	Cost Space Requirements	74 – 75
11	Background of the Applicant	76 – 84
12	Purpose of the Project	85 – 113
13	Alternatives to the Project	114 – 130
14	Size of the Project	131 – 137
15	Project Service Utilization	138 – 142
16	Unfinished or Shell Space	143
17	Assurances for Unfinished/Shell Space	144 – 146
27	Non-Hospital Based Ambulatory Surgery	147 – 187
34	Clinical Service Areas Other than Categories of Service	188 – 192
36	Availability of Funds	193 – 196
37	Financial Waiver	197
38	Financial Viability	198
39	Economic Feasibility	199 – 204
40	Safety Net Impact Statement	205 – 208
41	Charity Care Information	209 – 211
	Audited Financials	212 – 275
Appendix 1	MapQuest Drive Time	276 – 293
Appendix 2	Physician Referral Attestation Letters and Data	294 – 401
Appendix 3	Impact Letters and Delivery Documentation	402 – 430