

Original

13-073

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

DEC 23 2013

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name: Adventist La Grange Memorial Hospital		
Street Address: 5101 South Willow Springs Road		
City and Zip Code: La Grange IL 60525		
County: Cook	Health Service Area: 07	Health Planning Area: 04

Applicant /Co-Applicant Identification

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

Exact Legal Name: Adventist Health System/Sunbelt, Inc. d/b/a Adventist La Grange Memorial Hospital	
Address: 5101 South Willow Springs Road, La Grange IL 60525	
Name of Registered Agent: Anne Herman	
Name of Chief Executive Officer: Lary A. Davis	
CEO Address: 5101 South Willow Springs Road, La Grange IL 60525	
Telephone Number: 708-245-6001	

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: Cristina R. Moyer
Title: Regional Director, Planning and Market Intelligence
Company Name: Adventist Midwest Health
Address: 120 North Oak Street, Hinsdale IL 60521
Telephone Number: 630-856-2350
E-mail Address: cristina.moyer@ahss.org
Fax Number: 630-655-3324

Additional Contact

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

Name: Michael I. Copelin
Title: President
Company Name: Copelin Consulting
Address: 42 Birch Lake Drive, Sherman IL 62684
Telephone Number: 217-496-3712
E-mail Address: micbball@aol.com
Fax Number: 217-496-3097

Post Permit Contact

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

Name:	Cristina R. Moyer
Title:	Regional Director, Planning and Market Intelligence
Company Name:	Adventist Midwest Health
Address:	120 North Oak Street, Hinsdale IL 60521
Telephone Number:	630-856-2350
E-mail Address:	cristina.moyer@ahss.org
Fax Number:	630-655-3324

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Adventist Health System/Sunbelt, Inc.
Address of Site Owner:	900 Hope Way, Altamonte Springs FL 32714
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 ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Operating Identity/Licensee

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

Exact Legal Name:	Adventist La Grange Memorial Hospital		
Address:	5101 South Willow Springs Road, La Grange IL 60525		
<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"> 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.			

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification:

- 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.

The proposed project is for the establishment of a 16-bed, Rehabilitation service at Adventist La Grange Memorial Hospital (ALMH) located at 5101 S. Willow Springs Rd, in La Grange.

The unit will replace the discontinued Rehabilitation services at its sister hospital, Adventist Hinsdale Hospital (AHH), located only 2.5 miles away at 120 N. Oak St, in Hinsdale. The proposed project is contingent on the approval of the discontinuation of services at Adventist Hinsdale Hospital.

The proposed project at Adventist La Grange Memorial Hospital will convert an existing, unoccupied, Medical/Surgical unit into a Rehabilitation unit that includes a fully built apartment to help prepare patients for their return to home, a larger therapy gym and ADA-compliant rooms and bathrooms. The total gross square footage is 15,969. The total cost for this project is \$2,260,392.

This is a substantive project based on the fact that it involves an establishment of a category of service.

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

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 non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.		
Estimated start-up costs and operating deficit cost is \$ <u>\$1,837,000</u> .		

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:	
<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>February 28, 2015</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.	
APPEND DOCUMENTATION AS <u>ATTACHMENT-8</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

State Agency Submittals

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

Cost Space Requirements

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							
APPEND DOCUMENTATION AS <u>ATTACHMENT-9</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

Facility Bed Capacity and Utilization

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

FACILITY NAME: Adventist La Grange Memorial Hospital		CITY: La Grange, IL			
REPORTING PERIOD DATES: From: January 1, 2012 to: December 31, 2012					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	165	6,431	28,681	-24	141
Obstetrics	13	556	1,363	0	13
Pediatrics					
Intensive Care	27	1,495	7,473	0	27
Comprehensive Physical Rehabilitation	0	0	0	+16	16
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:	205	8,482	37,517	-8	197

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

Adventist Health System/Sunbelt, Inc. d/b/a Adventist La Grange Memorial Hospital *

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.

David L. Crane

SIGNATURE

David L. Crane

PRINTED NAME

Vice President

PRINTED TITLE

Thomas J. Williams

SIGNATURE

Thomas J. Williams

PRINTED NAME

Assistant Secretary

PRINTED TITLE

Notarization:

Subscribed and sworn to before me this 26 day of November 2013

Notarization:

Subscribed and sworn to before me this 26 day of November 2013

Mary L. Pirc

Signature of Notary

Seal



*Insert EXACT legal name of the applicant

Mary L. Pirc

Signature of Notary

Seal



SECTION II. DISCONTINUATION

This Section is applicable to any project that involves discontinuation of a health care facility or a category of service. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 60 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility will not have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.
3. Provide copies of impact statements received from other resources or health care facilities located within 45 minutes travel time, that indicate the extent to which the applicant's workload will be absorbed without conditions, limitations or discrimination.

APPEND DOCUMENTATION AS ATTACHMENT-10, 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.

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.

ALTERNATIVES

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

Alternative options **must** include:

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

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

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

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

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

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

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

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

UNFINISHED OR SHELL SPACE:

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

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

ASSURANCES:

Submit the following:

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

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

B. Criterion 1110.630 - Comprehensive Physical Rehabilitation

1. Applicants proposing to establish, expand and/or modernize Comprehensive Physical Rehabilitation category of service must submit the following information:
2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input checked="" type="checkbox"/> Comprehensive Physical Rehabilitation	0	16

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.630(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.630(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.630(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.630(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.630(b)(5) - Planning Area Need - Service Accessibility	X		
1110.630(c)(1) - Unnecessary Duplication of Services	X		
1110.630(c)(2) - Maldistribution	X		
1110.630(c)(3) - Impact of Project on Other Area Providers	X		
1110.630(d)(1) - Deteriorated Facilities			X
1110.630(d)(2) - Documentation			X
1110.630(d)(3) - Documentation Related to Cited Problems			X
1110.630(d)(4) - Occupancy			X
1110.630(e)(1) and (2) - Staffing	X	X	
1110.630(e)(2) - Personnel Qualifications	X		
1110.630(f) - Performance Requirements	X	X	X
1110.630(g) - Assurances	X	X	X
APPEND DOCUMENTATION AS ATTACHMENT-21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

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

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

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

_____	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: <ol style="list-style-type: none"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
TOTAL FUNDS AVAILABLE		

APPEND DOCUMENTATION AS ATTACHMENT-36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

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

Financial Viability Waiver

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.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

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

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service. \$391 per patient day

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. \$70 per patient day

APPEND DOCUMENTATION AS ATTACHMENT -39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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			
Total			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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.

20



To all to whom these Presents Shall Come, Greeting:

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

ADVENTIST HEALTH SYSTEM/SUNBELT, INC., INCORPORATED IN FLORIDA AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON APRIL 28, 1997, 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 30TH
day of SEPTEMBER A.D. 2013 .*

Jesse White

Authentication #: 1327301970

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

SECRETARY OF STATE

Attachment 1

(21)



November 21, 2013

Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

I hereby attest that Adventist Health System, Sunbelt/Inc. is the owner of the Adventist La Grange Memorial Hospital site located at 5101 South Willow Springs Road in La Grange, Illinois.

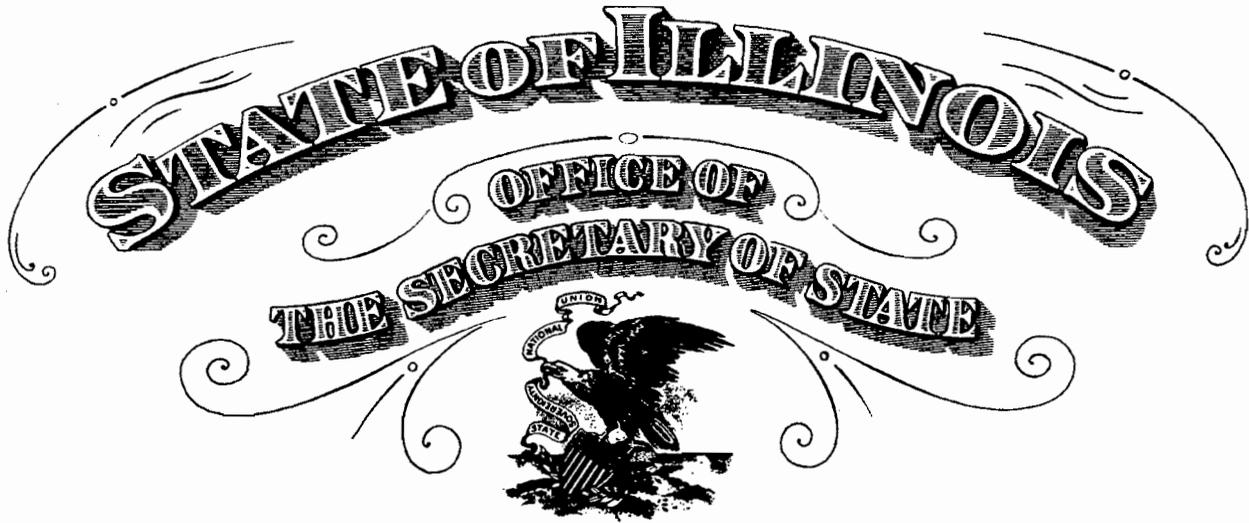
Please let me know if you need any additional information.

Sincerely,

David L. Crane
David L. Crane

Mary L. Pirc
Notary Public
November 21, 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

ADVENTIST HEALTH SYSTEM/SUNBELT, INC., INCORPORATED IN FLORIDA AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON APRIL 28, 1997, 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 30TH
day of SEPTEMBER A.D. 2013 .*

Jesse White

Authentication #: 1327301970

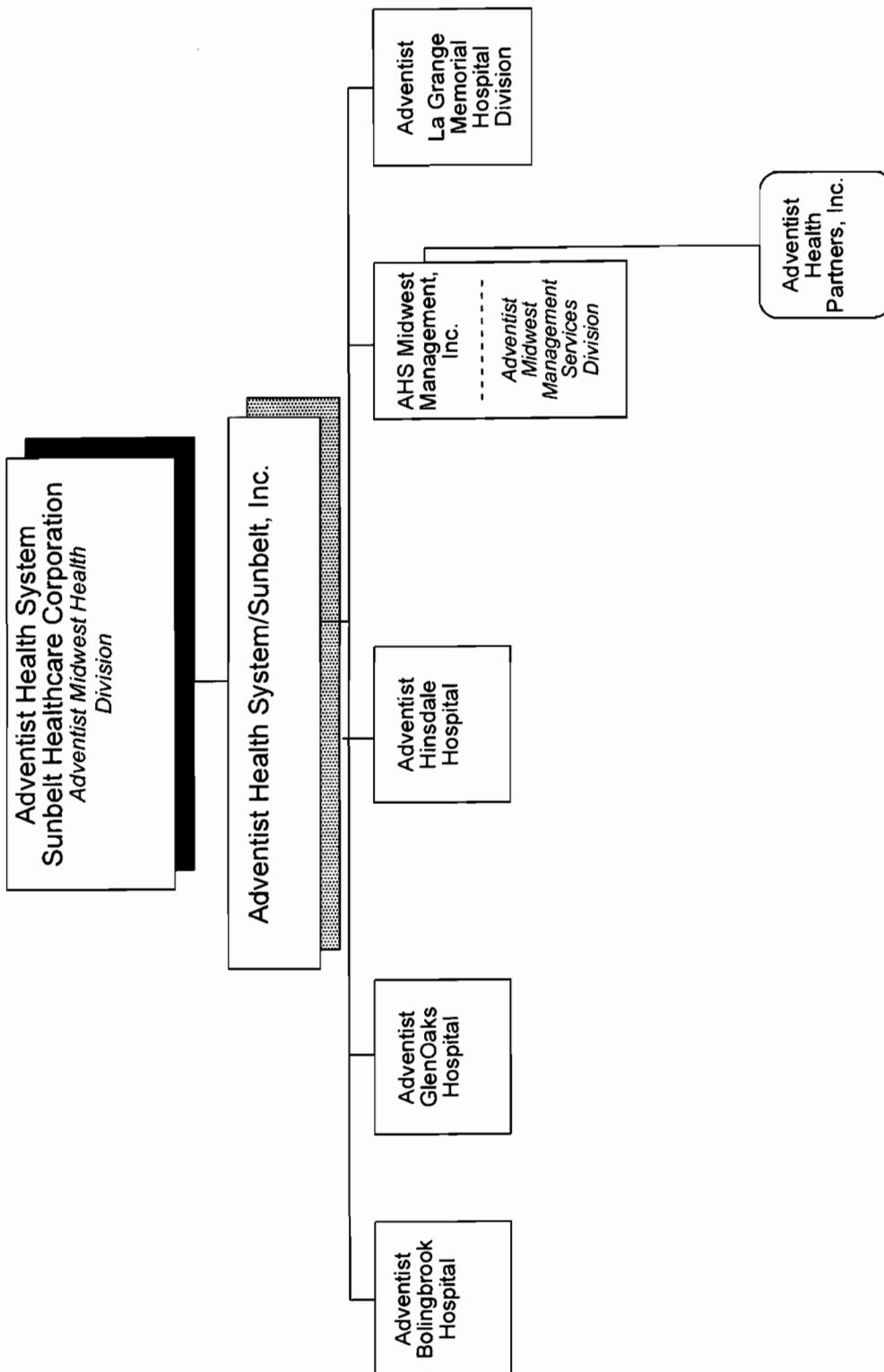
Authenticate at: <http://www.cyberdriveillinois.com>

SECRETARY OF STATE

Attachment 3

23

**Adventist Midwest Health
Organization Chart – December 2013**



MAP SCALE 1" = 500'

0 500 1000 FEET

0 500 1000 METERS

NFP

PANEL 0467J

FIRM
FLOOD INSURANCE RATE MAP
COOK COUNTY,
ILLINOIS
AND INCORPORATED AREAS

PANEL 467 OF 832
 (SEE MAP INDEX FOR FIRM PANEL LAYOUT)

COMMUNITY	NUMBER	PANEL	SUFFIX
COOK COUNTY	170054	0467	J
COUNTRYSIDE, CITY OF	170079	0467	J
HINSDALE, VILLAGE OF	170106	0467	J
LA GRANGE, VILLAGE OF	170114	0467	J
WESTERN SPRINGS, VILLAGE OF	170171	0467	J

CONTAINS:

Notice to User: The Map Number shown below should be used when placing map orders; the Community Number shown above should be used on insurance applications for the subject community.

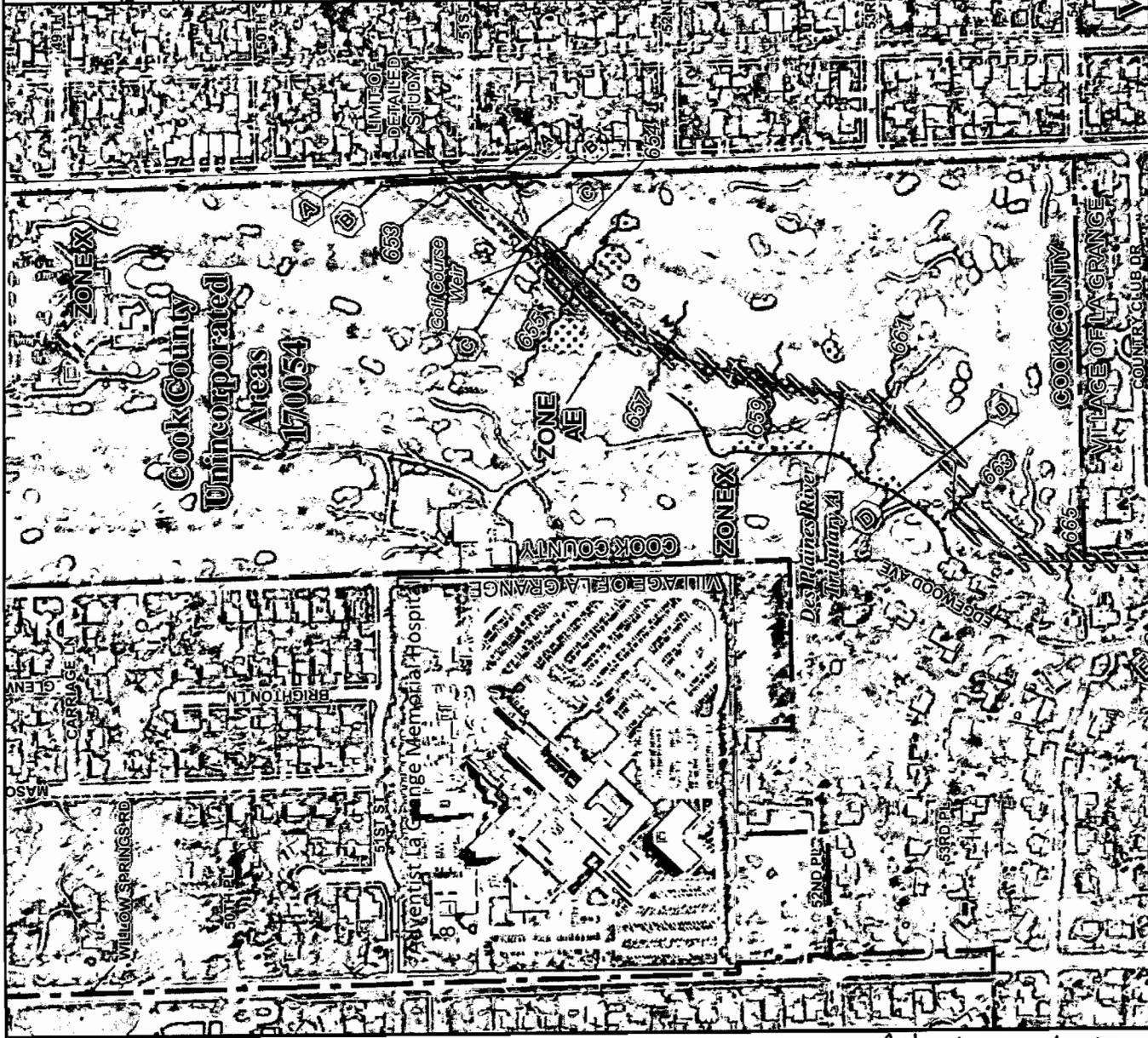
DEPARTMENT OF LANDS AND FORESTRY

MAP NUMBER
17031C0467J

MAP REVISED
AUGUST 19, 2008

Federal Emergency Management Agency

NATIONAL FLOOD INSURANCE PROGRAM



This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov



**Illinois Historic
Preservation Agency**

1 Old State Capitol Plaza, Springfield, IL 62701-1512

FAX (217) 782-8161

www.illinoishistory.gov

Cook County
LaGrange

CON - Establish a Rehabilitation Unit at Adventist LaGrange Memorial Hospital
5101 Willow Springs Road
IHPA Log #017120213

December 11, 2013

Cristina Moyer
Adventist Midwest Health
120 N. Oak St.
Hinsdale, IL 60521-3829

Dear Ms. Moyer:

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

Anne E. Haaker
Deputy State Historic
Preservation Officer

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			\$ -
Site Survey and Soil Investigation			\$ -
Site Preparation			\$ -
Off Site Work			\$ -
New Construction Contracts			\$ -
Modernization Contracts	\$ 1,336,268	\$ 208,274	\$ 1,544,542
Contingencies	\$ 126,396	\$ 28,604	\$ 155,000
Architectural/Engineering Fees	\$ 100,790	\$ 22,810	\$ 123,600
Consulting and Other Fees	\$ -	\$ 87,250	\$ 87,250
Movable or Other Equipment (not in construction contracts)	\$ 350,000	\$ -	\$ 350,000
Bond Issuance Expense (project related)			\$ -
Net Interest Expense During Construction (project related)			\$ -
Fair Market Value of Leased Space or Equipment			\$ -
Other Costs To Be Capitalized	\$ -		
Acquisition of Building or Other Property (excluding land)	\$ -	\$ -	\$ -
TOTAL USES OF FUNDS	\$ 1,913,454	\$ 346,938	\$ 2,260,392
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$ 1,913,454	\$ 346,938	\$ 2,260,392
Pledges	\$ -	\$ -	\$ -
Gifts and Bequests	\$ -	\$ -	\$ -
Bond Issues (project related)	\$ -	\$ -	\$ -
Mortgages	\$ -	\$ -	\$ -
Leases (fair market value)*		\$ -	\$ -
Governmental Appropriations	\$ -	\$ -	\$ -
Grants	\$ -	\$ -	\$ -
Other Funds and Sources	\$ -	\$ -	\$ -
TOTAL SOURCES OF FUNDS	\$ 1,913,454	\$ 346,938	\$ 2,260,392
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Project Status and Completion Schedules

The project will be obligated after the permit is issued.

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Acute Rehabilitation Unit	\$ 1,336,268	-	13,022		5,057	7,965	
Total Clinical=	\$ 1,336,268	-	13,022		5,057	7,965	
NON-REVIEWABLE							
Public circulation lobby/waiting/toilet	\$ 35,000		1,235		175	1,060	
Shafts	\$ -		294		0	294	
Shared Locker/Lounge/Education	\$ -		300		0	300	
Offices	\$ 49,698		450		251	199	
Storage	\$ 123,576		668		542	126	
Total Non-clinical=	\$ 208,274	-	2,947		968	1,979	-
TOTAL=	\$ 1,544,542	-	15,969	0	6,025	9,944	-

Discontinuation

Not applicable.



Adventist
La Grange Memorial Hospital
Keeping you well

December 2, 2013

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

Dear Ms. Avery:

Please accept this letter as attestation that neither Adventist La Grange Memorial Hospital, nor any facility owned by Adventist La Grange Memorial Hospital has been the recipient of any adverse actions taken by IDPH or DHHS during the past three years.

Furthermore, the Illinois Health Facilities Planning Board and/or its staff is herein granted authorization to review the records of Adventist La Grange Memorial Hospital and its affiliated organizations as related to licensure and certification.

Also, on February 5, 2013 Adventist Hinsdale Hospital and Adventist La Grange Memorial Hospital received a permit for project no. 12-078, Adventist Cancer Institute. I certify that no changes have occurred regarding the information that was previously provided.

Sincerely

A handwritten signature in cursive script that reads "Lary A. Davis".

Lary A. Davis
Chief Executive Officer

Attachment 11

31

**ADVENTIST HEALTH SYSTEM –MIDWEST REGION
FACILITY INFORMATION**

Facilities Covered Under This Agreement:	Address & General Phone Number	Claims Payment Address Phone Number	Facility's Tax ID Number & TIN Name
HINSDALE			
Adventist Hinsdale Hospital	120 N. Oak Street Hinsdale, IL 60521 (630) 856-9000	Adventist Hinsdale Hospital 33835 Treasury Center Chicago, IL 60694-3800 (630) 856-8400	36-2276984 Adventist Hinsdale Hospital NPI# 1265465439 (GAC) NPI# 1710907175 (Rehab) NPI# 1447270780 (Psych)
Adventist Hinsdale Hospital Outpatient Imaging Center - Hinsdale	908 N. Elm Street, Suite 404 Hinsdale, IL 60521 (630) 323-9729	Adventist Hinsdale Hospital 33835 Treasury Center Chicago, IL 60694-3800 (630) 856-8400	36-2276984 Adventist Hinsdale Hospital
Adventist Health Care at Home	5101 Willow Springs Road La Grange, IL 60525 Ph (708) 245-6901 Fax (708) 245-6919	Health Care at Home 18501 Murdock Circle, Ste 501 Port Charlotte, FL 33948-1065 PH: (941) 255-9296 FX: (941) 255-9297	36-2276984 Adventist Hinsdale Hospital NPI# 1457397317
Adventist St. Thomas Hospice	119 E. Ogden Av., Suite 111 Hinsdale, IL 60521 (630) 856-6990	Adventist St. Thomas Hospice 18501 Murdock Circle, Ste 501 Port Charlotte, FL 33948-1065 PH: (941) 255-9296 FX: (941) 255-9297	36-2276984 Adventist Hinsdale Hospital NPI# 1821020132
Adventist Hinsdale Hospital New Day Center	Brush Hill Office Court 740 Pasquinelli Dr., Suite 104 Westmont, IL 60559 (630) 856-7701	Adventist Hinsdale Hospital 33835 Treasury Center Chicago, IL 60694-3800 (630) 856-8400	36-2276984 Adventist Hinsdale Hospital
Adventist Hinsdale Hospital O.P.T.I.O.N.S.	Brush Hill Office Court 740 Pasquinelli Dr., Suite 104 Westmont, IL 60559 (630) 856-7717	Adventist Hinsdale Hospital 33835 Treasury Center Chicago, IL 60694-3800 (630) 856-8400	36-2276984 Adventist Hinsdale Hospital
Adventist Paulson Center	120 N. Oak Street Hinsdale, IL 60521 (630) 856-7900	Adventist Hinsdale Hospital 33835 Treasury Center Chicago, IL 60694-3800 (630) 856-8473	36-2276984 Adventist Hinsdale Hospital
Adventist Hinsdale Hospital Outpatient Imaging Center - Westmont	6311 South Cass Avenue Westmont, IL 60559 (630) 856-4060	Adventist Hinsdale Hospital 33835 Treasury Center Chicago, IL 60694-3800 (630) 856-8400	36-2276984 Adventist Hinsdale Hospital
Adventist Heart and Vascular	11 Salt Creek Lane Hinsdale, IL 60521 Phone (630) 789-3422 Fax (630) 789-9093	Adventist Hinsdale Hospital 33835 Treasury Center Chicago, IL 60694-3800 (630) 856-8400	Tax-ID # 362276984
BOLINGBROOK			
Adventist Bolingbrook Hospital	500 Remington Blvd. Bolingbrook, IL 60440 (630) 312-5000	Adventist Bolingbrook Hospital 39537 Treasury Center Chicago, IL 60694-3800 (630) 856-8400	65-1219504 Adventist Bolingbrook Hospital NPI# 1164530465
Adventist Plainfield Imaging & Outpatient Center	15720 South Route 59 Plainfield, Illinois 60544 (815) 436-8831 ext. 210	Adventist Bolingbrook Hospital 39537 Treasury Center Chicago, IL 60694-3800 (630) 856-8400	65-1219504 Adventist Bolingbrook Hospital NPI# 1164530465

LA GRANGE			
Adventist La Grange Memorial Hospital	5101 Willow Springs Road La Grange, IL 60525 (708) 245-9000	Adventist La Grange Hospital 33866 Treasury Center Chicago, IL 60694-3800 (630) 856-8400	36-4257550 Adventist Health System/Sunbelt, Inc. d/b/a Adventist La Grange Memorial Hospital NPI# 1407889652 (GAC)
Adventist La Grange Treatment Pavillon	1325 Memorial Drive La Grange, IL 60525 (708) 579-3200	Adventist La Grange Hospital 33866 Treasury Center Chicago, IL 60694-3800	36-4257550 Adventist Health System/Sunbelt, Inc. d/b/a Adventist La Grange Memorial Hospital
Adventist Paulson Outpatient Rehab Network	5101 Willow Springs Drive La Grange, IL 60525 (708) 245-7900 420 Medical Center Drive, Suite 135 Bolingbrook, IL 60440 (630) 312-5900 222 E. Ogden Avenue Hinsdale, IL 60521 (630) 856-2600 619 Plainfield Road Willowbrook, IL 60514 (630) 856-8200	Adventist La Grange Hospital 33866 Treasury Center Chicago, IL 60694-3800 Adventist Bolingbrook Hospital 39537 Treasury Center Chicago, IL 60694-3800 Adventist Hinsdale Hospital 33835 Treasury Center Chicago, IL 60694-3800 Adventist La Grange Hospital 33866 Treasury Center Chicago, IL 60694-3800	36-4257550 d/b/a Adventist La Grange Mem. Hospital 65-1219504 Adventist Bolingbrook Hospital 36-2276984 Adventist Hinsdale Hospital 36-4257550 d/b/a Adventist La Grange Mem. Hospital
GLENOAKS			
Adventist GlenOaks Hospital	701 Winthrop Avenue Glendale Heights, IL 60139 (630) 545-8000	Adventist GlenOaks Hospital 33850 Treasury Center Chicago, IL 60694-3800 (630) 856-8400	36-3208390 Adventist GlenOaks Hospital NPI# 1760415939 (GAC) NPI# 1477572949 (Psych)
GlenOaks Sport, Spine and Physical Rehabilitation	303 East Army Trail Road Bloomington, IL 60108 (630) 894-0606	Adventist GlenOaks Hospital 33850 Treasury Center Chicago, IL 60694-3800	36-3208390 Adventist GlenOaks Hospital
WISCONSIN			
Chippewa Valley Hospital	1220 Third Avenue, West Durand, WI 54736 (715) 672-4211	P.O. Box 224 1220 Third Avenue, West Durand, WI 54736	39-1365168 NPI# 1194737817 (CAH) NPI# 1659471068 (Urgent Care) NPI# 1285747519 (Swing Bed)
Oakview Care Center	1220 Third Avenue, West Durand, WI 54736 (715) 672-4211	P.O. Box 224 1220 Third Avenue, West Durand, WI 54736	39-1365168 NPI# 1093828329 (Skilled Nsg Services)

December 2011

Attachment 11 33

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION →

State of Illinois 2114568
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION
 ADVENTIST LA GRANGE MEMORIAL HOSPITAL

EXPIRATION DATE 01/31/14	CATEGORY D3DB	ID NUMBER 0005017
-----------------------------	------------------	----------------------

FULL LICENSE
 GENERAL HOSPITAL
 EFFECTIVE: 02/01/13

12/13/12
 ADVENTIST LA GRANGE MEMORIAL HOSP
 5101 SOUTH WILLOW SPRINGS ROAD
 LA GRANGE IL 60525

FEE RECEIPT NO.

State of Illinois 2114568
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA MAR HASBROUCK, MD, MPH
 DIRECTOR

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

EXPIRATION DATE 01/31/14	CATEGORY D3DB	ID NUMBER 0005017
-----------------------------	------------------	----------------------

FULL LICENSE
 GENERAL HOSPITAL
 EFFECTIVE: 02/01/13

BUSINESS ADDRESS

ADVENTIST LA GRANGE MEMORIAL HOSPITAL
 5101 SOUTH WILLOW SPRINGS ROAD
 LA GRANGE IL 60525

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/97 •

Attachment 11

(34)

Adventist La Grange Memorial Hospital

La Grange, IL

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

February 3, 2012

Accreditation is customarily valid for up to 36 months.

Handwritten signature of Isabel V. Hoverman in black ink.

Isabel V. Hoverman, MD, MACP
Chair, Board of Commissioners

Organization ID #: 7370
Print/Reprint Date: 05/15/12

Handwritten signature of Mark R. Chassin in black ink.

Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



This reproduction of the original accreditation certificate has been issued for use in regulatory/payer agency verification of accreditation by The Joint Commission. Please consult Quality Check on The Joint Commission's website to confirm the organization's current accreditation status and for a listing of the organization's locations of care.

Attachment 11

35



State of Illinois 2114494

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA HAR HASBROUCK, MD, MPH
DIRECTOR

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

EXPIRATION DATE	CATEGORY	ID NUMBER
12/31/13	BGBD	0000976
FULL LICENSE GENERAL HOSPITAL EFFECTIVE: 01/01/13		

BUSINESS ADDRESS

HINSDALE HOSPITAL
120 NORTH OAK STREET

HINSDALE IL 60521

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/87 •

State of Illinois 2114494

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

HINSDALE HOSPITAL

EXPIRATION DATE	CATEGORY	ID NUMBER
12/31/13	BGBD	0000976

FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 01/01/13

36

Attachment 11

Adventist Hinsdale Hospital

Hinsdale, IL

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

February 18, 2012

Accreditation is customarily valid for up to 36 months.

Isabel V. Hoverman, MD, MACP
Chair, Board of Commissioners

Organization ID #: 7359
Print/Reprint Date: 05/04/12

Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



This reproduction of the original accreditation certificate has been issued for use in regulatory/payer agency verification of accreditation by The Joint Commission. Please consult Quality Check on The Joint Commission's website to confirm the organization's current accreditation status and for a listing of the organization's locations of care.

31

Attachment 11



State of Illinois 2132867
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Issued under the authority of
 the State of Illinois
 Department of Public Health
LA HAR HASBROUCK, MD, MPH
DIRECTOR

EXPIRATION DATE	CATEGORY	ID NUMBER
06/30/14	B68D	0003814
FULL LICENSE GENERAL HOSPITAL EFFECTIVE: 07/01/13		

BUSINESS ADDRESS

ADVENTIST GLENDAKS
701 WINTHROP AVENUE

GLENDALE HEIGHTS, IL 60139
The face of this license has a covered background. Printed by Authority of the State of Illinois • 4/97 •



May 14, 2012

Re: # 5192
CCN: #140292
Program: Hospital
Accreditation Expiration Date: February 10, 2015

Bruce Christian
CEO
Adventist GlenOaks Hospital
701 Winthrop Avenue
Glendale Heights, Illinois 60139

Dear Mr. Christian:

This letter confirms that your February 07, 2012 - February 09, 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 April 06, 2012 and April 21, 2012, 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 April 21, 2012. We congratulate you on your effective resolution of these deficiencies.

§482.22 Condition of Participation: Medical staff
§482.24 Condition of Participation: Medical Record Services
§482.41 Condition of Participation: Physical Environment
§482.42 Condition of Participation: Infection Control

The Joint Commission is also recommending your organization for continued Medicare certification effective April 21, 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 also applies to the following location(s):

Adventist GlenOaks Hospital
701 Winthrop Avenue, Glendale Heights, IL, 60139

Sport, Spine and Physical Rehabilitation
303 East Army Trail Road, Suite 135, Bloomingdale, IL, 60108

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

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630.792.5000 Voice

Attachment 11 (39)



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,

Ann Scott Blouin RN, Ph.D

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

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

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630-925-5000 Voice

Attachment 11

(40)

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION



State of Illinois 2114578
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA MAR HASBROUCK, MD, MPH
DIRECTOR
Issued under the authority of
The State of Illinois
Department of Public Health

EXPIRATION DATE 01/10/14	CATEGORY R6BD	ID NUMBER 0005496
FULL LICENSE		
GENERAL HOSPITAL		
EFFECTIVE: 01/11/13		

BUSINESS ADDRESS

ADVENTIST BOLINGBROOK HOSPITAL
500 REMINGTON BOULEVARD
BOLINGBROOK IL 60440 4906

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State of Illinois 2114578
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION
ADVENTIST BOLINGBROOK HOSPITAL

EXPIRATION DATE 01/10/14	CATEGORY R6BD	ID NUMBER 0005496
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FULL LICENSE

GENERAL HOSPITAL

EFFECTIVE: 01/11/13

12/13/12
ADVENTIST BOLINGBROOK HOSPITAL
500 REMINGTON BOULEVARD
500 REMINGTON BOULEVARD
BOLINGBROOK IL 60440 4906

FEE RECEIPT NO.

Attachment 11 (4)

Adventist Bolingbrook Hospital

Bolingbrook, IL

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

February 3, 2011

Accreditation is customarily valid for up to 36 months.

Handwritten signature of Isabel V. Hoverman in black ink.

Isabel V. Hoverman, MD, MACP
Chair, Board of Commissioners

Organization ID #454359
Print/Reprint Date: 9/16/11

Handwritten signature of Mark R. Chassin in black ink.

Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



Attachment 11

42

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2127914
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA HAR HASAKOUCK, MD, APR
DIS-CEDX

EXPIRATION DATE	CATEGORY	TO NUMBER
03/31/14	6630	7002314
FULL LICENSE		
AMBUL SURGICAL TREAT CNTR		
EFFECTIVE: 04/01/13		

BUSINESS ADDRESS

HSC TRANSFER, LLC 0/3/A
HINSDALE SURGICAL CENTER, LLC
208 N. ELM STREET
SUITE 401
HINSDALE, IL 60521 3533

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State of Illinois 2127914
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRATION DATE	CATEGORY	TO NUMBER
03/31/14	6630	7002314
FULL LICENSE		
AMBUL SURGICAL TREAT CNTR		
EFFECTIVE: 04/01/13		

04/05/13

HINSDALE SURGICAL CENTER, LLC
208 N. ELM STREET
SUITE 401
HINSDALE, IL 60521 3533

FEE RECEIPT NO. 56011

Hinsdale Surgical Center, LLC

Hinsdale, IL

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the

Ambulatory Health Care Accreditation Program

November 12, 2011

Accreditation is customarily valid for up to 36 months.

Handwritten signature of Isabel V. Hoverman in black ink.

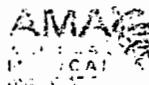
Isabel V. Hoverman, MD, MACP
Chair, Board of Commissioners

Organization ID #: 131243
Print/Reprint Date: 01/27/12

Handwritten signature of Mark R. Chassin in black ink.

Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



This reproduction of the original accreditation certificate has been issued for use in regulatory/payer agency verification of accreditation by The Joint Commission. Please consult Quality Check on The Joint Commission's website to confirm the organization's current accreditation status and for a listing of the organization's locations of care.

Attachment 11

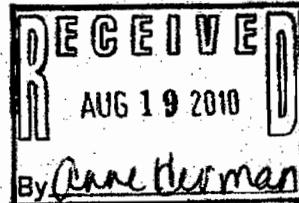
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- **Improve quality by creating best practices in rehabilitative care**

The larger therapy space on the unit, which includes a gym and an apartment, will allow our clinicians the ability to better prepare patients for discharge to home and the community.

The goals of the proposed project are 1) to provide a modern, ADA compliant, health care facility capable of meeting the needs of the residents of DuPage and Cook Counties well into the future; 2) improve quality of care; 3) to be in the 90th percentile for patient satisfaction, physician satisfaction and employee satisfaction by 2015.

*Supporting documents are included



OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

Lisa Madigan
ATTORNEY GENERAL

August 18, 2010

Via Certified Mail #7008 1300 0000 8944 1836

Ms. Anne H. Herman
Registered Agent
Adventist Hinsdale Hospital
15 Spinning Wheel Road, #118
Hinsdale, IL 60521

Re: Adventist Hinsdale Hospital Rehabilitation Unit
Our file 2010-DRC-4000

Dear Ms. Herman:

The Disability Rights Bureau of the Illinois Attorney General's Office is currently investigating the above-mentioned Adventist Hinsdale Hospital Rehabilitation Unit after receiving a complaint that it is not accessible to people with disabilities. This may be a violation of the Americans with Disabilities Act, 42 U.S.C. §§ 12181-89; Environmental Barriers Act, 410 ILCS 25/1 et seq.; and the Illinois Human Rights Act, 775 ILCS 5/1 et seq.

In order to complete our investigation, we request the following information:

1. The names, addresses, and phone numbers of:
 - a. The owners and operators of the Adventist Hinsdale Hospital Rehabilitation Unit located at 120 North Oak Street, Hinsdale, IL 60521 including but not limited to corporations, partnerships, subsidiaries, franchisors, franchisees, management companies, and any other individuals or entities that have an ownership interest in Adventist Hinsdale Hospital Rehabilitation Unit;
 - b. The owners and operators of the building located at 120 North Oak Street, Hinsdale, IL 60521 in which the Adventist Hinsdale Hospital Rehabilitation Unit is located, including but not limited to corporations, partnerships, subsidiaries, franchisors, franchisees, management companies, and any other individuals or entities that own, lease, or manage

Attachment 12

the building.

2. The following information regarding the building located at 120 North Oak Street, Hinsdale, IL 60521:
 - a. The date construction began.
 - b. The date on which the first certificate of occupancy was issued.
 - c. The certified completion date on the last application for a building permit or permit extension issued by a State, County, or local government.
 - d. The names, addresses, and phone numbers of the individuals and/or entities, including but not limited to architects, engineers, and other design professionals, who were involved in the initial construction.

3. The following information regarding alterations done to the building located at 120 North Oak Street, Hinsdale, IL 60521:
 - a. The dates on which the alterations began and were completed.
 - b. A detailed description of the nature of the alterations.
 - c. A detailed account of the cost of the alterations.
 - c. The names, addresses, and phone numbers of the individuals and/or entities who were involved in the alterations, including but not limited to architects, engineers, and other design professionals.

4. The name and contact information of the employee or employees, if any, associated with Adventist Hinsdale Hospital Rehabilitation Unit who are responsible for disability compliance issues.

5. If any formal or informal complaints have been filed against Adventist Hinsdale Hospital Rehabilitation Unit regarding accessibility or discrimination on the basis of disability, please provide the following for each complaint:
 - a. The name, address, and telephone number of the individual who complained;
 - b. A detailed description of the complaint;
 - c. The date of the complaint and the date on which the alleged incident took place; and

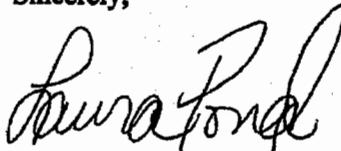
Attachment 12

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d. A description of how the complaint was resolved.

Please respond to this letter *in writing* no later than September 17, 2010. We look forward to your cooperation in this matter. If you have any questions, please do not hesitate to contact me at (312) 814-4418.

Sincerely,



Laura Pond
Paralegal
Disability Rights/Civil Rights Bureaus
Office of Attorney General
100 West Randolph Street, 11th Floor
Chicago, IL 60601
(312) 814-4418
lpond@atg.state.il.us



September 8, 2010

Ms. Laura Pond
Disability Rights/Civil Rights Bureaus
Office of Attorney General
100 West Randolph, 11th Floor
Chicago, IL 60601

Dear Ms. Pond,

This letter is written in response to an August 18, 2010 letter received from the Office of the Attorney General regarding the Adventist Hinsdale Hospital Rehabilitation Unit (file 2010-DRC-4000). You have informed us that a complaint was received by your office alleging that the Rehabilitation Unit is not accessible to people with disabilities. Thomas Williams, Regional Vice President/Chief Administrative Officer with Adventist Midwest Health, spoke with you by phone regarding your request for information. Based on the outcome of that conversation, we are providing the following information as a response in hopes that you may close your investigation.

Adventist Hinsdale Hospital's Inpatient Rehabilitation Unit ("Rehabilitation Unit or Unit") has been operational at Adventist Hinsdale Hospital since the early 1980's, and became accredited by the Commission on Accreditation of Rehabilitation Facilities in 1987. This year, Adventist Hinsdale Hospital entered into a partnership with Marianjoy Rehabilitation Hospital, Wheaton, Illinois, further strengthening the provision of care to persons with disabilities. In the context of this partnership agreement Marianjoy develops, manages, and provides the professional and administrative staff necessary to furnish inpatient rehabilitation services to Adventist Hinsdale Hospital patients. With a Mission to provide "*excellent rehabilitative services for individuals with physical and cognitive impairment in order to foster their maximum independence,*" the primary focus rests on restoration of function so that individuals served may successfully integrate into mainstream society and resume their pre-onset careers; community involvement; and/or activities of daily living. Among the many elements that constitute a comprehensive and effective physical rehabilitation program are assurances that the program is environmentally accessible to all who qualify for services.

The physical plant of the Rehabilitation Unit is determined to be adequate in size, design and accessibility to properly care for all patients who qualify for service. IDPH survey of the Rehabilitation Unit has not resulted in physical plant deficiencies related to accessibility. The Unit has the necessary equipment to meet the individual needs of each person served.



Adventist Midwest Health

A Member of Adventist Health System

Environmental accessibility is prioritized and monitored on an ongoing basis. This is achieved through (1) facility modifications; (2) facility master planning (both short-term and long-term); (3) admission criteria and ongoing review of denial of service; (4) individualized plans of care; (5) safety planning, monitoring and improvement; (6) program evaluation monitoring and action planning; and (7) patient satisfaction.

Facility Modifications

The Rehabilitation Unit is housed within the North wing of the existing hospital building, which was constructed in approximately 1961. Renovation projects on the Unit have improved both the accessibility and aesthetics for our patients [enlarged therapy gym; two refurbished bathrooms; decorating/flooring/nursing station renovation]. You raised a specific question about the two refurbished bathrooms on the Unit. Adventist Hinsdale Hospital has requested an architectural review in response to this concern. It has been verified that while the dimensions of the space meet requirements, the turn-around radius within the refurbished bathrooms is one-inch short of full compliance with new construction standards. This can be corrected by replacing the current toilets to increase the turn-around radius by one inch. We have ordered and will replace the toilets within 30 days.

Facility Master Planning

Adventist Hinsdale Hospital recently broke ground on construction of a new patient pavilion ("Phase 1 construction"). This new pavilion, located on the south end of the hospital campus, will feature state-of-the-art facilities with full ADA compliance and private patient rooms and bathrooms. Phase 1 construction is due to be completed in early 2012. A majority of the patient care units in the existing hospital building will transition to the new patient pavilion at that time.

Phase 2 construction will include multiple upgrades/alterations in the existing hospital building. Planning and design of Phase 2 construction is anticipated to be a 24-36 month phased construction project for multiple departments, including the Rehabilitation Unit, beginning in 2013. Included in Phase 2 construction is a move of the Rehabilitation Unit from its current location on the third floor of the north wing to a newly designed unit on the third floor of the east wing in the existing hospital building. Architectural planning for this newly designed rehabilitation unit will comply with all state and federal laws for new construction.

Admission Criteria and Ongoing Review of Denial of Service

The Rehabilitation Unit has admission criteria that are applied uniformly to each individual referred for services. Denial statistics are maintained and reviewed by the leadership

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on an ongoing basis. A review of the reasons for denial of service from 01/01/07 to present reveals that there were no denials of service due to physical plant or environmental barriers on the Unit. In the event an individual who otherwise qualifies for service on the Unit is unable to participate due to environmental barriers on the Unit, the Rehabilitation Unit will provide alternate methods for program participation (either through the implementation of individualized accommodations or prompt referral to a comparable inpatient rehabilitation program).

Individualized Plans of Care

The Rehabilitation Unit staff is trained to meet the unique rehabilitative needs of each patient. Individualized plans of care are developed for each patient by the treatment team. Each plan is monitored and modified on an ongoing basis based on resource needs and patient preferences. Use of adaptive equipment; removal of environmental barriers; family education to improve the home environment; patient training in compensatory techniques; etc. are core elements to improved functional skills. These rehabilitation principles are incorporated into the individualized treatment plan for each patient, promoting optimal program participation and benefit. If a patient or family member makes a reasonable request for accommodation, the primary care providers will work together to meet the request, as indicated.

With knowledge that bathroom accessibility is important, individualized care is also supported through priority placement of patients in rooms with accessible bathrooms (based on diagnosis, cognition, etc); use of rolling commode chairs to transport patients to bathrooms when necessary; use of walker transfers in the bathroom as indicated by patients' functional skills; as well as the initiation of Phase 2 planning for a new rehabilitation unit.

Safety Planning, Monitoring and Improvement

The Rehabilitation Unit maintains a healthy, safe environment that supports quality services and minimizes the risk of harm to the person served. Comprehensive safety rounds are completed by external authorities (e.g. the Fire Department) and internal safety personnel on an ongoing basis. Unit-specific staff education relative to the safety needs of the patient (including egress; need for maintaining cleared hallways and exits; movement of patients in an emergency; etc.) are completed on a routine basis.

Program Evaluation Monitoring and Improvement

The functional skill level of each patient is measured prior to, during, and following service provision and compared to a national database. Functional skill level of the patients of the Unit at discharge substantively exceeded both national and regional comparisons for three of four quarters in 2009, with over 70% of those served returning to the home setting following



**Adventist
Midwest Health**

A Member of Adventist Health System

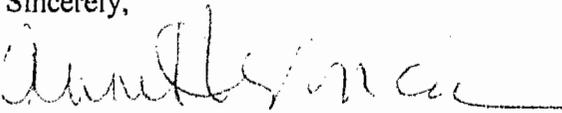
discharge. At follow-up, 90 days post-discharge, functional skill and ability to live in the home for Unit patients exceeded both regional and national comparisons for all four quarters of 2009.

Patient Satisfaction

The Rehabilitation Unit is committed to continually improving service delivery to the persons served. There have been no patient grievances regarding accessibility on the Rehabilitation Unit. Input from patients on the Rehabilitation Unit is gathered on a routine basis. Calls are made to each patient both at the time of discharge and at follow-up (up to 90 days following discharge). In 2010, 100% of patients reported that they "always received very good care while (they) were in the hospital." 96% of patients responded that they are likely to recommend the Rehabilitation Unit to others. Nurse Manager rounding is completed on admitted rehabilitation patients. In 2009, of the 239 patients admitted, 214 were visited by the Nurse Manager (or designee). While accessibility was not specifically cited as an issue during these interviews, there were patient complaints that the patient rooms were small, making it particularly difficult when visitors are present in double-occupancy rooms. To accommodate patient concern regarding small rooms, private rooms are provided to all patients unless the census exceeds thirteen patients, at which time those rooms designed for double-occupancy are used. Average daily census YTD is 9.3, allowing for single occupancy for nearly all patients admitted.

We appreciate this opportunity to respond to the concerns you have raised regarding accessibility on the Rehabilitation Unit. We believe the Unit is adequately accessible to comprehensively meet the medical and rehabilitation needs of all persons who qualify for services. We have identified opportunities for improvement relative to the physical environment, and have initiated planning for a newly-designed rehabilitation unit that will meet all state and federal requirements for new construction. Please contact me should you need additional information.

Sincerely,



Anne Herman, M.S.; M.J.

Compliance and Privacy Officer

Adventist Midwest Health

15 Spinning Wheel Road: Suite 118

Hinsdale, IL 60521

630.856.4572

anne.herman@ahss.org

Attachment 12 53



OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

August 11, 2011

Lisa Madigan
ATTORNEY GENERAL
Ms. Anne Herman
Compliance and Privacy Officer
Adventist Midwest Health
15 Spinning Wheel Road, Suite 118
Hinsdale, IL 60521

Re: Adventist Hinsdale Hospital Rehabilitation Unit
Our File #2010-DRC-4000

Dear Ms. Herman:

As you are aware, our office has been investigating the Adventist Hinsdale Hospital Rehabilitation Unit for violations of the Americans with Disabilities Act, Illinois Environmental Barriers Act and its corresponding regulations, the Illinois Accessibility Code. You informed us in September, 2010 that it was determined to be impossible to make the current rehabilitation unit accessible and that a new unit would be built in the latter part of 2012.

While we understand that structural changes are impossible, we would like a written proposal from you outlining the accessibility features that can be implemented to the current rehabilitation unit without a high cost to you. Items such as installing grab bars, insulating the toilet room pipes, adjusting the height of the towel dispensers and mirrors and installing round door knobs can probably be made and will improve the accessibility of the toilet rooms for your current patients.

Please forward to me the proposal by October 31, 2011. If you have any questions or comments, please call me at (312) 814-4418.

Sincerely,

A handwritten signature in cursive script that reads "Laura Pond".

Laura Pond
Paralegal
Disability Rights Bureau
Office of Attorney General
100 West Randolph Street, 11th Floor
Chicago, IL 60601
lpond@atg.state.il.us
Voice (312) 814-4418

Attachment 12 54

August 28, 2011

Ms. Laura Pond
Disability Rights/Civil Rights Bureaus
Office of Attorney General
100 West Randolph, 11th Floor
Chicago, IL 60601

Dear Ms. Pond,

This letter is written in response to an August 11, 2011 letter received from the Office of the Attorney General regarding the Adventist Hinsdale Hospital Rehabilitation Unit ("Unit"); (file 2010-DRC-4000). You have requested, based upon our response to the initial complaint and your subsequent investigation on the Unit, a written proposal from the Unit outlining the accessibility features that can be implemented to the current Unit without high cost.

A comprehensive review of potential modifications to enhance accessibility on the Unit has been completed. In light of the planned move of the Unit, the following physical plant modifications are recommended [to be completed no later than 01/31/12]:

- Purchase longer mirrors for the bathroom in all patient bathrooms [to accommodate patients who are standing and patients in wheelchairs]
- Move grab bars in shower room to make them vertical
- Install soap dispensers at an accessible height
- Cover pipe under sinks in all patient bathrooms
- Install wrap-around grab bars in the community shower
- Replace grab bars on left in bathrooms of all patient bathrooms with grab bars of greater circumference

In addition to the above physical changes, Unit staff will continue with implementation of operational processes that promote accessibility:

- Apply uniform admission criteria and appropriately refer patients to a comparable program if they are unable to participate due to potential environmental barrier on the Unit
- Review denial statistics ongoing and respond with any appropriate operational modifications based on noted trends
- Continue to promote individualized plans of care that accommodate the specific accessibility needs of each person served
- Assure ongoing compliance with physical plant and operational safety criteria

Attachment 12

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- Implement therapeutic and physical plant changes to promote accessibility based on review of program evaluation [e.g. functional skills] outcomes
- Maintain primary focus on patient satisfaction and accommodation of patient/family requests that promote accessibility

We appreciate this opportunity to respond to the concerns you have raised regarding accessibility on the Rehabilitation Unit. We believe the Unit is adequately accessible to comprehensively meet the medical and rehabilitation needs of all persons who qualify for services. We have authorized physical plant modifications, as outlined above, and believe patients will benefit from the changes that are made. Additionally, the Unit strives to meet all individualized needs, assuring compensatory planning in the event accessibility is identified as a potential concern. Please contact me should you need additional information.

Sincerely,

Anne Herman, M.S.; M.J.
Compliance and Privacy Officer
Adventist Midwest Health
15 Spinning Wheel Road; Suite 118
Hinsdale, IL 60521
630.856.4572
anne.herman@ahss.org

Herman, Anne

From: Herman, Anne
Sent: Tuesday, January 31, 2012 1:46 PM
To: 'creilly@atg.state.il.us'
Subject: Re: Status of alterations 2010-DRC-4000

Thank you for your email. All modifications have been made. I will detail in a letter to you with pictures. Thank you!

From: Reilly, Catherine [<mailto:creilly@atg.state.il.us>]
Sent: Tuesday, January 31, 2012 01:26 PM
To: Herman, Anne
Subject: Status of alterations 2010-DRC-4000

Hello Ms. Herman,

I am following up with you to confirm that Adventist Hinsdale Hospital Rehab Unit has made the alterations listed in your letter dated 8/28/11 (to Laura Pond of our office) to enhance accessibility of the Unit for patients. Your letter stated that the modifications would be completed no later than today, 1/31/12.

Since we have not received any communication from your office in regards to the modifications made, we ask that you provide us with a detailed list of each modification made to date and provide a few pictures to confirm such changes. You may send the pictures to my e-mail address listed below. Otherwise, we may need to schedule a follow-up inspection to ensure that the Unit's accessibility has been improved. In addition, please provide us with the start date for the construction project to replace the Rehab Unit which is referred to in your letter as part of Phase 2 of the construction project.

Thank you for your cooperation in this matter.

Kate Reilly
Paralegal, Disability Rights Bureau
Office of the Illinois Attorney General
100 W. Randolph St., 11th Floor
Chicago, IL 60601
(312) 814-5414
(312) 814-3212 Fax
creilly@atg.state.il.us



February 21, 2012

Ms. Kate Reilly
Paralegal, Disability Rights Bureau
Office of Attorney General
100 West Randolph, 11th Floor
Chicago, IL 60601

Dear Ms. Reilly,

This letter is written in response to a January 31, 2012 email I received from you regarding the Adventist Hinsdale Hospital Rehabilitation Unit ("Unit"); (file 2010-DRC-4000). You have requested confirmation that the alterations detailed in Adventist Hinsdale Hospital's letter dated August 28, 2011 have been completed.

The following modifications to enhance accessibility on the Unit have been completed as outlined in the August 28, 2011 letter.

- Redesigned mirrors have been installed in all patient bathrooms. The mirrors are mounted at an angle, allowing patients of all heights [including tall patients who are standing, as well as those in wheelchairs] to adequately see their reflection.



- The grab bars in the shower room have been moved from an angled to a vertical position



Attachment 12

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- Soap dispensers and hand towels have been moved to an accessible height in all patient bathrooms.



- Pipes have been covered under the sinks in all patient bathrooms



- Grab bars were installed that wrap around the community shower



- Grab bars on the left in all patient bathrooms were replaced with grab bars of greater circumference. A grab bar was added behind the toilet in all patient bathrooms.



In addition to the above physical changes, Unit staff continue to implement operational processes that promote accessibility:

- Apply uniform admission criteria and appropriately refer patients to a comparable program if they are unable to participate due to potential environmental barrier on the Unit
- Review denial statistics ongoing and respond with any appropriate operational modifications based on noted trends
- Continue to promote individualized plans of care that accommodate the specific accessibility needs of each person served
- Assure ongoing compliance with physical plant and operational safety criteria
- Implement therapeutic and physical plant changes to promote accessibility based on review of program evaluation [e.g. functional skills] outcomes
- Maintain primary focus on patient satisfaction and accommodation of patient/family requests that promote accessibility

You have requested the start date of the construction project to replace the Rehab Unit [Phase 2 Construction]. In our 9/8/2010 communication, we indicated to you that Phase 2 Construction is anticipated to be a 24-36 month phased construction project, beginning in 2013. Phase 2 construction involves multiple renovation projects for departments remaining in the old hospital building after the New Patient Pavilion opens in April of 2012. At this time we are reviewing the related Phase 2 Construction projects to detail the scope and timing of each. While at this time we are unable to provide a definitive start date for the construction project to replace the Rehab Unit, we will make that information available to you as planning ensues.

We appreciate this opportunity to respond to the concerns you have raised regarding accessibility on the Rehabilitation Unit. We believe the Unit is adequately accessible to comprehensively meet the medical and rehabilitation needs of all persons who qualify for services. Additionally, the Unit strives to meet all individualized needs, assuring compensatory planning in the event accessibility is identified as a potential concern. Please contact me should you need additional information.

Sincerely,



Anne Herman, M.S.; M.J.
Compliance and Privacy Officer
Adventist Midwest Health
15 Spinning Wheel Road; Suite 118
Hinsdale, IL 60521
630.856.4572
anne.herman@ahss.org

Attachment 12 (60)



OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

Lisa Madigan
ATTORNEY GENERAL

May 3, 2012

Ms. Anne Herman, M.S., M.J.
Compliance and Privacy Officer
Adventist Midwest Health
15 Spinning Wheel Road, Suite 118
Hinsdale, IL 60521

Re: Adventist Hinsdale Hospital Rehabilitation Unit
Accessibility Complaint
Our File #2010-DRC-4000

Dear Ms. Herman,

On February 23, 2012, you sent us photographs of the modifications made to the Adventist Hinsdale Hospital Rehabilitation Unit ("Rehab Unit") located at 120 N. Oak Street in Hinsdale, Illinois which was the subject of an investigation by our office. Upon review of the photographs, we find that the Rehab Unit has made adequate modifications to enhance the accessibility of the Unit, given that the construction project to replace the Rehab Unit is scheduled to commence in 2013. We have, therefore, closed our investigation. We appreciate your willingness to resolve this matter.

If you have any questions or require any further information, please contact me at (312) 814-5414.

Sincerely,

A handwritten signature in cursive script that reads "Kate Reilly".

Kate Reilly
Disability Rights Bureau

Attachment 12

(61)



December 3, 2013

Ms. Kate Reilly
Disability Rights Bureau
100 West Randolph Street
Chicago, IL 60601

Dear Ms. Reilly,

The Illinois Office of the Attorney General conducted an investigation of the Inpatient Rehabilitation Unit ("Unit") at Adventist Hinsdale Hospital in 2010 based on a complaint alleging that the Unit was not accessible to people with disabilities. Multiple improvements to the Unit were made, enhancing accessibility until a permanent solution could be achieved through moving the Unit into newly renovated space within the hospital. The plan was to begin a 24- to 36-month phased construction process in 2013, which would ultimately result in a relocated and fully renovated unit.

Recently, an operational decision was reached to seek approval to alternatively move the Unit from Adventist Hinsdale Hospital to an affiliated Hospital (Adventist Health System/Sunbelt Inc. d/b/a Adventist La Grange Memorial Hospital) rather than renovate new space for the Unit within Adventist Hinsdale Hospital. This decision is based, in large part, on availability of better space for optimal construction of a fully-accessible, ADA-compliant inpatient rehabilitation unit at Adventist La Grange Memorial Hospital.

Adventist Hinsdale Hospital intends to file an application for the Certificate of Need to the State on December 20, 2013. With approval, renovation would commence and movement of the Unit would follow by January of 2015.

We are pleased to notify you of this intent to move the Unit into optimal space designed solely based on the rehabilitation and accessibility needs of our patients. Should you have any related questions or need for further information, please do not hesitate to contact me.

Sincerely,


Anne Herman M.S.; M.J.
Compliance and Privacy Officer
Adventist Midwest Health
15 Spinning Wheel Road; Suite 118
Hinsdale, IL 60521

Attachment 12 (12)

Adventist Hinsdale Hospital
Inpatient Rehab Utilization
Admits for the Period 1/1/2011 through 10/31/2013
Source: HPM (11/20/2013)

Patient Origin

ZIP Code	2012	Percent	Cum Percent
60527	39	9.9%	9.9%
60525	22	5.6%	15.5%
60526	20	5.1%	20.6%
60521	20	5.1%	25.6%
60440	17	4.3%	29.9%
60559	17	4.3%	34.3%
60515	17	4.3%	38.6%
60561	15	3.8%	42.4%
60513	14	3.6%	45.9%
60439	12	3.0%	49.0%
60558	12	3.0%	52.0%
60154	11	2.8%	54.8%
60516	10	2.5%	57.4%
60523	10	2.5%	59.9%
60514	9	2.3%	62.2%
60638	8	2.0%	64.2%
60148	8	2.0%	66.2%
60534	7	1.8%	68.0%
60402	7	1.8%	69.8%
60544	6	1.5%	71.3%
60480	6	1.5%	72.8%
60155	5	1.3%	74.1%
60457	5	1.3%	75.4%
60517	5	1.3%	76.6%
60446	4	1.0%	77.7%
60546	3	0.8%	78.4%
60162	3	0.8%	79.2%
60463	3	0.8%	79.9%
60501	3	0.8%	80.7%
60153	3	0.8%	81.5%
60126	3	0.8%	82.2%
60490	2	0.5%	82.7%
60181	2	0.5%	83.2%
60585	2	0.5%	83.8%
60441	2	0.5%	84.3%
60505	2	0.5%	84.8%
60104	2	0.5%	85.3%
60467	2	0.5%	85.8%

60448	2	0.5%	86.3%
60565	2	0.5%	86.8%
60424	2	0.5%	87.3%
60462	2	0.5%	87.8%
60482	2	0.5%	88.3%
60458	2	0.5%	88.8%
60563	1	0.3%	89.1%
60447	1	0.3%	89.3%
60714	1	0.3%	89.6%
60160	1	0.3%	89.8%
60548	1	0.3%	90.1%
60465	1	0.3%	90.4%
60628	1	0.3%	90.6%
46307	1	0.3%	90.9%
60445	1	0.3%	91.1%
60473	1	0.3%	91.4%
38646	1	0.3%	91.6%
60163	1	0.3%	91.9%
60453	1	0.3%	92.1%
60164	1	0.3%	92.4%
61028	1	0.3%	92.6%
60007	1	0.3%	92.9%
60639	1	0.3%	93.1%
60491	1	0.3%	93.4%
61018	1	0.3%	93.7%
60499	1	0.3%	93.9%
37931	1	0.3%	94.2%
60191	1	0.3%	94.4%
60540	1	0.3%	94.7%
60062	1	0.3%	94.9%
60450	1	0.3%	95.2%
60510	1	0.3%	95.4%
60451	1	0.3%	95.7%
60403	1	0.3%	95.9%
85248	1	0.3%	96.2%
60404	1	0.3%	96.4%
42071	1	0.3%	96.7%
60422	1	0.3%	97.0%
60625	1	0.3%	97.2%
20871	1	0.3%	97.5%
77084	1	0.3%	97.7%
60431	1	0.3%	98.0%
60643	1	0.3%	98.2%
60106	1	0.3%	98.5%
60827	1	0.3%	98.7%
33069	1	0.3%	99.0%
46140	1	0.3%	99.2%

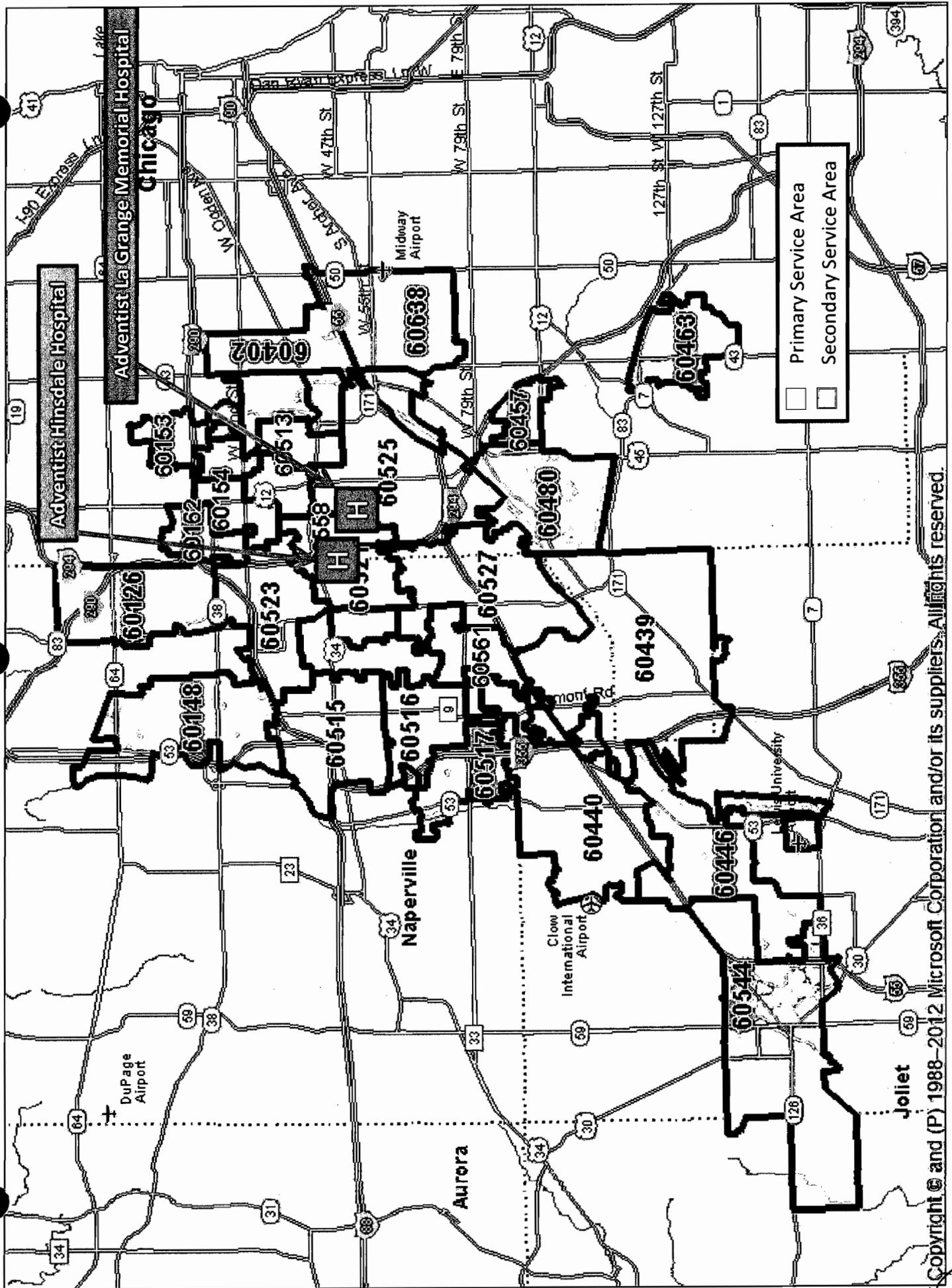
60130	1	0.3%	99.5%
60459	1	0.3%	99.7%
11229	1	0.3%	100.0%
60620		0.0%	100.0%
62466		0.0%	100.0%
46383		0.0%	100.0%
60429		0.0%	100.0%
60564		0.0%	100.0%
60141		0.0%	100.0%
60629		0.0%	100.0%
49024		0.0%	100.0%
46385		0.0%	100.0%
49073		0.0%	100.0%
60428		0.0%	100.0%
53007		0.0%	100.0%
60390		0.0%	100.0%
53147		0.0%	100.0%
33950		0.0%	100.0%
45415		0.0%	100.0%
46322		0.0%	100.0%
60522		0.0%	100.0%
60656		0.0%	100.0%
60021		0.0%	100.0%
60423		0.0%	100.0%
36303		0.0%	100.0%
62822		0.0%	100.0%
60084		0.0%	100.0%
60464		0.0%	100.0%
60165		0.0%	100.0%
60304		0.0%	100.0%
60532		0.0%	100.0%
60586		0.0%	100.0%
60174		0.0%	100.0%
60624		0.0%	100.0%
60454		0.0%	100.0%
60477		0.0%	100.0%
60542		0.0%	100.0%
60632		0.0%	100.0%
60543		0.0%	100.0%
60481		0.0%	100.0%
60175		0.0%	100.0%
60652		0.0%	100.0%
60091		0.0%	100.0%
60408		0.0%	100.0%
60187		0.0%	100.0%
60914		0.0%	100.0%
60554		0.0%	100.0%

Attachment 12 (65)

60139		0.0%	100.0%
60555		0.0%	100.0%
62565		0.0%	100.0%
60189		0.0%	100.0%
60503		0.0%	100.0%
60101		0.0%	100.0%
60302		0.0%	100.0%
60455		0.0%	100.0%
Grand Total	394	100.0%	200.0%

2012 Adventist Hinsdale Hospital Rehabilitation Cases			
Patient Origins			
ZIP	Cases	Percent of all cases	Cumulative Percent
Primary Service Area			
60527	39	9.9%	9.9%
60525	22	5.6%	15.5%
60526	20	5.1%	20.6%
60521	20	5.1%	25.6%
60440	17	4.3%	29.9%
60559	17	4.3%	34.3%
60515	17	4.3%	38.6%
60561	15	3.8%	42.4%
60513	14	3.6%	45.9%
60439	12	3.0%	49.0%
60558	12	3.0%	52.0%
60154	11	2.8%	54.8%
60516	10	2.5%	57.4%
60523	10	2.5%	59.9%
Primary Total	236	59.8%	59.9%
Secondary Service Area			
60514	9	2.3%	62.2%
60638	8	2.0%	64.2%
60148	8	2.0%	66.2%
60534	7	1.8%	68.0%
60402	7	1.8%	69.8%
60544	6	1.5%	71.3%
60480	6	1.5%	72.8%
60155	5	1.3%	74.1%
60457	5	1.3%	75.4%
60517	5	1.3%	76.6%
60446	4	1.0%	77.7%
60546	3	0.8%	78.4%
60162	3	0.8%	79.2%
60463	3	0.8%	79.9%
60501	3	0.8%	80.7%
60126	3	0.8%	81.5%
60153	3	0.8%	82.3%
Secondary Total	88	22.5%	82.3%
All Others	70	17.7%	100.0%
Grand Total	394	100.0%	100.0%

Attachment 12 (61)



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IP Rehab Projections by year

Source: Thomson Reuters (Truven) 11/20/2013

		DISCHARGES				
		BASELINE				
DRG: DRG Number	DRG: DRG Name	2013 Baseline Discharges	2014 Baseline Discharges	2015 Baseline Discharges	2016 Baseline Discharges	2017 Baseline Discharges
945	REHABILITATION W CC/MCC	1,154	1,182	1,210	1,239	1,270
946	REHABILITATION W/O CC/MCC	203	208	212	217	223

Year over Year Growth

945	REHABILITATION W CC/MCC	--	2.43%	2.37%	2.40%	2.50%
946	REHABILITATION W/O CC/MCC	--	2.46%	1.92%	2.36%	2.76%
	COMBINED	--	2.43%	2.30%	2.39%	2.54%

Alternatives

The goals for the proposed project are to 1) meet ADA standards; 2) minimize disruptions to patient care; 3) improve patient, physician and employee satisfaction; 4) improve quality of care; 5) expend less than \$3 million. There were limited locations where a Rehabilitation unit could be added due to the existing space constraints on each hospital campus. Alternatives were considered based on the above criteria and the proposed project was selected.

Preferred Alternative – Proposed Project

The proposed project at Adventist La Grange Memorial Hospital will convert an existing, unoccupied, Medical/Surgical unit into a Rehabilitation unit that includes a fully built apartment to help prepare patients for their return to home, a larger therapy gym and ADA-compliant rooms and bathrooms. The proposed project will provide a state-of-the-art unit for patients and their families.

This alternative was chosen because it met all of our goals while being the most cost effective solution.

Total cost for this option = \$2,260,392

Alternative 1 – Modernize Rehabilitation unit at Adventist Hinsdale Hospital; keep it on the 3rd floor

This alternative would keep the services currently at Adventist Hinsdale Hospital by completely renovating the existing space. The modernization costs are higher for this alternative due to the updating of an older facility. The patient pavilion at Adventist La Grange Memorial Hospital was built in 2006 and requires fewer infrastructure upgrades. Furthermore, Adventist La Grange Memorial Hospital already has three rooms that are ADA compliant and only requires the updating of 12 rooms.

This option was not selected because it would be too disruptive to patients of the hospital, would take longer to complete and the cost was almost double the amount of the option selected.

The cost to modernize at Adventist Hinsdale Hospital; keeping it on the 3rd floor = approximately \$4,565,614

Alternative 2 – Modernize Rehabilitation unit at Adventist Hinsdale Hospital; move to 5th floor

This alternative would keep the services currently at Adventist Hinsdale Hospital by moving the unit to another wing and modernizing existing Medical/Surgical beds to make them ADA compliant.

The cost of relocation and modernization at Adventist Hinsdale Hospital is very close to the cost of the option selected. However, this option was ultimately not selected because Adventist Hinsdale Hospital currently uses the Medical/Surgical unit and has a higher occupancy for Medical/Surgical beds than does Adventist La Grange Memorial Hospital. Furthermore, the unit at Adventist La Grange Memorial Hospital is currently unoccupied making a perfect option for unused space.

The cost to modernize at Adventist Hinsdale Hospital; moving it to the 5th floor = approximately \$2,245,500.

The table below summarizes each option:

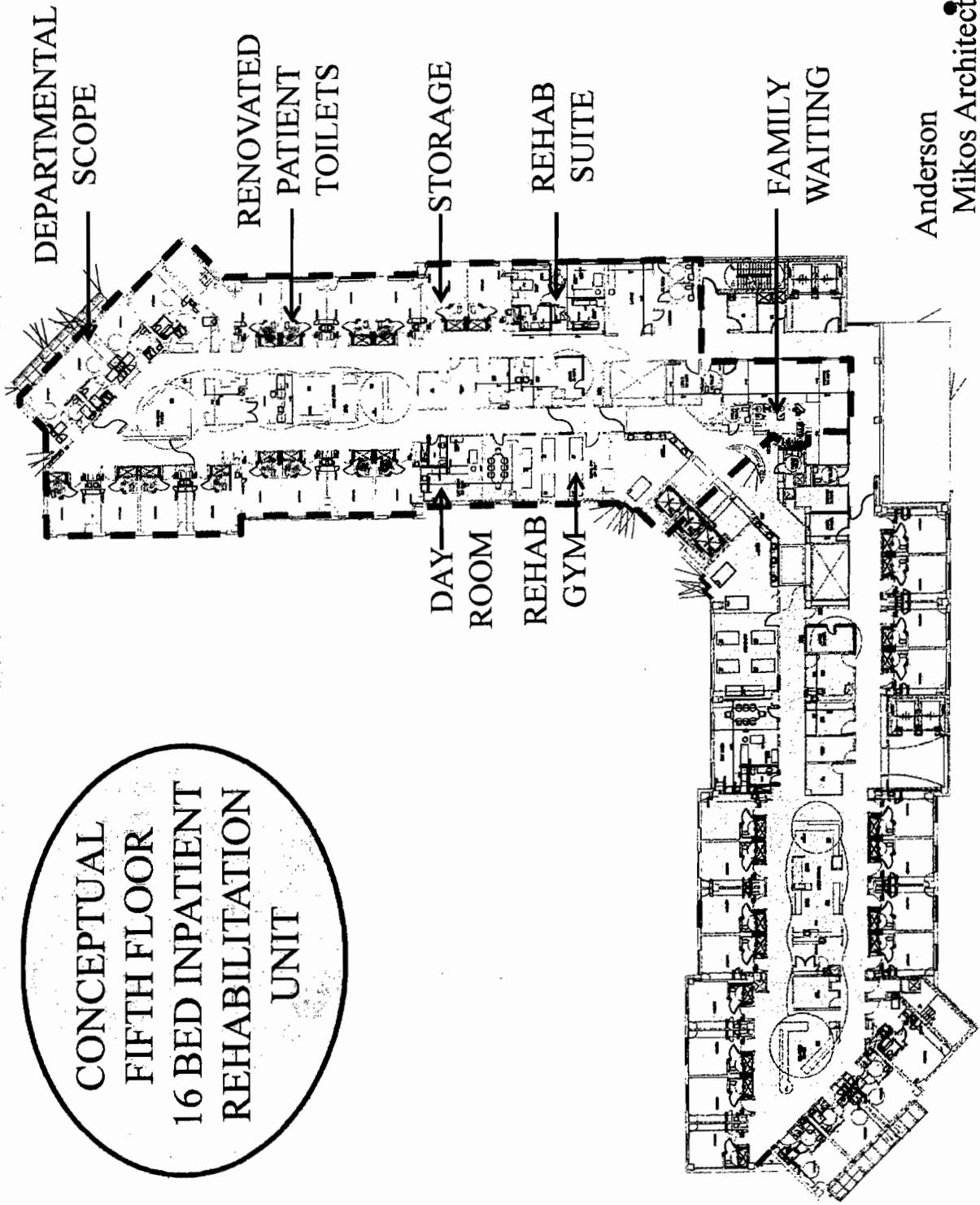
Criteria	Proposed Project	Alt 1	Alt 2	Do Nothing
Modernize the unit to meet new ADA requirements	X	X	X	
Minimize disruptions to patient care	X			
Improve patient, physician and employee satisfaction	X	X	X	
Improve quality of care	X	X	X	
Total cost ≤ \$3,000,000	X		X	X

The proposed project made the most sense based on the project cost and the goals set for Rehabilitation services.

Adventist LaGrange Memorial Hospital

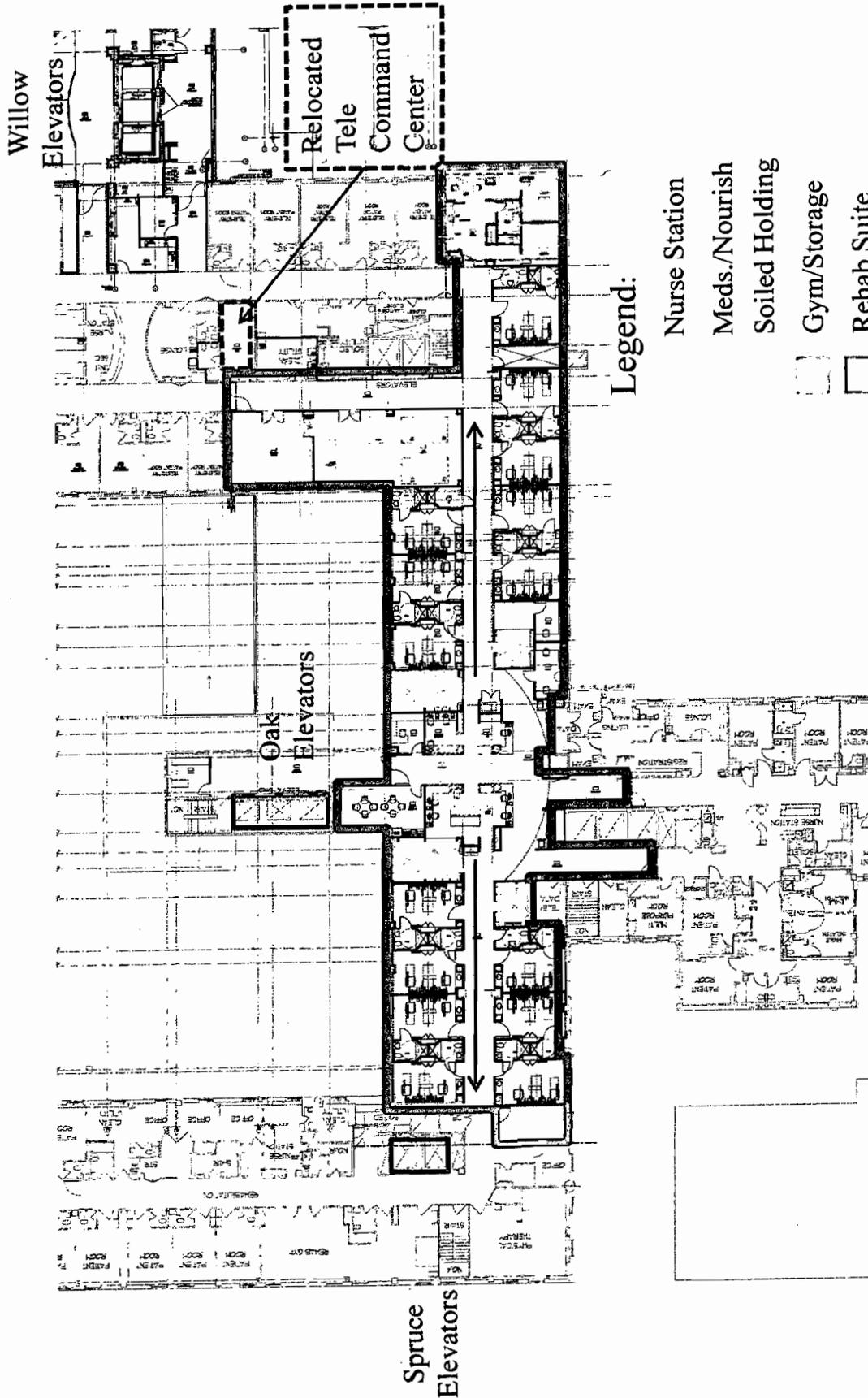
Preferred Alternative

CONCEPTUAL
FIFTH FLOOR
16 BED INPATIENT
REHABILITATION
UNIT



Anderson
Mikos Architects, Ltd.

Alternative 1



Proposed 3rd Floor Rehab Department

Adventist Hinsdale Hospital

© Anderson Milkos Architects, Inc. 2012

Alternative 1

EstBreakdown

12/18/2012 1:32 PM

BULLEY & ANDREWS ESTIMATE BREAKDOWN SHEET

Project: 3rd Floor Rehab Unit - BUDGET Estimate #: B12263
 Location: Adventist Hinsdale Hospital Bid Date: 12/14/2012
 Architect: Anderson Mikos Associates, LTD Duration (Months): 9
 Duration (Weeks): 41
 Owner: Adventist Hinsdale Hospital Total Building SF: 13863

NO	DESCRIPTION	SUBCONTRACTOR	BASE PROPOSAL	COST PER SQ FT	% OF TOTAL
1	General Conditions	Bulley & Andrews	\$ 379,944	27.41	8.3%
2	Survey / Layout	Bulley & Andrews	\$ 15,942	1.15	0.3%
3	Testing	By Owner	By Owner	0.00	0.0%
4	Temp Protections	Bulley & Andrews	\$ 40,650	2.93	0.9%
5	Overtime	Allowance	\$ 24,000	1.73	0.5%
6	Blueprinting	Allowance	\$ 5,000	0.36	0.1%
7	Winter Conditions	N/A	N/A	0.00	0.0%
8	Abatement	Allowance	\$ 20,000	1.44	0.4%
9	Site Fencing	Bulley & Andrews	\$ 3,400	0.25	0.1%
10	Demolition	Kinsale	\$ 160,000	11.54	3.5%
11	Concrete Mitigation	Bulley & Andrews	\$ 83,178	6.00	1.8%
12	Masonry Patching	Bulley & Andrews	\$ 8,310	0.60	0.2%
13	Structural Steel/Misc. Steel	Allowance	\$ 40,000	2.89	0.9%
14	Carpentry	Bulley & Andrews	\$ 66,778	4.82	1.5%
15	Millwork	Horizon	\$ 126,000	9.09	2.8%
16	Spray Fireproofing	Bulley & Andrews	\$ 2,500	0.18	0.1%
17	Roofing	Jones & Cleary	\$ 4,400	0.32	0.1%
18	Caulking	Bulley & Andrews	\$ 4,360	0.31	0.1%
19	Hollow Metal/Hardware	Chicago Doorway	\$ 58,990	4.26	1.3%
20	Glazing	Bulley & Andrews	\$ 5,000	0.36	0.1%
21	Window repair allowance	Bulley & Andrews	\$ 7,000	0.50	0.2%
22	Drywall	Kole	\$ 267,000	19.26	5.8%
23	Acoustic Ceilings	Kole	\$ 62,000	4.47	1.4%
24	Ceramic Tile	Mr. Davids	\$ 42,210	3.04	0.9%
25	Flooring	Mr. Davids	\$ 77,821	5.61	1.7%
26	Painting	National Dec.	\$ 69,750	5.03	1.5%
27	Division 10 - Accessories	Bulley & Andrews	\$ 21,000	1.51	0.5%
28	Division 11 - Equipment	By Owner	By Owner	0.00	0.0%
29	Division 12 - Furnishings	By Owner	By Owner	0.00	0.0%
30	Division 13 - Specialty	N/A	N/A	0.00	0.0%
31	MEP Patching	Bulley & Andrews	\$ 13,863	1.00	0.3%
32	Mechanical	State Mechanical	\$ 994,000	71.70	21.8%
33	Plumbing	C J Erickson	\$ 625,000	45.08	13.7%
34	Fire Protection	K & S	\$ 36,000	2.60	0.8%
35	Electrical	Block Electric	\$ 706,400	50.96	15.5%
Sub Total:			\$ 3,970,496	286.41	87.0%
36	Bldg Permit	By Owner	By Owner	0.00	0.0%
37	Fee	3.5%	\$ 138,967	10.02	3.0%
Sub Total:			\$ 4,109,464	296.43	90.0%
38	General Liability Insurance	1.000%	\$ 41,095	2.96	0.9%
Sub Total:			\$ 4,150,558	299.40	90.9%
39	Contingency	10.000%	\$ 415,056	29.94	9.1%
BID TOTAL:			\$ 4,565,614	329.34	100.0%

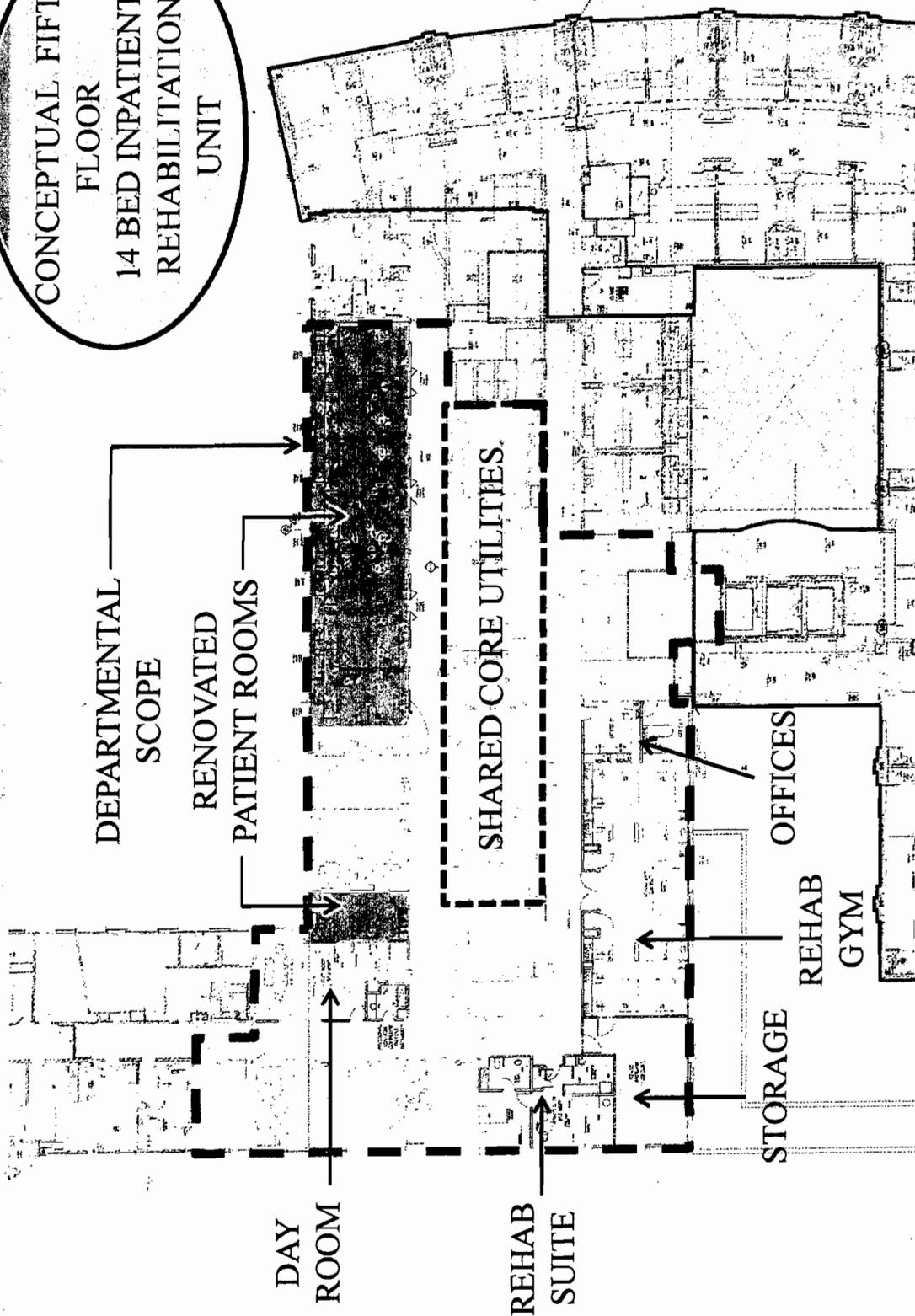
Note: Performance bond, FF&E, Permits, Elevator work, Testing, Slab radar scanning, Pneumatic tube system, and Engineering and Design are not included.
 Price based on one continuous phase

Attachment 13 (74)

Adventist Hinsdale Hospital

Alternative 2

CONCEPTUAL FIFTH FLOOR 14 BED INPATIENT REHABILITATION UNIT



Areas highlighted with color within the departmental scope constitute required renovation

Anderson
Mikos Architects, Ltd.

Alternative 2

Adventist Hinsdale Hospital Fifth Floor 14 bed - Inpatient Rehab Unit			
Room	area sq/ft	probable construction cost per sq/ft	probable construction cost
Rehab Gym	1,220	300.00	366,000.00
Rehab Unit	570	300.00	171,000.00
Rehab Dayroom	550	300.00	165,000.00
Storage Room	500	300.00	150,000.00
Patient Room	220	300.00	66,000.00
Patient Room	230	300.00	69,000.00
Office #1	120	200.00	24,000.00
Office #2	160	200.00	32,000.00
5th Floor Upgrades			
Office	120	200.00	24,000.00
Storage room	200	12500/room	2,500.00
central utility room	60	300.00	18,000.00
5th floor Upgrade:			
Patient room	10	6000/room	60,000.00
Nurse Station	1	10,000.00	10,000.00
cosmetic alterations			10,000.00
		Total Probable Construction Costs*	\$1,584,500.00

General Notes:
*Existing patient care areas being repurposed to meet the needs of an inpatient rehabilitation department

Open up (3) patient rooms, rework interiors.
Complete gut and rebuild of existing patient room and adjacent storage room.
Opening up Nurse Station to Satellite Pharmacy-includes functional non-ada training bathroom.

renovation of existing ICU rooms as submitted to IDPH, increase toilet/shower to meet ADA guidelines

Office
(3) person office

if new, potential for re-purposed utility room existing room, cosmetic upgrade, replace door and frame may not be required pending bed re-allocation

Cosmetic upgrade to rooms includes nurse call and med gas hook up.
Cosmetic Upgrade to room included nurse call.
misc. upgrades

Values depicted here are **PROBABLE SQUARE FOOT CONSTRUCTION COSTS** and **DO NOT** include soft costs associated with the development and construction of the associated conceptual plan layout.

+661,000*
2,245,500

- Note:
Assumptions made include:
Shared Nurse Station including dictation room
Shared lounge.
Shared central utility rooms
Relocation of Satellite Pharmacy

* Contingency - \$ 155,000
Architectural/Engineering - \$ 123,600
Consulting - \$ 23,250
Equipment - \$ 350,100
Other Costs to be Cap - \$ 9,150
\$ 661,000

Size of the Project

The proposed project includes two clinical departments: Comprehensive Physical Rehabilitation beds (CPR), and dedicated therapy space for physical therapy, occupational therapy, and speech therapy. The proposed space for the 16-bed CPR unit totals 10,921 GSF, of which only 2,956 GSF is being modernized. The only space in the CPR area that is being remodeled is the patient bathrooms in order to make them ADA compliant. The remaining 7,965 GSF is being used 'as-is' with no renovation cost.

The dedicated therapy space consists of a gym (1,044 GSF), a model apartment (589 GSF), and a dayroom (532 GSF). The gym will have five therapist workstations, with exercise space to allow the patients to use the therapy equipment that is needed to develop strength and mobility. It will also allow for the fitting and trial of orthotics. The size of the gym was determined by working with our therapists, as well as our partners at Marianjoy Rehabilitation Hospital.

The model apartment is being constructed to allow the therapists an opportunity to instruct patients on how to return to their home environment. This space will allow the patients to learn how to handle tasks such as managing personal hygiene, making the bed, cooking a meal, cleaning, etc., in a more natural environment. The goal is to allow the patient to seamlessly return to independent living.

The proposed dayroom is a multipurpose room which will be used for: 1) patient interaction with their families, 2) group training sessions, and 3) conference space. Since a patient in a rehabilitation unit is in the hospital for a longer period of time, it is important to have space where they can interact with their family, and have an area to teach family members how to effectively provide assistance and care to the patient. This space also allows the patient's therapists and physicians to meet with family members to determine patient needs and determine the best plan of care. The size of the rooms was determined by the size of the existing footprint and by visiting other facilities which provide similar services. There are no published standards for this space and it is normally developed through staff input and the architects' experience with other facilities.

The following table shows the project's square footage versus the State Norms:

Size of Project				
Department/Service	Proposed BGSF/DGSF	State Standard	Difference	Met Standard?
Comprehensive Rehabilitation Beds	10,921 GSF	8400-10,560	-359	No
Therapy space	2,101 GSF	None Available	N/A	N/A

The proposed gross square footage (682.6 GSF per bed) slightly exceeds the State Norm (525-660 GSF). The difference is due to the utilization of existing unoccupied Med/Surg space, without significant modification. The existing space and individual room size can only be changed by performing a major reconstruction of the unit. It was determined that the existing space will meet all of the department needs and makes the most economic sense.

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

Project Services Utilization

To determine the historical utilization for Rehabilitation services, we took Adventist Hinsdale Hospital's Rehabilitation volume from the 2011 and 2012 IDPH Hospital Profiles. To find projected volume, we used Truven's Market Planner Plus to determine the annual growth rate for Rehabilitation patient days for the service area. The historical occupancy percent is based on AHH's 15-bed unit. Upon project completion in 2015, the projected occupancy rate decreases with the addition of one bed. The expected demand for rehabilitation services continues to grow without change to market share or service area.

In summary, the utilization of Rehabilitation services will meet or exceed the State Board's utilization targets by 2016, only one year after project completion.

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

Project Services Utilization

Rehabilitation - Utilization				
	Patients Days	CON Occupancy %	State Standard	Standard Met?
2011 *	3,790	69.2%	85%	Yes in 2014
2012 *	4,551	83.1%		
2013 Projected *	4,650	84.9%		
2014 Projected *	4,763	87.0%		
2015 Projected **	4,886	83.7%		
2016 Projected **	4,982	85.3%		
2017 Projected **	5,105	87.4%		

* Based on AHH's 15-bed unit

** Based on the proposed 16-bed unit

Inpatient Rehab Projections by year
 Source: Thomson Reuters (Truven) 11/20/2013

DRG: DRG Number	DRG: DRG Name	DISCHARGES				
		BASELINE				
		2013 Baseline Discharges	2014 Baseline Discharges	2015 Baseline Discharges	2016 Baseline Discharges	2017 Baseline Discharges
945	REHABILITATION W CC/MCC	1,154	1,182	1,210	1,239	1,270
946	REHABILITATION W/O CC/MCC	203	208	212	217	223

Year over Year Growth

945	REHABILITATION W CC/MCC	--	2.43%	2.37%	2.40%	2.50%
946	REHABILITATION W/O CC/MCC	--	2.46%	1.92%	2.36%	2.76%
	COMBINED	--	2.43%	2.30%	2.39%	2.54%

Criterion 1110.630 - Comprehensive Physical Rehabilitation

Category of Service	# Existing Beds	# Proposed Beds
<input checked="" type="checkbox"/> Comprehensive Physical Rehabilitation	0	16

A. 1110.630(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100

The most current update to the Inventory of Health Care Facilities shows that an excess of 68 beds exists in HSA 7, which for this service, is the planning area. Although there is an excess of beds in the HSA, we are proposing to replace 15 of those beds, netting an addition of only 1 bed. Adding the one bed allows the unit to meet the minimum unit requirement.

B. 1110.630(b)(2) - Planning Area Need - Service to Planning Area Residents

The proposed project will replace an existing unit located at Adventist Hinsdale Hospital, which currently has 15 CPR beds that have an 83% occupancy rate. The following table shows the ZIP code patient origin information for the existing unit. The population currently served by the existing Adventist Hinsdale Hospital unit will continue to be the target population group for the proposed new unit.

Table 1

ZIP Code	City	No. of Patients	Percentage of All Cases	Cumulative Percentage	In HSA (yes/no)
Primary Service Area					
60527	Willowbrook	39	9.9%	9.9%	Yes
60525	La Grange	22	5.6%	15.5%	Yes
60526	La Grange Park	20	5.1%	20.6%	Yes
60521	Hinsdale	20	5.1%	25.7%	Yes
60440	Bolingbrook*	17	4.3%	30%	No
60559	Westmont	17	4.3%	34.3%	Yes
60515	Downers Grove	17	4.3%	38.6%	Yes
60561	Darien	15	3.8%	42.4%	Yes
60513	Brookfield	14	3.6%	46%	Yes
60439	Lemont	12	3.0%	49%	Yes
60558	Western Springs	12	3.0%	52%	Yes
60154	Westchester	11	2.8%	54.8%	Yes
60516	Downers Grove	10	2.5%	57.4%	Yes
60523	Oak Brook	10	2.5%	59.9%	Yes
Primary Total		236	59.8%	59.8%	Yes
* Bolingbrook is located in HSA 9 in Will County; therefore, the Primary Service Area total within the planning area is 219 patients, 55.6% of patient admissions.					

ZIP Code	City	No. of Patients	Percentage of All Cases	Cumulative Percentage	In HSA (yes/no)
Secondary Service Area					
60514	Clarendon Hills	9	2.3%	62.2%	Yes
60638	Chicago**	8	2.0%	64.2 %	No
60148	Lombard	8	2.0%	66.2%	Yes
60534	Lyons	7	1.8%	68%	Yes
60402	Stickney	7	1.8%	69.8%	Yes
60544	Plainfield**	6	1.5%	71.3%	No
60480	Willow Springs	6	1.5%	72.8%	Yes
60155	Broadview	5	1.3%	74.1%	Yes
60457	Hickory Hills	5	1.3%	75.4%	Yes
60517	Woodridge	5	1.3%	76.6%	Yes
60446	Romeoville**	4	1.0%	77.6%	No
60546	Riverside	3	0.8%	78.4%	Yes
60162	Hillside	3	0.8%	79.2%	Yes
60463	Palos Hills	3	0.8%	80%	Yes
60501	Bedford Park	3	0.8%	80.8%	Yes
60153	Maywood	3	0.8%	81.6%	Yes
60126	Elmhurst	3	0.8%	82.3%	Yes
Secondary Total		88	22.5%	82.3%	

Cities marked with an ** are not located in HSA 7.

The ZIP codes for these cities have a total of 18 patients, which equates to 20% of the Secondary Service Area patients but only 4.5% of the total patients. When combined with the 17 patients noted in the Primary Service Area, the total number of outside of HSA 7 totals 35 patients.

In addition to the patients located in the proposed service area, 70 additional patients were treated at the existing CPR. Ten of those were patients from outside the State of Illinois, 32 were from HSA 7, and 28 were from other health service areas in Illinois.

Based upon the patient origin information of the existing unit, it is clear that the patients proposed to be served by the relocated unit are primarily from HSA 7. The total number of patients served in 2012 was 394 patients, with 321 patients (81.5%) living in HSA 7 and 73 (18.5%) living outside of the HSA.

C. 1110.630(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service

Since the proposed project calls for the service to be moved from one hospital to another, it is considered to be the establishment of a new service under the State Board's rules.

The projected volume for this service is based upon the utilization of the CPR at Adventist Hinsdale Hospital and projections from Truven's Market Planner Plus to determine the annual growth rate for Rehabilitation patient days for the service area. The defined service area population is projected to increase by 4.6% from 2013 to 2023. However, this is only one factor in projecting growth of the volume for rehabilitation beds and services. Other factors include: 1)

the aging of the population; 2) the increase of risk factors, such as diabetes, obesity, high blood pressure, etc.; and 3) the further development of technology to treat spinal cord and head injuries. The projected increase in patient days for this service, based upon the above factors, amounts to a conservative 2.5% increase annually.

The increase in patient days (2.5% annually) is shown in the table below:

Rehabilitation – Utilization				
	Patients Days	CON Occupancy %	State Standard	Standard Met?
2011 *	3,790	69.2%	85%	Yes, in 2016
2012 *	4,551	83.1%		
2013 Projected *	4,650	84.9%		
2014 Projected *	4,763	87.0%		
2015 Projected **	4,886	83.7%		
2016 Projected **	4,982	85.3%		
2017 Projected **	5,105	87.4%		

The projections above indicate that the proposed unit will achieve the target occupancy by 2016. These projections do not include any changes in market share for the service. The projections are based upon actual historical utilization at Adventist Hinsdale Hospital, which: 1) is also within the Adventist Health System, 2) is located in close proximity (2.5 miles) to the applicant hospital, 3) is proposing to discontinue its CPR, and 4) whose staff will move to the new unit at Adventist La Grange Memorial Hospital. The transfer of the clinical team and the close affiliation of the two hospitals ensure the continuation of care currently provided by Adventist Hinsdale Hospital. It also ensures that the physicians that currently refer to the existing unit will continue to refer patients to the new unit.

D. 1110.630(b)(5) - Planning Area Need - Service Accessibility

The purpose of the proposed project is to replace an existing 15-bed CPR, currently operating at 83.5% occupancy, with a new 16 bed unit, which is projected to be operating above the Board's 85% occupancy target one year after project completion.

There do not appear to be any facilities in the planning area that have restrictive admission policies. There is one facility, Marianjoy Rehabilitation Hospital, which treats a much higher level of rehabilitation patient than a traditional community-based, full-service hospital. Two other hospitals within 45 minutes also treat these higher-level patients. Both are outside of the planning area (Schwab Rehabilitation Hospital and the Rehabilitation Institute of Chicago). The table below lists all of the facilities that provide Comprehensive Physical Rehabilitation service within the 45-minute travel time of Adventist La Grange Memorial Hospital.

Facility	Occupancy %	Number of beds	City	Distance (miles)	Travel Time (minutes)
Advocate Christ Medical Center	90	37	Oak Lawn	12.39	27.6
Advocate Illinois Masonic Medical Center	61.3	22	Chicago	20.53	41.4
Advocate Lutheran General Hospital	74.8	45	Park Ridge	20.48	35.7
Alexian Brothers Medical Center	89.4	66	Elk Grove Village	19.58	34.5
Holy Cross Hospital	87.5	20	Chicago	14.67	34.5
Ingalls Memorial Hospital	53.8	52*	Harvey	21.5	36.8
Loyola University Medical Center	78.9	32	Maywood	7.5	19.6
Marianjoy Rehabilitation Hospital	82.2	108	Wheaton	17.9	38
Mercy Hospital, Chicago	45.9	24	Chicago	16.19	28.8
Presence Resurrection Medical Center	60.8	65	Chicago	19.71	38
Presence St. Mary of Nazareth Hospital	62.5	15	Chicago	19.7	36.8
Rehabilitation Institute of Chicago	88.3	182	Chicago	19.8	35.7
Rush Copley Medical Center	57.6	18	Aurora	21.56	41.4
Rush Oak Park Hospital	12.3	26**	Oak Park	12.77	25.3
Rush University Medical Center	56.5	59	Chicago	17.89	31.1
Schwab Rehabilitation Hospital	65.7	81	Chicago	13.58	27.6
Silver Cross Hospital	64.2	24	New Lenox	23.04	34.5
University of Illinois Hospital	59.2	18	Chicago	15.24	31.1
Westlake Hospital	48.1	40***	Melrose Park	11.95	27.6

*Hospital had 48 of 52 beds set up and staffed
**Hospital had 10 of 26 beds set up and staffed
***Hospital had 20 of 40 beds set up and staffed

While the proposed project technically calls for the establishment of a new category of service at Adventist La Grange Memorial Hospital, the project is actually a replacement of an existing unit at Adventist Hinsdale Hospital. No changes in the staffing, nor the proposed service area will take place as a result of the proposed project. No impact to any existing Comprehensive Physical Rehabilitation program is expected.

E. 1110.630(c)(1) - Unnecessary Duplication of Services

Attached to this section is a list of all the ZIP Codes and their population within the 30-minute travel time of Adventist La Grange Memorial Hospital (unadjusted – MapQuest).

The proposed service area for this project is smaller than the 30-minute unadjusted travel time area shown in the attachment referenced above. The service area population for this project is shown below:

Adventist La Grange Memorial Hospital Service Area Population Growth Trends by ZIP			
Primary	2013 Population	2023 Population	Change
60154	16,460	17,087	3.8%
60439	23,367	26,053	11.5%
60440	52,677	52,066	-1.2%
60513	19,102	19,239	0.7%
60515	27,794	29,129	4.8%
60516	29,657	30,409	2.5%
60521	18,369	19,181	4.4%
60523	9,438	9,294	-1.5%
60525	31,626	32,715	3.4%
60526	14,004	14,755	5.4%
60527	28,275	29,934	5.9%
60558	12,791	13,542	5.9%
60559	25,515	27,030	5.9%
60561	22,553	23,175	2.8%
Primary Total	331,628	343,609	3.6%
Secondary			
60126	46,972	49,383	5.1%
60148	52,713	56,274	6.8%
60153	23,876	23,117	-3.2%
60155	7,777	7,851	1.0%
60162	8,369	8,762	4.7%
60402	63,442	65,290	2.9%
60446	41,211	45,160	9.6%
60457	13,994	14,632	4.6%
60463	14,533	15,252	4.9%
60480	5,532	6,025	8.9%
60501	11,617	11,481	-1.2%
60514	9,965	10,576	6.1%
60517	32,346	34,506	6.7%
60534	10,857	11,357	4.6%
60544	27,731	32,010	15.4%
60546	15,833	16,347	3.2%
60638	55,670	57,837	3.9%
Secondary Total	442,438	465,860	5.3%
Grand Total	774,080	809,469	4.6%

Using the adjusted MapQuest travel time, the following chart shows the hospitals that provide Comprehensive Physical Rehabilitation Category of Service within the 30-minute travel time of Adventist La Grange Memorial Hospital.

(45)

30-Minute Travel Time Chart

Facility	City	Distance (miles)	Travel Time (minutes)
Advocate Christ Medical Center	Oak Lawn	12.39	27.6
Loyola University Medical center	Maywood	7.5	19.6
*Mercy Hospital, Chicago	Chicago	16.19	28.8
Rush Oak Park Hospital	Oak Park	12.77	25.3
*Schwab Rehabilitation Hospital	Chicago	13.58	27.6
Westlake Hospital	Melrose Park	11.95	27.6

*Denotes facilities outside of HSA 7

The 30-minute travel time by ZIP Code includes many areas which are outside of the HSA 7. This makes it very difficult to determine the ratio of beds per thousand population and compare that figure to the planning area in which the applicant is located (HSA 7). The ratio of beds per 1,000 population in the HSA is based upon the 2015 population estimates published in the Board's Inventory of Health Care Facilities, which is 0.14 beds per 1,000 population. The State Average based upon the 2010 estimates in the same document total 0.13 beds per 1,000 population. Based upon these figures and the fact that the proposed project will result in a change of only one bed, a maldistribution of services in this HSA is not expected.

Looking at the facilities within the 30-minute travel time of ALMH, the closest hospital is 7.5 miles and 19.6 minutes away. All of the other facilities within the 30-minute travel time are between 25.3 and 28.8 minutes from ALMH. All of those facilities are to the east of Adventist La Grange Memorial Hospital. The closest hospitals to the west, providing Rehabilitation services, are all above a 30-minute drive time from Adventist La Grange Memorial Hospital. A Rehabilitation unit at Adventist La Grange Memorial Hospital provides area patients with a centralized location for care and will provide existing patients of Adventist Hinsdale Hospital with a local option, thus maintaining access to necessary care.

The unit is being replaced in order to provide a modern facility to accommodate the planning area patients. The staff and the clinical team treating the patients will remain the same. The service area for the service will also remain unchanged. The only difference between the existing and proposed unit is: 1) the size of the unit (15 beds existing vs. 16 beds proposed) and 2) the fact that the proposed unit will be fully modernized to meet all of the treatment needs of the patients.

The proposed project does not pose an unnecessary duplication of services and is needed to continue to meet the needs of Adventist Midwest Health's patients.

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F. 1110.630(c)(3) - Impact of Project on Other Area Providers

The applicant is proposing to replace an existing 15-bed Comprehensive Physical Rehabilitation unit now located at Adventist Hinsdale Hospital with a 16-bed Comprehensive Physical Rehabilitation unit at Adventist La Grange Memorial Hospital. The current unit is operating at 83.1% occupancy. By 2016, the first full year after project completion, the proposed unit is projected to operate at 85.3% occupancy, with no increase in market share and no change in the service area of the facility.

The increase of one bed is needed to satisfy the State Board's minimum unit size and will meet target occupancy requirements by 2016. It will not impact the utilization of any of the area facilities.

G. 1110.630(e(1) and (2) – Staffing and Personnel Qualifications

The Comprehensive Rehabilitation Unit/Service at Adventist Hinsdale Hospital is an established and well-respected program in the Chicago western suburbs. The unit has been CARF (Commission on Accreditation of Rehabilitation Facilities) accredited since 1987 and continues to focus on service expansion and quality improvement. In addition to the Inpatient Rehabilitation Programs - Hospital (Adults) accreditation, the unit was recently surveyed for Stroke Specialty Certification. A copy of the most recent CARF accreditation is appended to this attachment.

To ensure the commitment to rehab excellence, Adventist Hinsdale Hospital has also partnered with Marianjoy Rehabilitation Hospital for administrative and clinical oversight/support of the CPR unit. A copy of the agreement is appended to this attachment. All of this expertise indicates an established pattern of practice excellence that will be transferred to the new unit at Adventist La Grange Memorial Hospital.

The applicant is proposing to employ the clinical team that currently provides care to rehabilitation patients at Adventist Hinsdale Hospital when the unit is moved to Adventist La Grange Memorial Hospital. A list of the clinical team and their qualifications is appended to this attachment. Also included is the Operational Plan for Service Excellence containing the staffing plan.

H. 1110.630(f) - Performance Requirements

This criterion specifies the minimum size of a Comprehensive Physical Rehabilitation unit within a hospital to be 16 beds. ALMH is proposing to have 16 beds in the new unit and therefore meets the requirement.

I. 1110.630(g) - Assurances

This criterion requires that; "the applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 100 for each category of service involved in the proposal."

The required statement is appended to this attachment.

Inpatient Rehab Projections by Year
 Source: Thomson Reuters (Truven) 11/20/2013

DRG: DRG Number	DRG: DRG Name	DISCHARGES				
		BASELINE				
		2013 Baseline Discharges	2014 Baseline Discharges	2015 Baseline Discharges	2016 Baseline Discharges	2017 Baseline Discharges
945	REHABILITATION W CC/MCC	1,154	1,182	1,210	1,239	1,270
946	REHABILITATION W/O CC/MCC	203	208	212	217	223

Year over Year Growth

945	REHABILITATION W CC/MCC	--	2.43%	2.37%	2.40%	2.50%
946	REHABILITATION W/O CC/MCC	--	2.46%	1.92%	2.36%	2.76%
	COMBINED	--	2.43%	2.30%	2.39%	2.54%

Adventist La Grange Memorial Hospital Rehab Establishment			
ZIP codes within 30-minute drive time			
Zip Code	2013 Population	2018 Population	Change rate
60007	33,489	33,628	0.4%
60016	60,967	62,633	2.7%
60018	30,443	31,468	3.4%
60068	37,684	38,037	0.9%
60101	39,040	39,936	2.3%
60104	19,068	19,057	-0.1%
60106	20,571	20,875	1.5%
60108	23,364	23,962	2.6%
60126	46,972	47,796	1.8%
60130	14,155	14,132	-0.2%
60131	18,133	18,147	0.1%
60137	38,765	39,425	1.7%
60139	34,729	35,704	2.8%
60141	261	261	0.0%
60143	10,193	10,418	2.2%
60148	52,713	53,992	2.4%
60153	23,876	23,586	-1.2%
60154	16,461	16,696	1.4%
60155	7,777	7,804	0.3%
60157	2,506	2,551	1.8%
60160	25,837	26,631	3.1%
60162	8,369	8,501	1.6%
60163	5,105	5,126	0.4%
60164	22,273	22,627	1.6%
60165	5,176	5,212	0.7%
60171	10,461	10,602	1.3%
60172	24,879	25,308	1.7%
60176	11,793	12,032	2.0%
60181	28,715	29,072	1.2%
60187	29,434	29,501	0.2%
60188	43,469	44,244	1.8%
60191	14,876	15,072	1.3%
60301	2,153	2,186	1.5%
60302	32,521	32,648	0.4%
60304	17,272	17,426	0.9%
60305	11,265	11,231	-0.3%
60402	63,442	64,112	1.1%
60406	25,975	26,030	0.2%
60415	14,452	14,590	1.0%
60426	29,266	28,862	-1.4%
60428	12,502	12,751	2.0%
60429	15,737	16,092	2.3%
60439	23,368	24,321	4.1%

60440	52,678	52,422	-0.5%
60441	37,031	37,664	1.7%
60445	26,220	26,563	1.3%
60446	41,211	42,731	3.7%
60452	27,763	28,044	1.0%
60453	57,544	58,719	2.0%
60455	16,780	17,266	2.9%
60456	4,416	4,492	1.7%
60457	13,994	14,198	1.5%
60458	14,894	15,679	5.3%
60459	29,438	30,104	2.3%
60462	40,145	40,815	1.7%
60463	14,533	14,783	1.7%
60464	9,872	10,387	5.2%
60465	17,961	18,323	2.0%
60467	26,946	28,131	4.4%
60469	6,120	6,436	5.2%
60472	5,105	4,995	-2.2%
60480	5,532	5,696	3.0%
60482	11,185	11,311	1.1%
60487	26,594	27,499	3.4%
60490	20,288	21,264	4.8%
60491	23,155	23,041	-0.5%
60501	11,617	11,561	-0.5%
60513	19,103	19,146	0.2%
60514	9,965	10,177	2.1%
60515	27,795	28,237	1.6%
60516	29,658	29,919	0.9%
60517	32,346	33,095	2.3%
60521	18,370	18,645	1.5%
60523	9,439	9,376	-0.7%
60525	31,627	32,006	1.2%
60526	14,005	14,290	2.0%
60527	28,276	28,920	2.3%
60532	27,347	27,666	1.2%
60534	10,857	11,025	1.5%
60540	43,051	43,583	1.2%
60544	27,731	29,350	5.8%
60546	15,833	16,009	1.1%
60555	13,951	14,042	0.7%
60558	12,792	13,049	2.0%
60559	25,516	26,077	2.2%
60561	22,554	22,790	1.0%
60563	37,731	39,813	5.5%
60565	40,533	40,282	-0.6%
60601	11,944	13,744	15.1%
60602	1,347	1,467	8.9%

60603	777	858	10.4%
60604	1,005	1,105	10.0%
60605	26,272	29,472	12.2%
60606	2,855	3,300	15.6%
60607	25,202	27,116	7.6%
60608	73,535	73,611	0.1%
60609	64,893	64,787	-0.2%
60610	37,473	38,716	3.3%
60611	30,765	33,505	8.9%
60612	34,149	34,859	2.1%
60615	41,935	43,083	2.7%
60616	49,784	51,858	4.2%
60620	71,712	71,010	-1.0%
60621	34,999	33,575	-4.1%
60622	53,049	53,658	1.1%
60623	100,150	98,236	-1.9%
60624	37,754	37,212	-1.4%
60629	114,280	115,198	0.8%
60630	54,326	54,884	1.0%
60631	29,109	29,331	0.8%
60632	91,067	91,445	0.4%
60634	75,369	76,348	1.3%
60636	40,178	38,700	-3.7%
60638	55,670	56,411	1.3%
60639	90,185	90,497	0.3%
60641	71,442	71,198	-0.3%
60644	48,012	47,121	-1.9%
60647	87,656	88,244	0.7%
60651	63,638	62,364	-2.0%
60652	41,212	41,922	1.7%
60653	31,022	32,523	4.8%
60654	17,961	20,360	13.4%
60655	28,368	28,587	0.8%
60656	28,729	29,934	4.2%
60661	8,852	10,156	14.7%
60666	-	-	0.0%
60706	22,625	23,027	1.8%
60707	42,966	43,016	0.1%
60714	30,202	30,784	1.9%
60803	22,906	23,548	2.8%
60804	85,630	86,646	1.2%
60805	19,856	19,731	-0.6%
All ZIPs	3,949,870	4,007,053	1.4%

Attachment 21 21

Rehabilitation Hospitals Within a 30-Minute Drive Time From Adventist La Grange Memorial Hospital
Facility Driving Distance and Time

Hospital Name	Address			Driving Time from Adventist La Grange Memorial Hospital (Minutes)	Suburban Adjustment Factor	Adjusted Drive Time (Minutes)
	Street Address	City	State ZIP			
Adventist Hinsdale Hospital (AHH)	120 N. Oak St.	Hinsdale	IL 60521	6	1.15	6.9
Advocate Christ Medical Center	4440 W. 95th St.	Oak Lawn	IL 60453	20	1.15	23.0
Advocate Lutheran General Hospital	1775 Dempster St.	Park Ridge	IL 60068	24	1.15	27.6
Alexian Brothers Medical Center	800 W. Biesterfeld Rd.	Elk Grove	IL 60007	24	1.15	27.6
Holy Cross	2701 W. 68th St.	Chicago	IL 60629	24	1.15	27.6
Loyola University Medical Center	2160 S. 1st Ave.	Maywood	IL 60153	14	1.15	16.1
Marianjoy Rehabilitation Center	26 W. 171 Roosevelt Rd.	Wheaton	IL 60187	25	1.15	28.8
Mercy Hospital and Medical Center	2525 S. Michigan Ave.	Chicago	IL 60616	20	1.15	23.0
Presence Resurrection Medical Center	7435 W. Talcott Ave.	Chicago	IL 60631	24	1.15	27.6
Rehabilitation Institute of Chicago	345 E. Superior St.	Chicago	IL 60611	26	1.15	29.9
Presence Health - St. Mary of Nazareth Hospital	2233 W. Division St.	Chicago	IL 60622	28	1.15	32.2
Rush Copley Medical Center	2000 Ogden Ave.	Aurora	IL 60504	30	1.15	34.5
Rush Oak Park Hospital	520 S. Maple Ave.	Oak Park	IL 60304	17	1.15	19.6
Rush University Medical Center	1653 W. Congress Pkwy.	Chicago	IL 60612	22	1.15	25.3
Schwab Rehabilitation Center	1401 S. California Blvd.	Chicago	IL 60608	17	1.15	19.6
Shriners Hospital for Children	2211 N. Oak Park Ave.	Chicago	IL 60707	24	1.15	27.6
Silver Cross Hospital	1900 Silver Cross Blvd.	New Lenox	IL 60451	25	1.15	28.8
University of Illinois Hospital & Health Sciences System	1740 W Taylor St.	Chicago	IL 60612	23	1.15	26.5
Westlake Hospital	1225 W Lake St.	Melrose Park	IL 60160	19	1.15	21.9

* Source: MapQuest



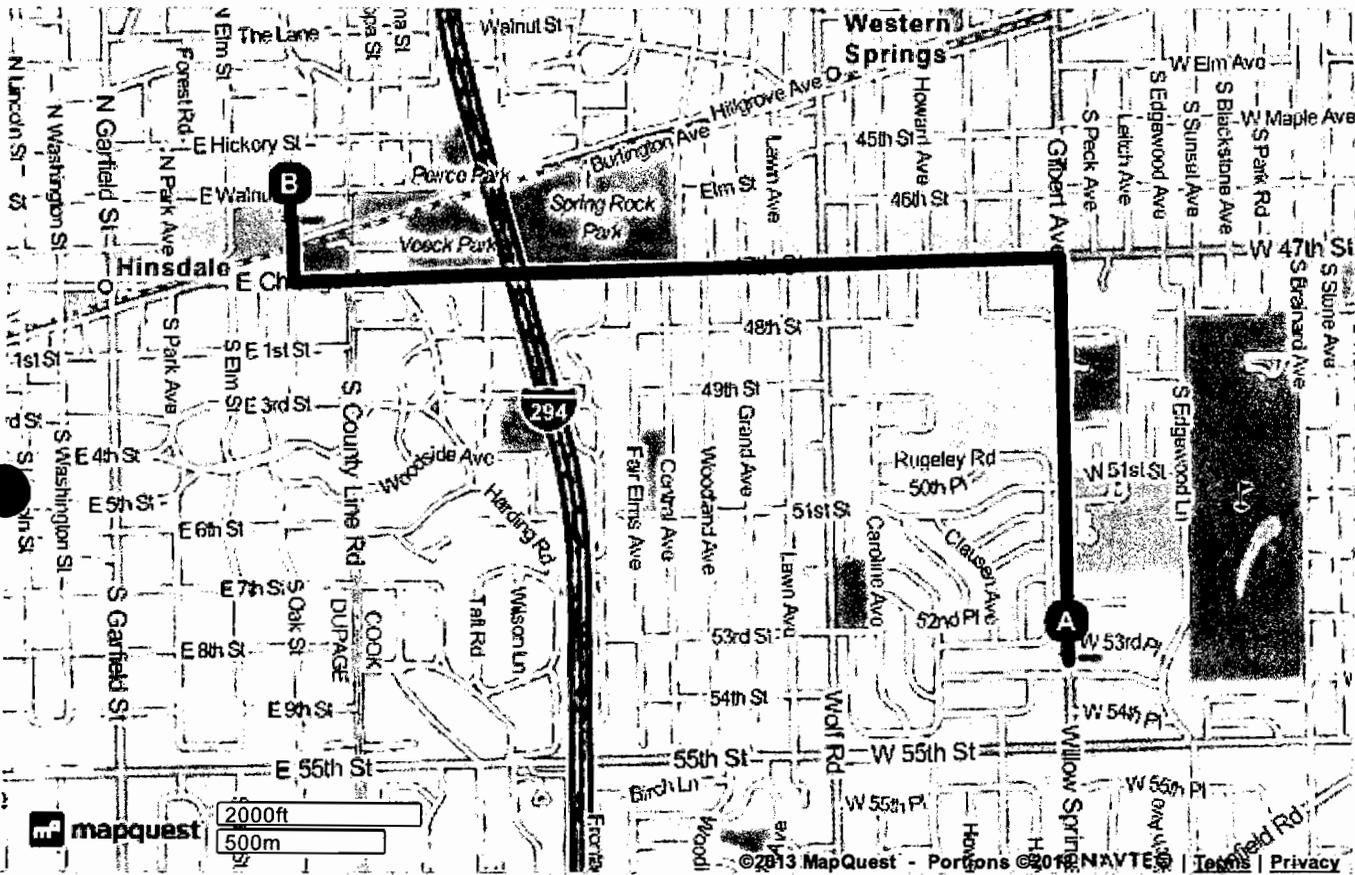
Map to:
120 N Oak St
Hinsdale, IL 60521-3829
2.56 miles / 6 minutes

Notes

Adventist Hinsdale Hospital

FREE NAVIGATION APP
SELECT: IPHONE ANDROID

Enter your mobile number



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Attachment 21 (93)



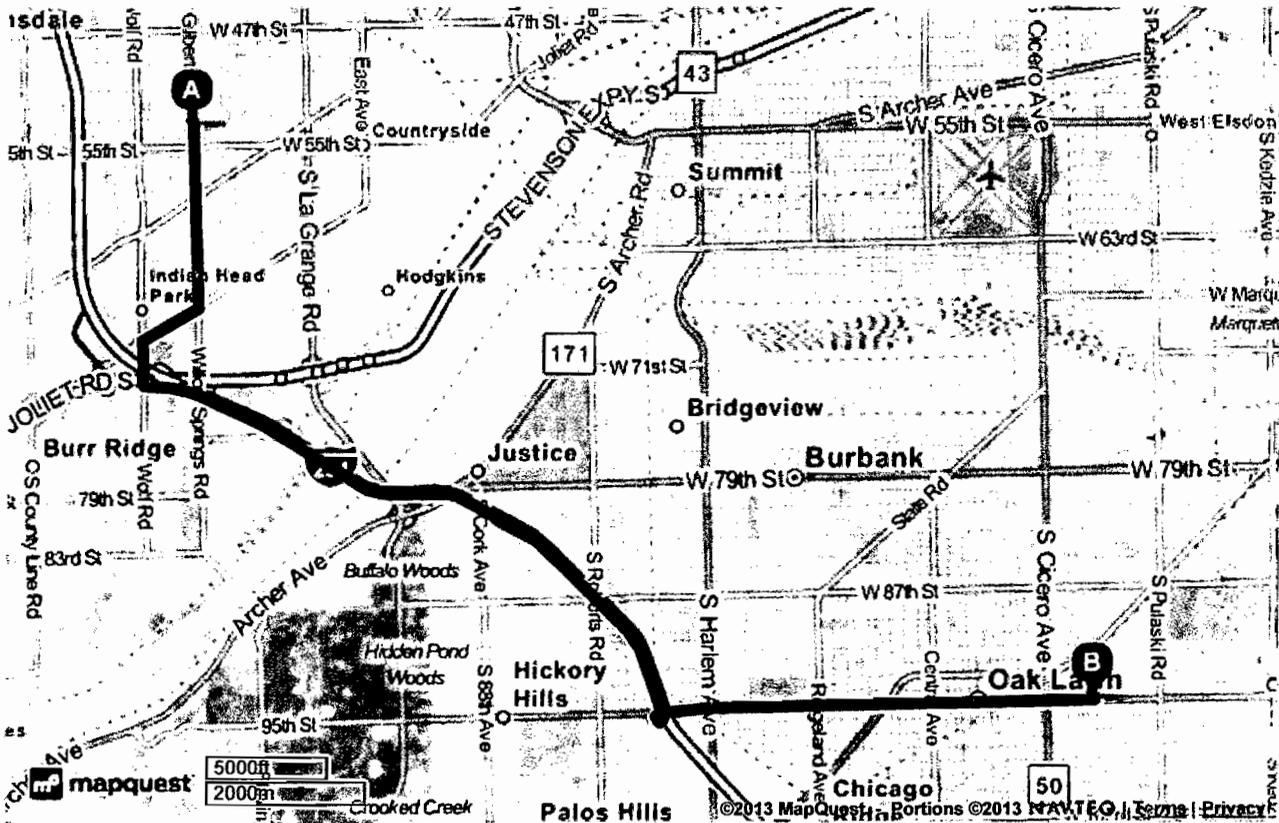
Trip to:
4444 W 95th St
Oak Lawn, IL 60453-2600
12.39 miles / 24 minutes

Notes

Advocate Christ Medical Center

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Attachment 21 (94)



Trip to:
1775 Dempster St
Park Ridge, IL 60068-1143
20.48 miles / 31 minutes

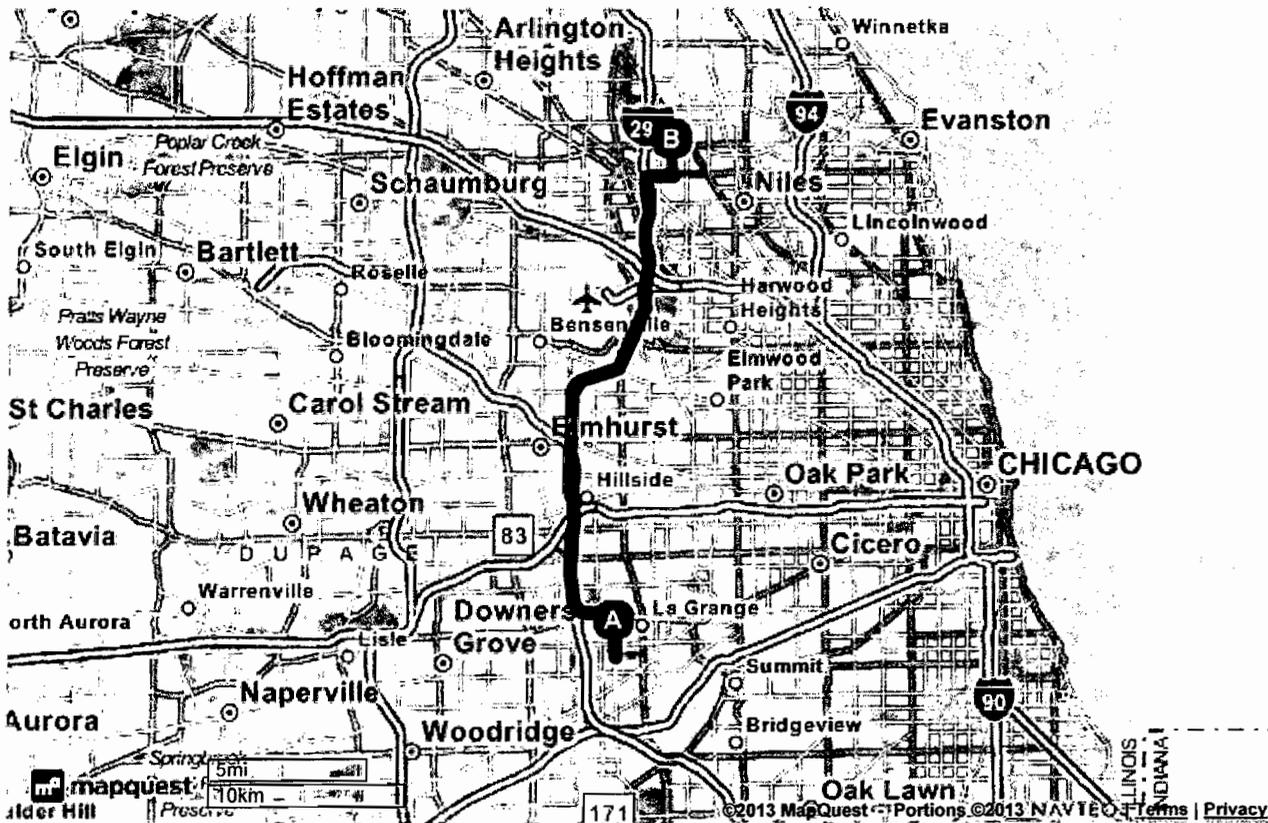
Notes

Advocate Lutheran General Hospital

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Attachment 21

95



Trip to:
800 Biesterfield Rd
Elk Grove Village, IL 60007-3361
19.58 miles / 30 minutes

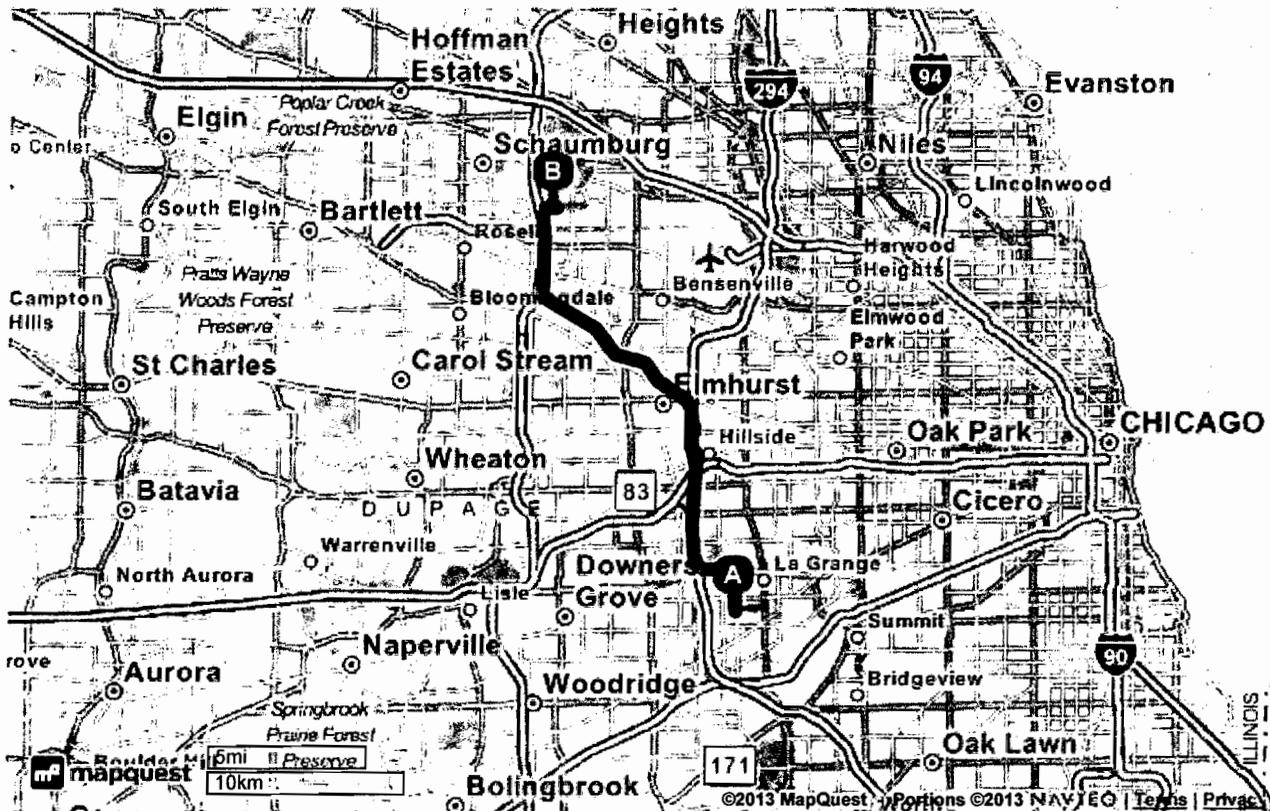
Notes

Alexian Brothers Medical Center

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Attachment 21

96



Trip to:
2701 W 68th St
Chicago, IL 60629-1813
14.67 miles / 30 minutes

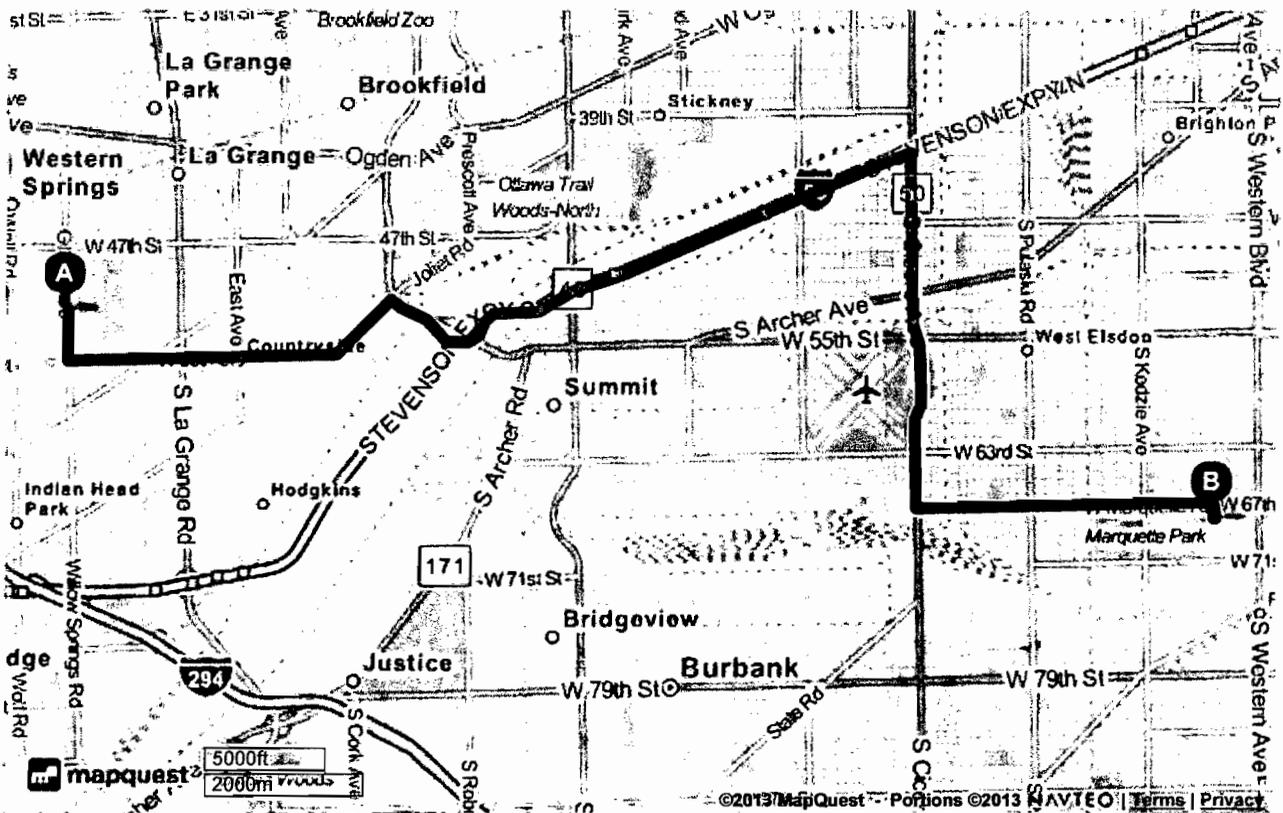
Notes

Holy Cross Hospital

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Attachment 21

97



Trip to:
2160 S 1st Ave
Maywood, IL 60153-3328
7.50 miles / 17 minutes

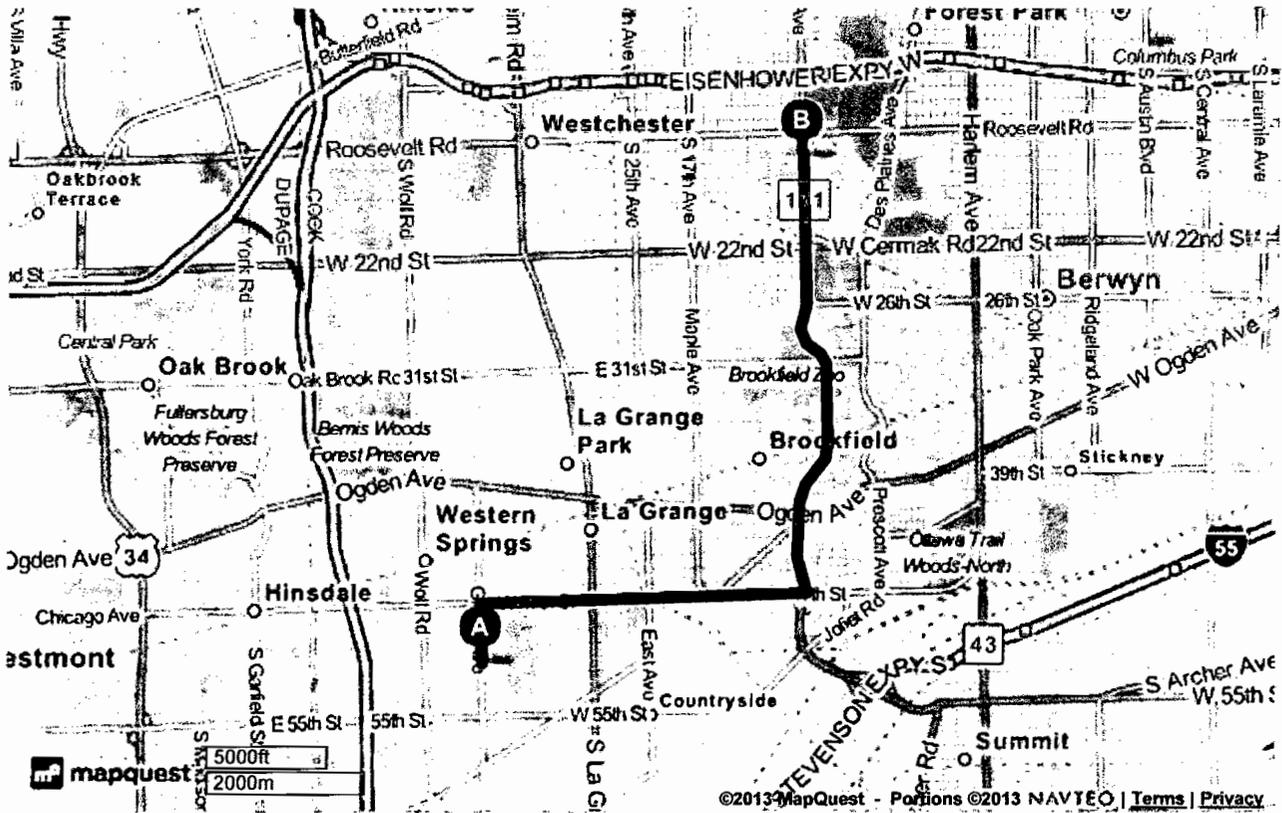
Notes

Loyola University Medical Center

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Attachment 21



Notes

Marian rehabilitation Center

Trip to:

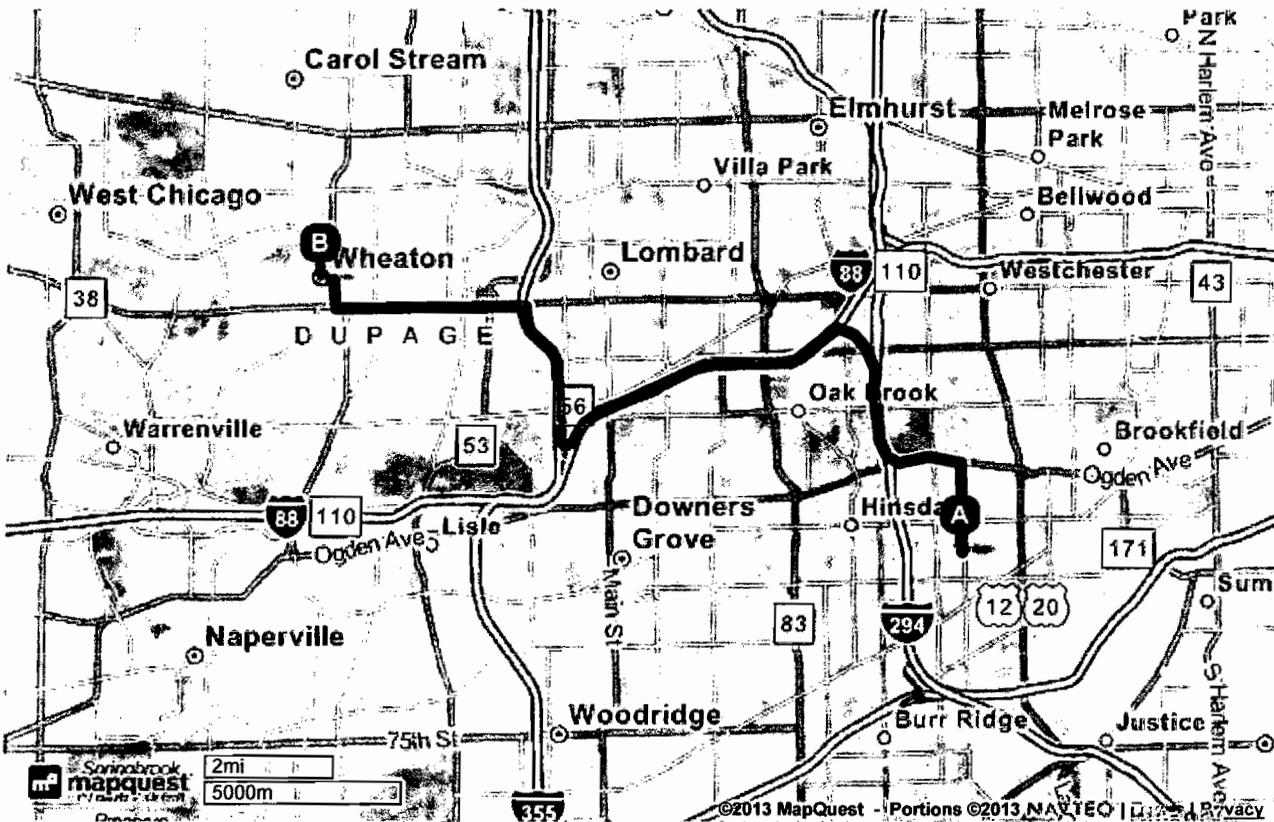
Wheaton, IL

17.89 miles / 33 minutes

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Attachment 21

99



Trip to:
2525 S Michigan Ave
Chicago, IL 60616-2315
16.19 miles / 25 minutes

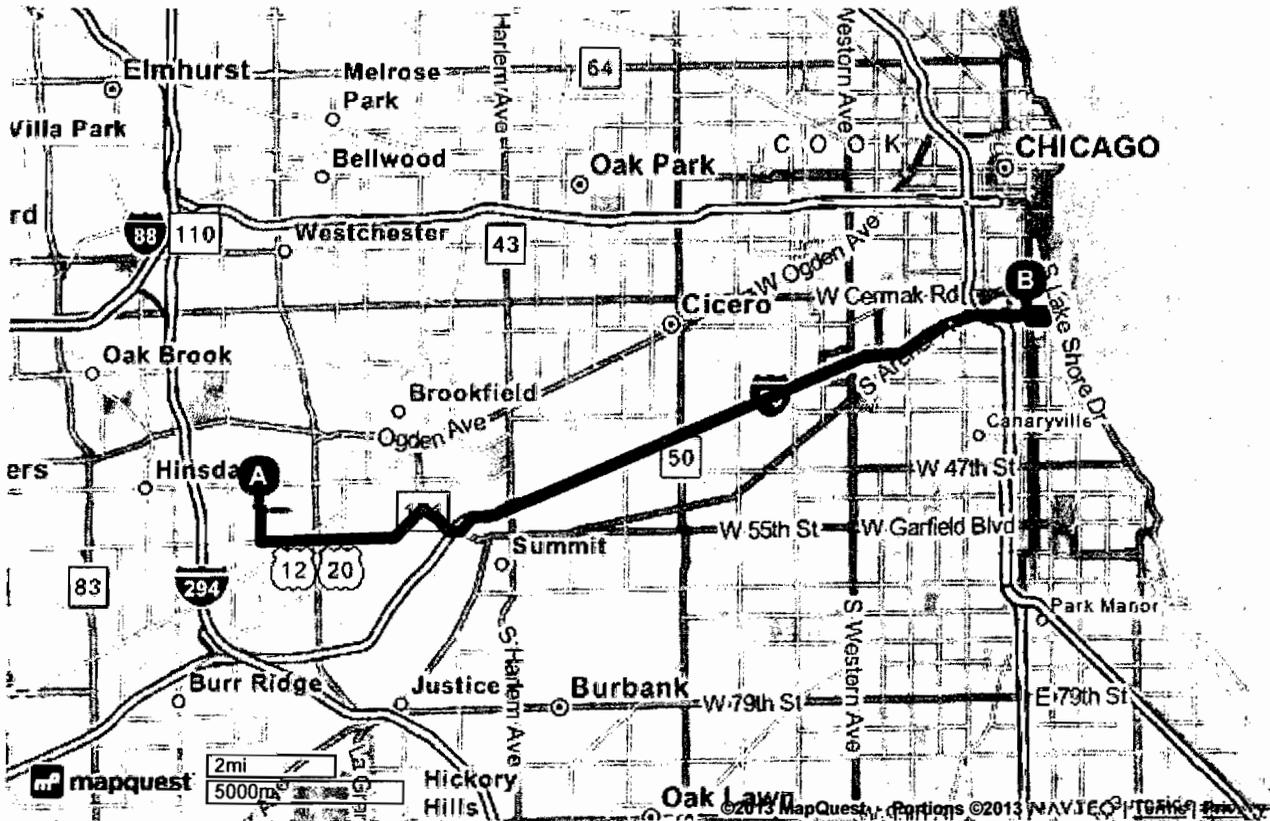
Notes

Mercy Hospital and Medical Center

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Attachment 21 (100)



Trip to:
7435 W Talcott Ave
Chicago, IL 60631-3707
19.71 miles / 31 minutes

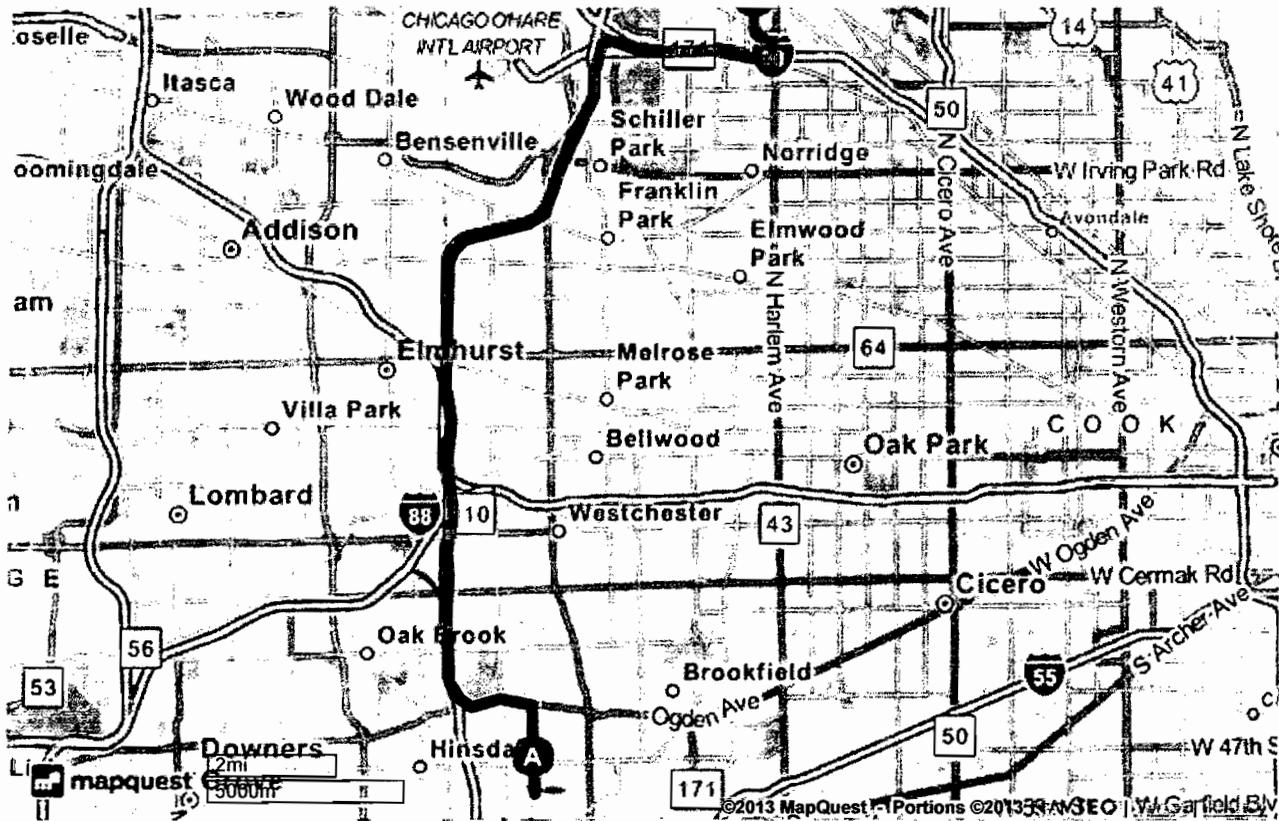
Notes

Presence Resurrection Hospital

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Attachment 21

101



Notes

Rehabilitation Institute of Chicago



Trip to:

345 E Superior St

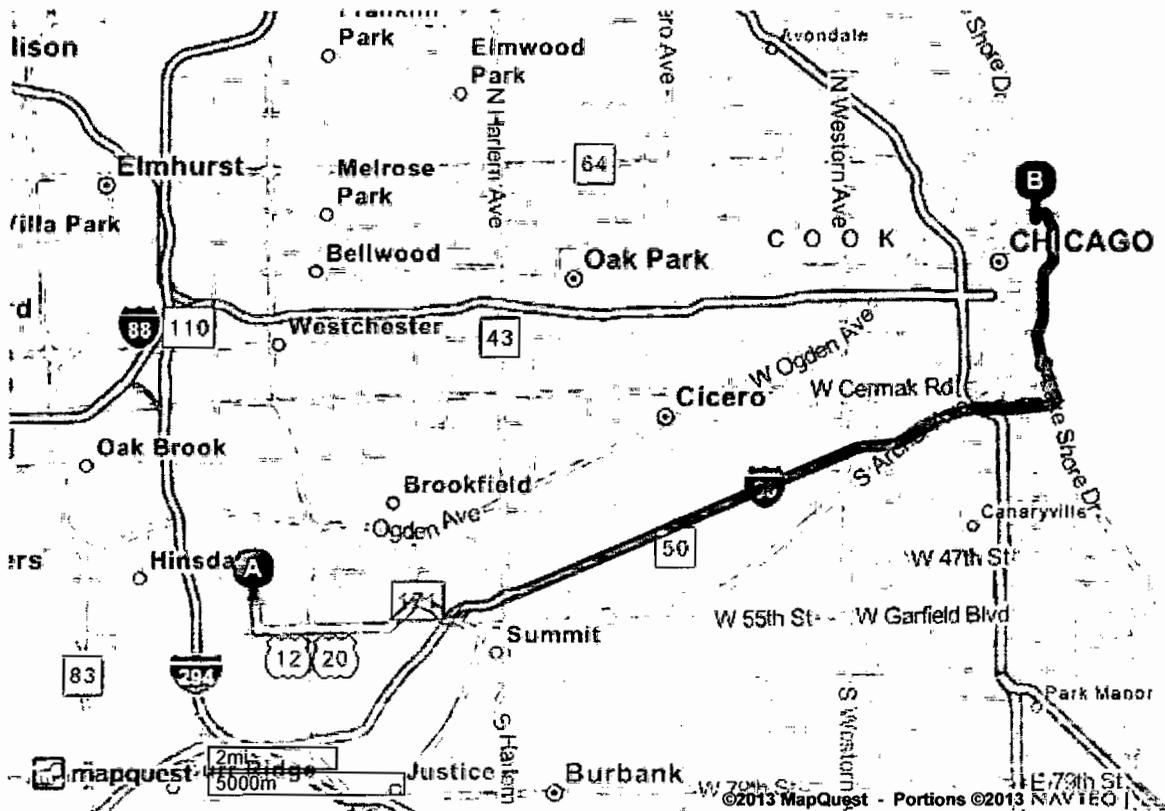
Chicago, IL 60611-2654

19.80 miles / 31 minutes

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Attachment 21 (102)



Notes

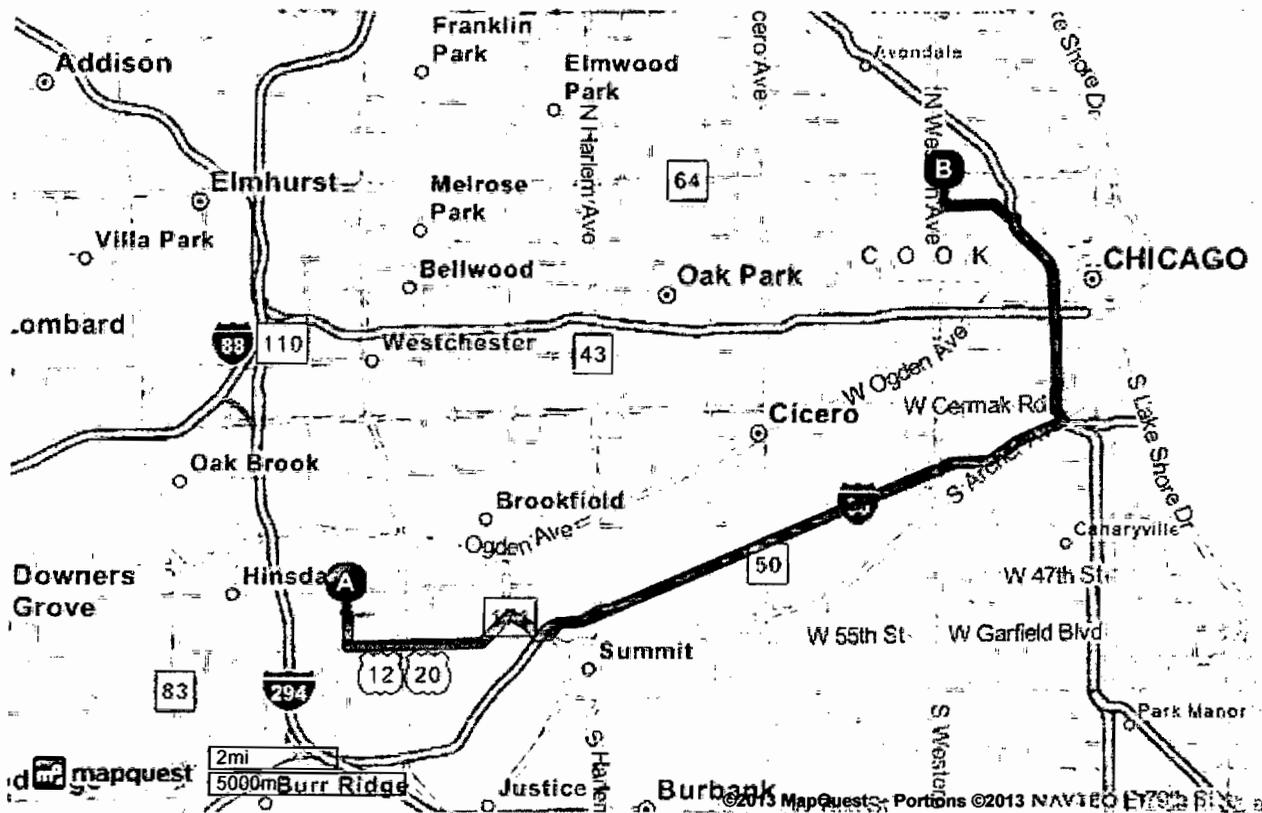
Presence Health St. Mary of

Trip to:
2233 W Division St
Chicago, IL 60622-8151
19.69 miles / 32 minutes

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Attachment 21 (103)



Notes

Rush Copley Medical Center

Trip to:

2000 Ogd

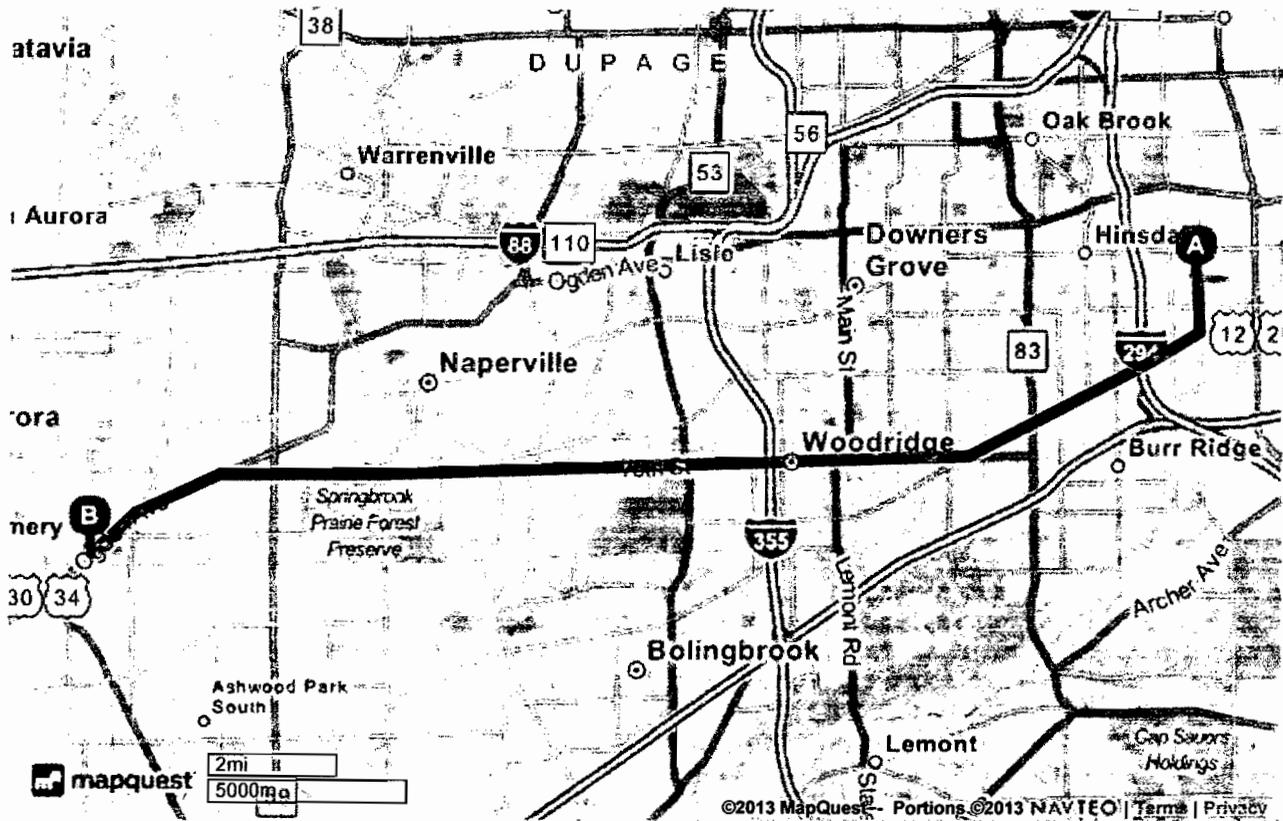
Aurora, IL 60504-7222

21.56 miles / 36 minutes

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Attachment 21

104



Trip to:

520 S Maple Ave
Oak Park, IL 60304-1022
12.77 miles / 22 minutes

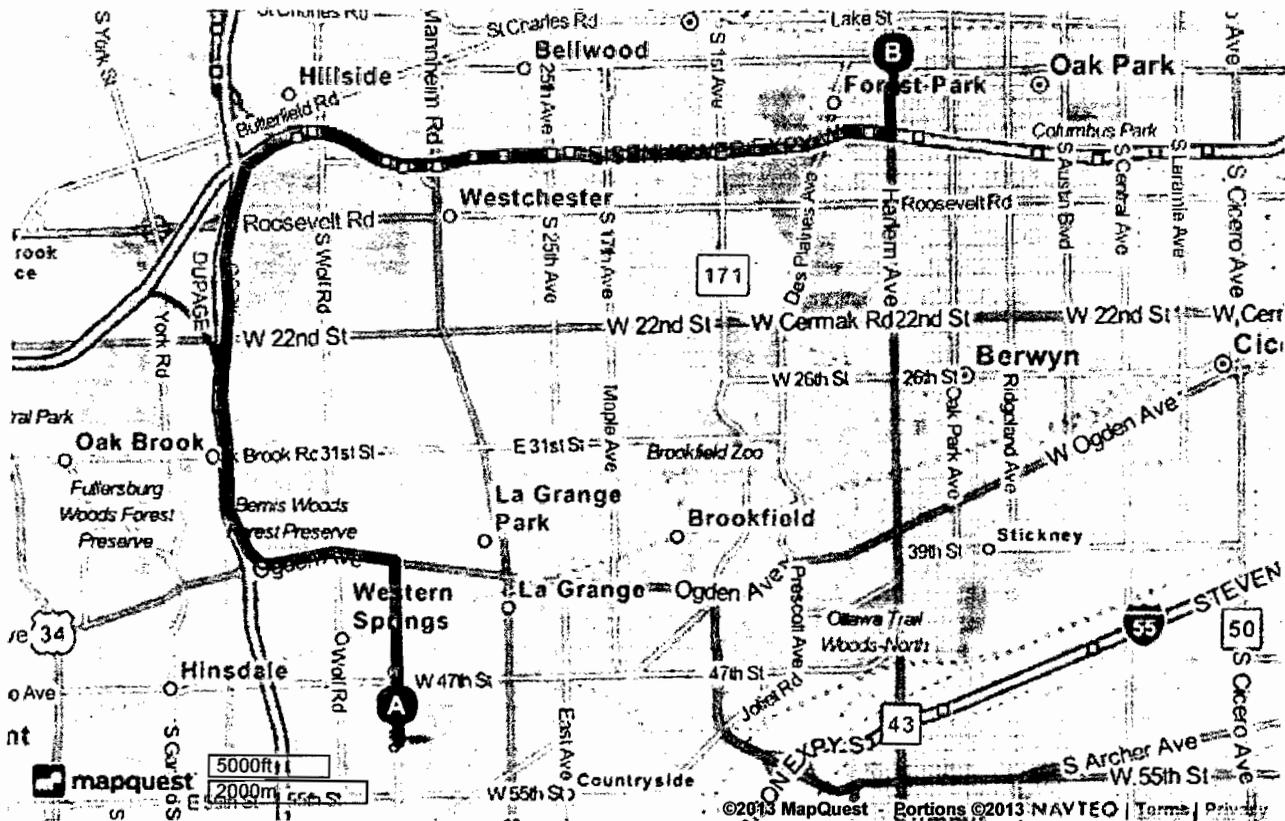
Notes

Rush Oak Park Hospital

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Attachment 21 105



Notes

Rush University Medical center

Trip to:

1653 W Congress Pkwy

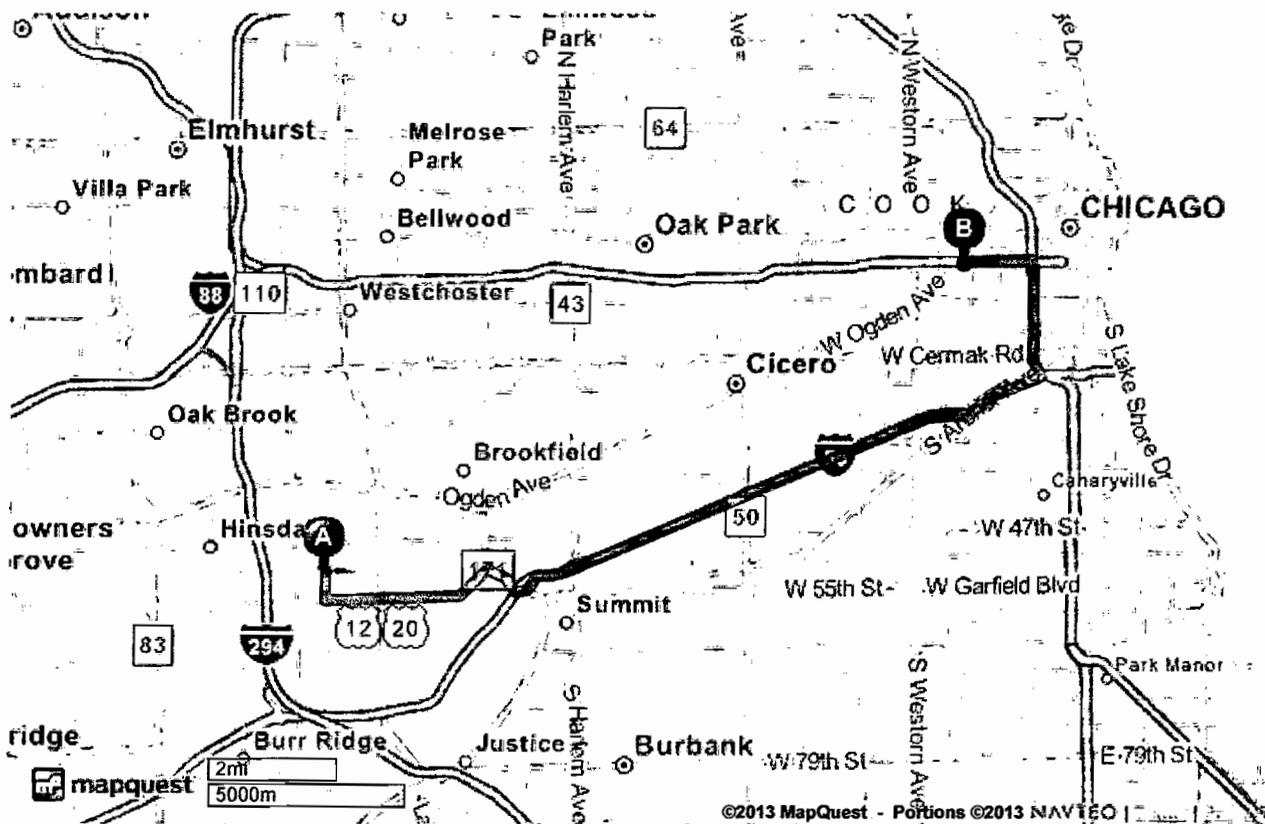
Chicago, IL 60612-3833

17.89 miles / 27 minutes

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Attachment 21

106



Trip to:
1401 S California Ave
Chicago, IL 60608-1858
13.58 miles / 24 minutes

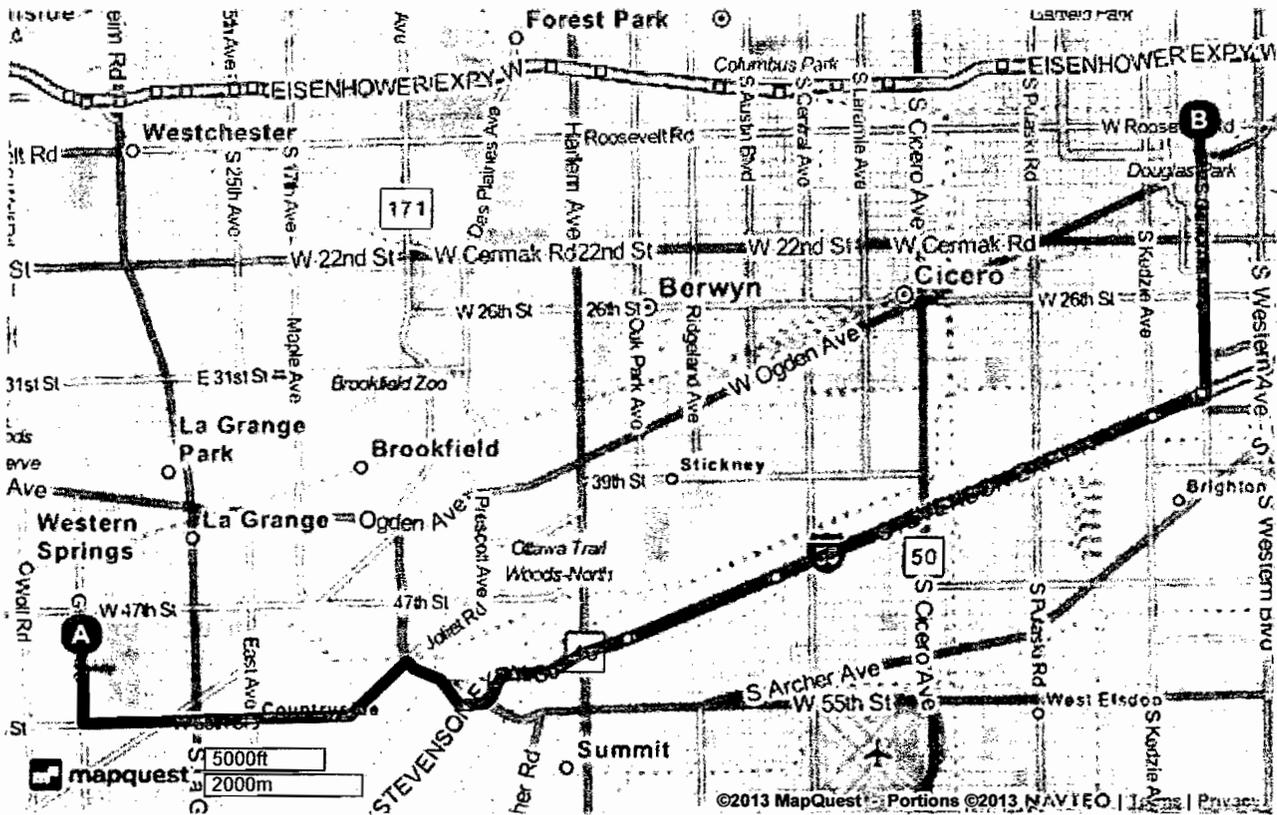
Notes

Schwab Rehabilitation Center

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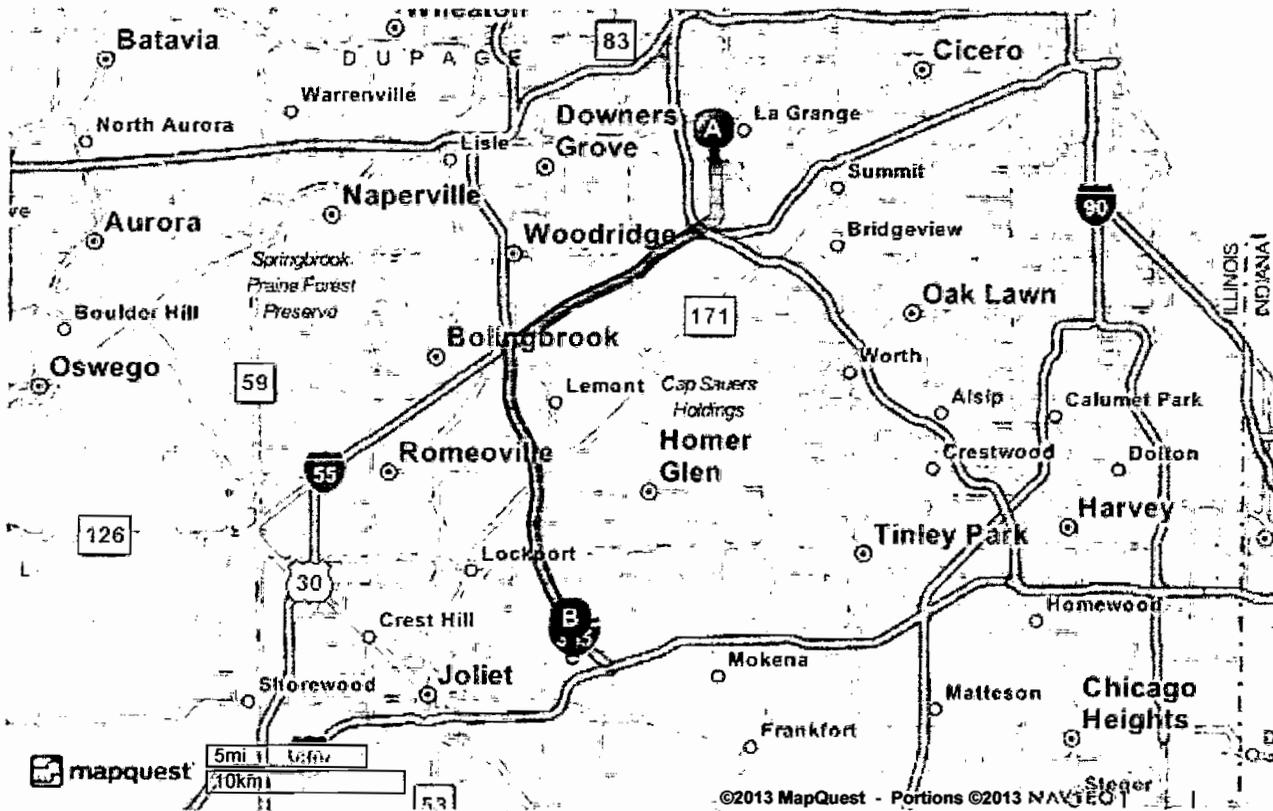
107



Notes
Silver Cross Hospital

Trip to:
1900 Silver Cross Blvd
New Lenox, IL 60451-9509
23.04 miles / 30 minutes

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Attachment 21 (109)



Trip to:
1740 W Taylor St
Chicago, IL 60612-7232
15.24 miles / 27 minutes

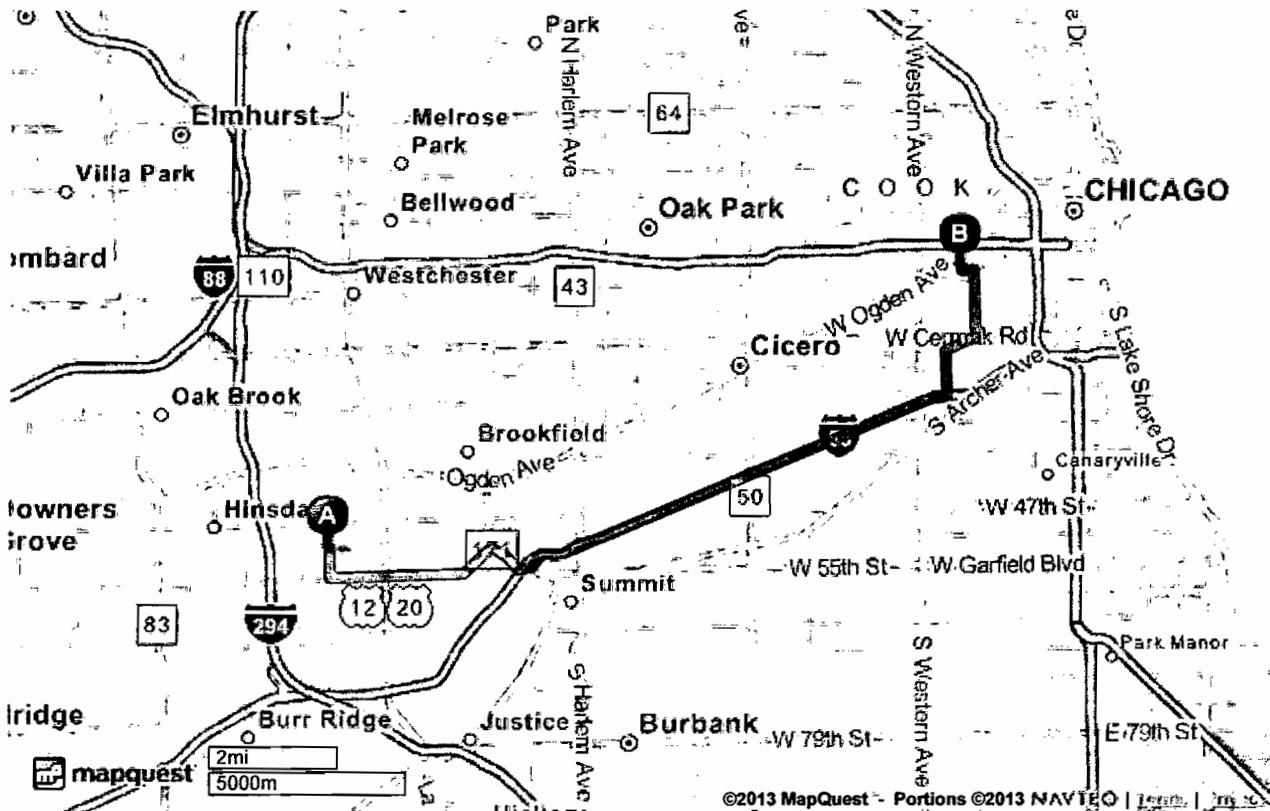
Notes

University of Illinois Hospital and Health
Science System

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110

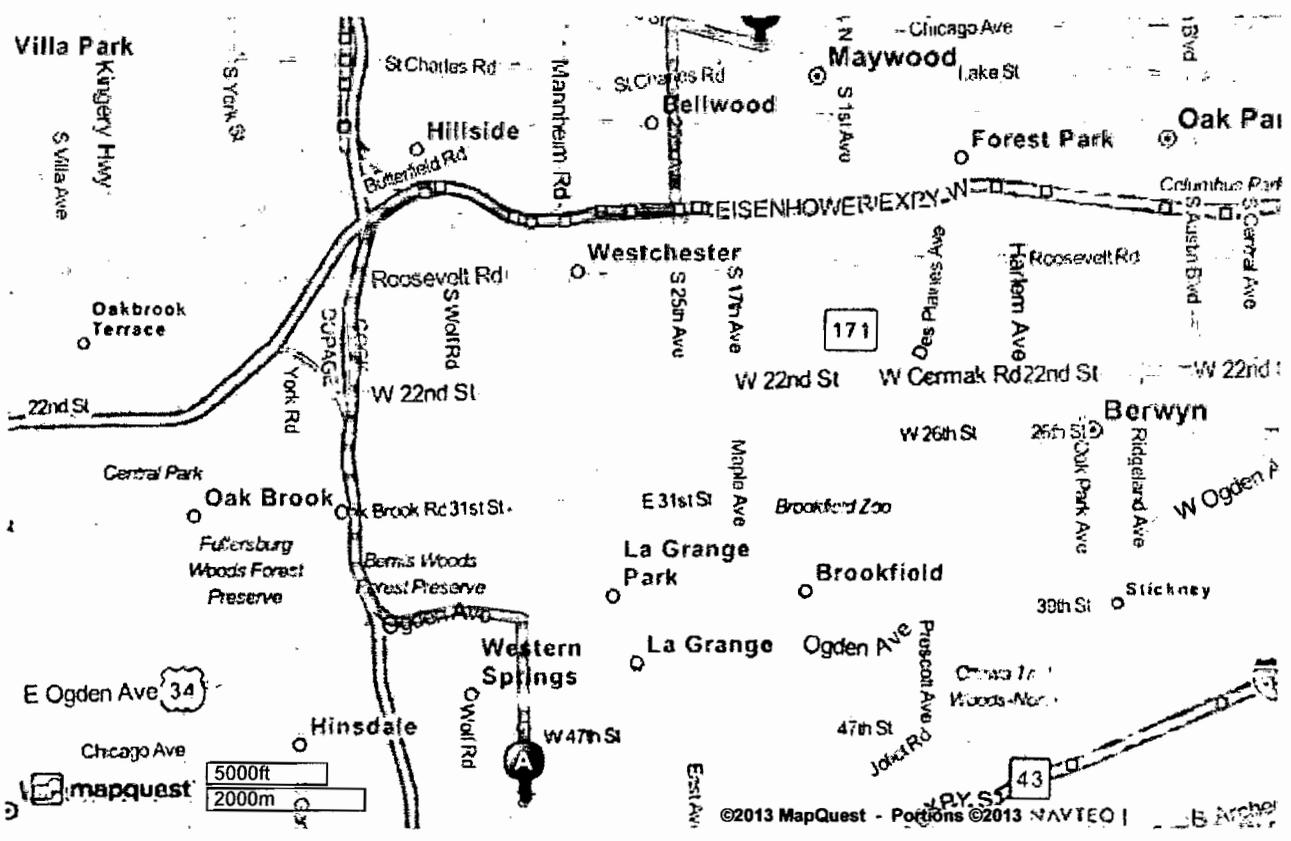
Attachment 21



Notes
Westlake Hospital

Trip to:
1225 W Lake St
Melrose Park, IL 60160-4039
11.95 miles / 24 minutes

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Attachment 21

111



December 29, 2010

Fides N. O'Hara, RN, B.S.N.
Nurse Manager
Paulson Rehab Network - Hinsdale Hospital
120 North Oak
Hinsdale, IL 60521

Dear Mrs. O'Hara:

It is my pleasure to inform you that Paulson Rehab Network - Hinsdale Hospital has been accredited by CARF for a period of three years for the following program:

Inpatient Rehabilitation Programs - Hospital (Adults)

This accreditation will extend through September 2013. This achievement is an indication of your organization's dedication and commitment to improving the quality of the lives of the persons served. Services, personnel, and documentation clearly indicate an established pattern of practice excellence.

Your organization should take pride in achieving this high level of accreditation. CARF will recognize this accomplishment in its listing of organizations with accreditation, and we encourage you to make this accomplishment known throughout your community. Communication of this award to your referral and funding sources, the media, and local and federal government officials will promote and distinguish your organization. Enclosed are some materials that will help you publicize this achievement.

The survey report is intended to support a continuation of the quality improvement of your program. It contains comments on your organization's strengths as well as suggestions and recommendations. A quality improvement plan demonstrating your efforts to implement the survey recommendations must be submitted within the next 90 days to retain accreditation. Guidelines and the form for completing the QIP have been posted on Customer Connect, our secure, dedicated website for accredited organizations and organizations seeking accreditation. E-mail notification was previously sent to your organization letting you know that these documents have been posted. Please submit this report to the attention of the customer service unit Administrative Coordinator.

Your Certificate of Accreditation is being sent under separate cover. Please note that you may use the enclosed form to order additional copies of the certificate.

If you have any questions regarding your organization's accreditation, you are encouraged to seek support from a Resource Specialist in your customer service unit by calling extension 7174.

Mrs. O'Hara

- 2 -

December 29, 2010

We encourage your organization to continue fully and productively using the CARF standards as part of your ongoing commitment to accreditation. We commend your commitment and consistent efforts to improve the quality of your program. We look forward to working with your organization in the future.

Sincerely,



Brian J. Boon, Ph.D.
President/CEO

esl
Enclosures

CARF INTERNATIONAL
6951 East Southpoint Road
Tucson, AZ 85756 USA
Toll-free/TTY 888 281 6531 ■ Fax 520 318 1129

CARF-CCAC
1730 Rhode Island Avenue, NW, Suite 209
Washington, DC 20036 USA
Toll-free 866 888 1122 ■ Fax 202 587 5009

CARF CANADA
10665 Jasper Avenue, Suite 1400A
Edmonton, Alberta T5J 3S9 Canada
Toll-free 877 434 5444 ■ Fax 780 426 7274

Attachment 21 (113)



To: Jane Mitchell, RN, M.S.N.
Director, Inpatient Acute Rehab
Paulson Rehab Network - Hinsdale Hospital

From: Deby Holloway
Scheduling Coordinator
Survey Services

Date: November 22, 2013

Re: Updated Survey Information

This memo is to confirm the update to your organization's survey. The updated information is indicated below. All other information referred to in previous correspondence is still in effect. We appreciate your cooperation and flexibility in scheduling this survey. If you have any questions, please do not hesitate to email me at dholloway@carf.org or call 888-281-6531, Ext. 7195.

Survey Date(s): December 12, 2013 through December 13, 2013

Dennis R. Armington, Administrative Surveyor, Team Coordinator/Report Compiler
Carmel, IN

Eric McDonough, M.S., OTR/L, M.B.A., Program Surveyor
Cape Fear Valley Rehabilitation Center
Fayetteville, NC

MEGAN R. PARKES, M.D.

Address:

17W682 Butterfield Road
Oakbrook Terrace, IL 60181

Contact:

Cell: (312) 451-2842
Work 630-909-6500
Fax (708) 352-1633
meganparkes@gmail.com

Work Experience

8/2011- present

Marianjoy Medical Group

Rehab Medical Director, Adventist Hinsdale Hospital
Medical Director, Comprehensive Day Rehab program
Outpt General Rehabilitation, Chronic Pain, Women's Health
Inpatient consultations and Subacute Rehab
Rehab Medical Director, Lexington Elmhurst

Training and Education

7/2008- 6/2011

Physical Medicine and Rehabilitation Residency

Rush University Medical Center, Chicago, Illinois
Chief Resident 7/2010- 6/2011

7/2007 - 6/2008

Internal Medicine Internship

Rush University Medical Center, Chicago, Illinois

8/2003 - 6/2007

Rush Medical College of Rush University, Chicago, Illinois
Doctor of Medicine

8/1998 - 5/2002

Bradley University, Peoria, Illinois

Bachelor of Science, Magna Cum Laude, Health Science/Psychology

Active Licenses and Certifications

ABPM&R CERTIFICATION 7/2012

Illinois Medical License (exp. 7/2011)
Illinois Controlled Substance License
Advanced Cardiac Life Support for Providers

Additional Healthcare Experience

Summer 2004

Medical Assistant
South Suburban Gastroenterology, Homewood, IL

Spring 2003

EMT-B Certification
College of DuPage, Glen Ellyn, IL

7/2002-8/2003

Physical Therapy Aide
AthletiCo, LaGrange Park, IL

Presentations

July 30, 2010

"Exercise: A Prescription for Life"
Physical Medicine and Rehabilitation Grand Rounds
Rush University Medical Center

January, 10, 2010

"Conversion Disorder: What are we supposed to do with these people and why do they keep coming here?"

Presentation to Department of Physical Therapy
The John H Stroger Hospital of Cook County

- December 18, 2009 "The Psychiatry of Physiatry: Rehabilitation and Conversion Disorder"
Physical Medicine and Rehabilitation Grand Rounds
Rush University Medical Center
- April 24, 2009 "Concepts In Athletes With Disabilities"
Physical Medicine and Rehabilitation Grand Rounds
Rush University Medical Center
- December 29, 2008 "Neurosarcoidosis: A 56 yo Man with Tetraplegia"
Presentation to Department of Rehabilitation
Oak Forest Hospital

Publications:

Parkes, M, Dysico, G. "Nitrous Oxide Abuse: A Case Report of Ataxia in a Young Man."
American Journal of Physical Medicine and Rehabilitation. 89; S22, April 2010.

Parkes, M, Lazo, M. "Rehabilitation Outcomes in a Patient with Neurosarcoidosis Affecting the Cervical Spine." American Journal of Physical Medicine and Rehabilitation. 89; S19. April 2010.

Leadership Experience

7/2010- 6/2011 **Chief Resident**

6/2005- 4/2007 **National Coordinator American Medical Student Association
Committee on Disabilities**

- planned national convention programming to increase awareness of patients and fellow students with disabilities; assisted chapters with programming
- served as a resource for students with disabilities.

7/2004- 6/2005 **Advocacy Chair, AMSA, Rush Medical College**

- planned lunchtime speakers, including bringing a transgendered professor to Rush to discuss her experiences with healthcare and society

7/2004- 6/2005 **Steering Committee, Buddies program, Rush Medical College**

- visited with a pediatric cancer patient monthly while hospitalized for treatment
- organized Halloween and spring parties for children from area schools

7/2004- 6/2005 **Steering Committee, Franciscan House of Mary and Joseph Clinic**

- volunteered at the clinic at least 20 times during medical school
- planned flu shot and TB testing drive
- assisted in training first year medical students,
- performed administrative duties for clinic
- authored AAMC/Pfizer Grant annual report/renewal

6/1999- 8/2003 **Assistant Supervisor Gateway Special Recreation Association Day
Camp, Burr Ridge, IL**

Memberships & Affiliations

American Academy of Physical Medicine and Rehabilitation
Association of Academic Physiatrists

References furnished upon request

Attachment 21

116

4/13/10

**MEDICAL REHABILITATION
MANAGEMENT SERVICES AGREEMENT**

Adventist Hinsdale Hospital

THIS AGREEMENT is entered into as of the last date written below, by and between Marianjoy, Inc., an Illinois not-for-profit corporation ("MR"), and Adventist Hinsdale Hospital., an Illinois not for profit corporation ("AHH").

WITNESSETH:

WHEREAS, AHH, located at 120 N. Oak Street in Hinsdale, IL, 60521, is a general acute care hospital that provides, among other services, inpatient and outpatient medical rehabilitation services (the "Medical Rehabilitation Services") to AHH's patients through its Paulson Rehabilitation Unit (the "Unit"); and

WHEREAS, MR, through its controlled affiliates Marianjoy Rehabilitation Hospital & Clinics, Inc., an Illinois not for profit corporation ("Marianjoy Hospital"), and Rehabilitation Medicine Clinic, Inc. d/b/a Marianjoy Medical Group, an Illinois not for profit corporation, ("RMC," and together with MR and Marianjoy Hospital, collectively referred to as "MR Affiliates"), are in the business of developing, managing and providing the professional and administrative staff necessary for the furnishing of Medical Rehabilitation Services on an inpatient and outpatient basis in other hospitals and clinics in the region; and

WHEREAS, AHH desires to engage MR to provide the services ("Services") of certain professional personnel employed or engaged by MR or one or more MR Affiliates (the MR Personnel) to assist AHH in its management and supervision of the Medical Rehabilitation Services it provides at the Unit and MR desires to accept such engagement; and

WHEREAS, It is the desire of the parties to develop a successful working relationship with one another as contemplated herein and to explore together the possibility of other related ventures and working relationships, each of which will be negotiated at arm's length, in order that the parties may, in accordance with applicable laws, improve access to quality rehabilitation services in their respective communities;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, the parties do hereby agree as follows:

ARTICLE I

RIGHTS AND OBLIGATIONS OF MR

For purposes of assisting AHH in its provision of the Medical Rehabilitation Services at the Unit, during the term of this Agreement, MR shall, through its employees and through the employees of its controlled MR Affiliates, provide AHH with the Services set forth in this Article 1, all in a manner that is consistent with the policies, regulations and directives of AHH, and in a timely, competent and professional manner, pursuant to a schedule agreed upon by the parties. MR shall keep AHH reasonably apprised of the performance of the Services, and the operation of the Unit, by regularly reporting to AHH in such manner as agreed upon by the parties. Except as expressly provided for otherwise in this Agreement, throughout the term of this Agreement, AHH shall retain all authority and control over the business, policies, and operation and assets of AHH and the Unit, and AHH does not, through this Agreement, delegate to MR any of the powers, duties, and responsibilities vested by law or through AHH governance documents to the AHH board of directors or any AHH affiliate.

1.1 Rehabilitation Medical Director. MR shall employ a Medical Director of Rehabilitation Programs and Services (the "Rehabilitation Medical Director") who shall be selected by MR, with the input and approval of AHH as identified in Section 1.5 below, provided that such approval is not unreasonably withheld. The Rehabilitation Medical Director shall spend an average (measured on an annual basis) of eighty (80) hours per month in rendering day-to-day management and medical direction services to assist AHH in its provision of Medical Rehabilitation Services at the Unit. In accordance with Section 4.1 below, hours spent by the Rehabilitation Medical Director under this Agreement up to 80 hours per month will be billed at an hourly rate of \$88/hour and hours spent in excess of 80 hours per month will be billed at an hourly rate of \$150/hour. A description of the role and responsibilities of the Rehabilitation Medical Director is described on Exhibit A of this Agreement, attached hereto and incorporated herein by reference. The Rehabilitation Medical Director shall provide medical direction services for the Unit in a manner consistent with currently approved methods and practices in the field of rehabilitation medicine, as may be updated from time to time, and such services shall be rendered in a professional, competent, efficient, timely and otherwise satisfactory manner. The Rehabilitation Medical Director shall abide at all times by the Bylaws, Rules and Regulations, and Policies and Procedures of AHH and of the Medical Staff of AHH, including without limitation those regarding quality assurance, utilization review, risk management, corporate compliance and credentialing procedures. In performing these services, the Rehabilitation Medical Director shall be administratively responsible jointly to the AHH's Vice President and Chief Nursing Officer and MR's the Vice President of Medical Affairs. At all times during the term of this Agreement, the Rehabilitation Medical Director (or MR, on behalf of the Rehabilitation Medical Director, where appropriate) shall: (i) hold a currently valid and unlimited license to practice medicine in all of its branches in the State of Illinois; (ii) maintain registration in good standing with the U.S. Drug Enforcement Administration and a state narcotic's license; (iii) be enrolled and qualified to provide and be reimbursed for providing services to Medicare and Medicaid beneficiaries; (iv) be board certified by the American College of Physical Medicine and Rehabilitation or eligible to obtain such certification and maintain such certification or eligibility for certification in good standing while performing services hereunder; (v) maintain unrestricted and unsuspended status as an active member of the Medical Staff of AHH, with appropriate (as reasonably determined by AHH) clinical privileges; (vi) comply with insurance requirements set forth in this Agreement, at MR's sole cost, maintain general liability insurance and professional liability insurance, under a professional liability insurance policy providing insurance with coverage limits of at least One Million Dollars per occurrence and Three Million Dollars annual aggregate (\$1,000,000/\$3,000,000); (vii) be a credentialed, participating physician provider in all AHH contracted managed care plans, a list of which shall be provided to MR, as amended from time to time; and (viii) receive the initial and continuing approval of AHH to provide services at the Unit in accordance with the provisions of this Section 1.1 herein. Further, MR represents that the Rehabilitation Medical Director's medical licenses or authorizations to practice medicine in the State or in any other jurisdiction have ever been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or restricted in any way. The Rehabilitation Medical Director and MR shall be under a continuing obligation to notify AHH within twenty-four (24) hours of 1) any action taken that revokes, restricts or in any way alters the qualifications of the Rehabilitation Medical Director to perform the services described in this Section 1.1; 2) if the Rehabilitation Medical Director is required to or agrees to pay any amount in any malpractice lawsuit or claim by way of judgment or settlement; 3) if the Rehabilitation Medical Director becomes the subject of any investigatory, disciplinary or other proceeding before any government, professional, licensing, medical staff or peer review body; or 4) MR, any MR Affiliate or the Rehabilitation Medical Director becomes the subject of a government audit (other than routine payor audits) or investigation relating to its billings or billing practices. In the event the Rehabilitation Medical Director fails to continuously meet the qualifications set forth in this Section 1.1, AHH may terminate this Agreement upon notice to MR, or, at AHH's option, require the immediate replacement of the Medical Director. This agreement will replace and supersede any existing service agreement between the parties for the provision of medical director services for the Unit by the Marianjoy Medical Group. MR acknowledges that no provision of this Section 1.1 shall obligate AHH to appoint or reappoint the Rehabilitation Medical Director to its Medical Staff or grant any clinical privileges for which the Rehabilitation Medical Director is not otherwise eligible, or to limit or prohibit any disciplinary action pursuant to the AHH Medical Staff bylaws or procedures.

1.2 Rehabilitation Liaison. MR shall employ one or more "Rehabilitation Liaison(s), as MR deems appropriate and selected in accordance with Section 1.5 below, who shall spend an average (measured annually) of forty hours per month providing Rehabilitation Liaison services to and for the benefit of AHH, as described herein. The Rehabilitation Liaison role shall be to assist the AHH to identify appropriate patients for rehabilitation services in the Unit, provide education and coordinate rehabilitation admissions for the Unit. All recommendations regarding the need for rehabilitation services at the Unit shall be made based upon the patient's medical condition and need for specialized rehabilitation services. The Rehabilitation Liaisons shall also coordinate patient care activities on the Unit including completion of the clinical assessments and daily rounding at AHH's related network facilities (as identified by AHH) to identify patients with medical indications for rehabilitation admissions, in addition to providing on-going communication and education on the Unit's admission criteria to referral sites of care and referring physicians. In providing services pursuant to this Section, MR will ensure that the Rehabilitation Liaison continuously complies with all federal and state laws and regulations, including but not limited to, Medicare and Medicaid rules and regulations. The Rehabilitation Liaison shall be administratively responsible jointly to AHH's Vice President and Chief Nursing Officer and MR's the Vice President of Medical Services, or their designees.

1.3 Intake Coordinator. MR shall employ a full-time Intake Coordinator, as MR deems appropriate and selected in accordance with Section 1.5 below, providing Intake Coordinator services to and for the benefit of AHH, as described herein. The Intake Coordinator role shall be to: coordinate the overall operations of the patient intake process to the Unit; facilitate processing of referrals from AHH acute care units, other Adventist facilities, and other non-Adventist referral sources; review all cases referred to or admitted to the Unit for validation of PPS criteria, insurance coverage, Medicare verification for rehabilitation services; insure accurate collection and reporting of IRF-PAI data on all cases referred to or admitted to the Unit; and to oversee and facilitate ongoing utilization review and quality improvement initiatives for the Unit in coordination with the performance improvement initiatives of the larger facility.

1.4 Unit Management Services. In return for the payment of the Fixed Annual Fee described in Exhibit C, MR shall provide ongoing administrative oversight of Unit operations, including planning for the site of care. MR senior administrative management staff shall be actively and regularly involved in such administrative oversight of the Unit. Unit oversight activities include oversight and policy direction on the proper implementation of CMS regulations related to documentation and compliance; monitoring of relevant industry trends and legislation that may impact inpatient rehabilitation facilities; and strategic planning for ongoing Unit operations, which incorporates AHH values and goals, and is integrated into AHH institution-wide efforts. The management services provided pursuant to the fixed fee also include preliminary educational consultation, training, and guidance for Unit and other AHH staff, in order to help foster staff understanding and early adoption of new processes, protocols, and medical necessity guidelines. Further, administrative oversight includes ongoing oversight, assistance in preparing for and support for accreditation reviews of the Unit and the creation and regular review, revision and maintenance of Unit policy manuals and procedures. All such services shall be in compliance with, and include the services and deliverables described in the Response to Request for Proposal submitted by MR to AHH on October 29, 2009, a copy of which is attached hereto as Exhibit D, and incorporated herein.

1.5 Additional MR Services. In addition to the services of the specific individuals set forth in Sections 1.1 through 1.4 above, MR shall also provide AHH (through the Rehabilitation Liaison and the Rehabilitation Medical Director and other MR personnel as appropriate) with additional rehabilitation management services and assistance as set forth below:

1.5.1 Quality Monitoring. MR shall assist the AHH with respect to AHH's quality monitoring process for its rehabilitation services including collecting and analyzing quality data and identifying opportunities for improved patient outcomes, process efficiencies and staff development. MR shall access, utilize and disclose AHH quality data and other confidential information solely for purposes of and as necessary for MR to provide Services pursuant to this Agreement, and no provision of this Section is intended to or shall act or

be construed as a waiver of any peer review, attorney client or other applicable privilege or protection relating to such data or AHH's quality assurance activities

1.5.2 Clinical Rehabilitation Education. MR shall assist the AHH to develop rehabilitation education programming for its medical staff, other AHH personnel, patients and their families.

1.5.3 Consultation on Managed Care Contracting and AHH Charge Master. MR shall provide consultation to AHH to assist it in evaluating the AHH's managed care contracting and AHH's charge master.

1.5.4 Additional Consultative Services. MR shall provide AHH with additional management services and consultative assistance including providing the AHH with assistance in terms of oversight of its rehabilitation service offerings; assistance with policy development and refinement with respect to the CMS rehabilitation requirements for documentation and compliance; monitoring of relevant industry trends and legislation that may impact IRFs; and strategic planning for ongoing rehabilitation unit operations that is integrated into institution-wide efforts.

1.6 Selection, Evaluation and Termination of MR Personnel. The selection and annual evaluation process for the Rehabilitation Medical Director and the Rehabilitation Liaison shall include relevant input from appropriate individuals designated by AHH. MR and AHH shall jointly develop annual goals for each of the MR personnel and annual evaluations shall include assessment of goal performance, using assessment criteria and process mutually agreed by the parties. If AHH is dissatisfied with the performance of any MR Personnel for any reason, AHH shall provide notice to MR and discuss its dissatisfaction with MR. If the issue(s) cannot be resolved between the parties by agreement within fifteen (15) days, MR shall remove the designated MR Personnel from the AHH site within thirty (30) days thereafter. If the continued placement of any of the MR Personnel at AHH, in the reasonable judgment of AHH, would place any AHH patient at risk, compromise the quality of patient care, or create an unacceptable working environment for AHH employees, as determined by AHH in its sole, reasonable discretion, AHH may require the immediate removal of such MR personnel from the AHH site upon notice to MR. Notwithstanding the provisions of this Section and of the Agreement, the parties acknowledge and agree that the MR Personnel are and shall remain the employees of MR; and MR Personnel shall not be considered employees or agents of AHH for any reason. AHH acknowledges and agrees that MR as an independent contractor retains all the rights, responsibilities and privileges of an employer as to MR Personnel employees, including, but not limited to, the right to hire, direct, discipline, compensate, and terminate MR Personnel assigned to provide services pursuant to this Agreement. All MR Personnel shall reasonably cooperate with AHH and AHH employees for the proper provision of Medical Rehabilitation Services. Upon request, MR shall provide AHH with evidence of all required licenses (as applicable), training and competency evaluations for all MR Personnel. While on site at AHH, all MR Personnel shall wear an ID badge identifying them as MR employees.

1.7 Health Screening/Eligibility to Provide Services. MR Personnel providing Services on site at AHH shall comply with AHH's employee health screening policies as they are in existence at the time of this Agreement and as amended from time to time. MR shall be solely responsible for the costs of compliance and all expenses related to such compliance. Further, prior to providing services pursuant to this Agreement, all MR Personnel providing Services on site at AHH shall have undergone a statewide criminal background check (including check of sexual predator status) negative for any criminal convictions or pleas (including no contest pleas) for other than minor traffic violations, and a seven panel drug and alcohol screening negative for the use of non-prescribed drugs and alcohol; and have undergone training for the prevention of bloodborne pathogens, and undergone Hepatitis B vaccination (or declined such vaccine in writing). Finally, all such MR Personnel shall be authorized to work in the United States and to perform the Services;

1.8 Corporate Compliance. MR agrees that, for itself, each MR Affiliate and each of their respective employees, representatives and agents, it will comply with AHH's corporate compliance program in rendering services pursuant to this Agreement.

1.9 Compliance with Agreement. MR shall inform each MR Affiliate and all MR Personnel of their requirements pursuant to this Agreement, including the requirement to comply with all applicable AHH policies and procedures, and shall ensure that each MR Affiliate and MR Personnel comply with all terms and conditions contained herein.

ARTICLE II

RIGHTS AND OBLIGATIONS OF HOSPITAL

2.1. AHH-Supplied Personnel. MR shall make recommendations to AHH, and AHH shall provide, such non-physician personnel as may be reasonably necessary for the proper provision of Medical Rehabilitation Services at the AHH Unit and to support the services of the MR personnel identified in Article I. Such non-physician personnel shall include clerical personnel, nurses, other medical assistants, and Clinical Employees (as defined below). MR shall recommend to AHH the organizational structure and personnel to support the efficient daily operation of the Unit and the provision of the Medical Rehabilitation Services. MR shall, in conjunction with AHH, supervise and direct the personnel provided by AHH for the Unit under this Section 2.1 and shall have input in respect of interviewing, hiring, disciplining, evaluating work performance, terminating and reinstating such hospital-supplied personnel for the Unit. Salaries and policies applicable to employees provided by AHH to assist in the provision of Medical Rehabilitation Services pursuant to this Agreement shall be paid and determined solely by AHH. As used herein, "Clinical Employees" shall mean physical therapists, physical therapy assistants, occupational therapists, occupational therapy assistants, speech therapists, speech language pathologists, neuropsychologists, and other similar professional employees providing Medical Rehabilitation Services. MR may recommend to AHH, for cause, as supported by documentation reasonably acceptable to AHH, that an AHH-supplied employee be dismissed or not be involved in the provision of services in connection with Medical Rehabilitation Services. In such a case, all decisions regarding the dismissal or transfer of the employee shall be made by AHH in its sole discretion, provided, however, that dismissal or transfer of the employee shall not be unreasonably withheld by AHH. In making this recommendation MR agrees not to discriminate against such personnel on the basis of race, religion, age, sex, handicap, national origin or other improper basis in violation of any state or federal law.

2.2. Operational Requirements. AHH shall, at AHH's expense and approval, and upon the recommendation of MR, provide such supplies, utilities, equipment, computer equipment and data lines (including T1 lines), space, facilities, and janitorial, laundry, dietary, and other support services, including but not limited to, administrative support for the Rehabilitation Medical Director and Rehabilitation Liaison, as may be reasonably necessary for the proper provision of Medical Rehabilitation Services at the Unit in connection with this Agreement, as reasonably determined by AHH. AHH shall provide onsite office space (which may be shared) for the Rehabilitation Medical Director to enable MR to perform all of the duties and responsibilities required under this Agreement. MR acknowledges and agrees that all operational requirements, as set forth in this Paragraph 2.2, that AHH provides to MR shall be used solely and exclusively at AHH and in furtherance of MR's duties and obligations under this Agreement.

2.3. Support of MR-Supplied Personnel. AHH agrees to reasonably cooperate with the MR, the Rehabilitation Medical Director and the Rehabilitation Liaison for the proper provision of Medical Rehabilitation Services at the Unit.

2.4. Review of Services Decisions. AHH shall have the right and obligation to review periodically, medical and administrative operating decisions made by MR relating to Medical Rehabilitation Services. MR shall timely notify AHH of such decisions, and shall provide supporting information as requested from time to time. Any policy or procedure changes relating to the Unit shall require the prior authorization of AHH, the Rehabilitation Medical Director, and the Executive Director.

2.5. Records and Reports.

2.5.1. Business Reports. MR and AHH shall timely and accurately prepare records of the Services provided pursuant to this Agreement as necessary or desirable for administrative and reimbursement purposes, in a format determined by AHH (which may be electronic) which records are and shall remain the property of AHH. The frequency and content of such records shall be determined jointly by the parties.

2.5.2. Professional Reports. MR shall cause to be promptly prepared, completed, and filed with AHH's medical records department (with copies to appropriate attending physicians), reports of all examination, procedures and other professional services rendered by MR Personnel in connection with Medical Rehabilitation Services pursuant to this Agreement. AHH shall cause to be promptly prepared, completed, and filed with AHH's medical records department (with copies to appropriate attending physicians), reports of all examination, procedures and other professional services rendered by AHH personnel in connection with Medical Rehabilitation Services pursuant to this Agreement. These reports shall be prepared in accordance with the rules and regulations of the medical staff of AHH pertaining to medical records, in a format (which may be electronic) approved by AHH and shall reflect the services rendered, instructions given to the patient, and such other information as the parties may jointly determine and as required by applicable law and regulations and payor requirements. All such records are and shall remain the property of AHH, and shall be kept confidential in accordance with applicable state and federal law and regulations.

2.5.3. Ownership. MR shall prepare, complete, and update accurate and complete medical, time, billing and other business records, forms, and documents relating to MR's provision of Services under this Agreement, in such form (which may be electronic) and manner as AHH may reasonably request. Such records and other documentation shall be and remain the sole and exclusive property of AHH. MR further acknowledges and agrees that any such records, including without limitation, any and all records, reports, memoranda or working notes generated in the course of patient treatment are and shall remain the sole and exclusive property of AHH and shall not be disclosed by MR during and subsequent to the term of this Agreement to any third party whatsoever unless such disclosure is compelled by law.

Notwithstanding the foregoing, MR and its personnel shall retain the right to use such medical records, at any time while this Agreement is in effect for treatment, evaluation and statistical purposes, subject to applicable law. Further, subject to all federal and state laws regarding confidentiality of medical records, upon termination of this Agreement, MR shall be entitled to retain copies of any nonpatient-specific information it has acquired from such records, provided that such information is de-identified, as that term is defined in the Health Insurance Portability and Accountability Act and its implementing regulations (45 C.F.R. Parts 160-164) ("HIPAA").

Subject to applicable federal and state law regarding the release of medical records, each party shall cooperate, in good faith, with the other party in releasing all medical and other information in the party's possession and as jointly determined by the parties to be reasonably necessary for defense of any claim involving either party, its employees, agents and representatives, relating to services rendered pursuant to this Agreement.

2.8. HIPAA Compliance. The Parties acknowledge and agree that with respect to the administrative services provided by MR on behalf of AHH hereunder MR is a Business Associate of AHH as that term is defined by HIPAA and therefore the parties agree to comply with the terms of the HIPAA Business Associate Agreement attached hereto as Exhibit B, attached hereto.

2.9. Right of First Refusal. AHH acknowledges that MR is investing considerable resources in building this relationship with AHH. Accordingly, it is the mutual desire of the parties to develop a successful working relationship with one another to partner on possible other related ventures, expanding the continuum of rehabilitation services

offered by AHH. Accordingly, the event that AHH desire to expand the continuum of rehabilitation services they offer, AHH agrees that it will first provide MR with written notice of the same, and MR shall then have the option to participate in AHH's expansion of the continuum of rehabilitation services it offers. MR will have (30) business days from receipt of the original notice from AHH to notify AHH whether MR would like to exercise its option. In the event MR elects to exercise its option, AHH and MR shall thereafter negotiate in good faith with one another towards such an arrangement for a minimum period of sixty (60) days. In the event that MR declines to exercise its option, or, at the end of the sixty (60) days of negotiation with one another, if the parties mutually agree that they cannot reach agreement on MR's participation in the expansion of rehabilitation services by AHH, AHH shall not be precluded from expanding its rehabilitation continuum on its own or with one or more third parties or AHH affiliates without MR. The parties shall be required to indicate in writing at the end of such sixty (60) day negotiation period whether or not each believes that agreement can be reached. If there is disagreement about this conclusion, the parties shall continue to negotiate for thirty (30) additional days. If there is no agreement at that time, AHH may pursue expanding its rehabilitation continuum on its own or with one or more third parties or AHH affiliates, provided that, if that is the case, upon at least ninety (90) days' prior written notice to the other party, either party may elect to terminate this Agreement. The parties acknowledge and agree that no provision of this Section 2.9 shall apply to any AHH affiliate.

2.10 Notice of MR Expansion. In the event that MR adopts or implements a decision to open a new acute care rehabilitation unit, or to enter into a management or supervision agreement with another facility to provide services substantially similar to the services provided in this Agreement, MR agrees that it will first provide AHH with written notice of the same.

ARTICLE III

MR AND AHH JOINT RESPONSIBILITIES

3.1 Rehabilitation Oversight Committee. The Rehabilitation Oversight Committee is comprised of mutually selected members of both AHH and MR as mutually agreed including, as applicable, from AHH, the AHH Vice President and Chief Nursing Officer, AHH Director of Rehabilitation, AHH Therapy Manager, AHH Rehabilitation Nurse Manger, and the AHH President and Chief Executive Officer (or their respective delegates) and, from MR, the MR Rehabilitation Medical Director, MR Director of Rehabilitation, MR VP Physician Services, MR President and Chief Executive Officer. At least twice per year, the Rehabilitation Oversight Committee shall meet and participate in an evaluation process with respect to the services provided under this Agreement including without limitation approving annual rehabilitation budgets, making decisions regarding equipment as set forth in Section 5.1 below, overseeing the operational and financial performance, and establishing short-term and long-term plans and strategies, goals and functions of the rehabilitation Unit and functions covered under this Agreement, and assessing the Unit's progress toward mutually agreed upon goals. The Rehabilitation Oversight Committee also responds to issues as they arise under this Agreement and makes recommendations for changes in policy and operational matters where appropriate. The Rehabilitation Oversight Committee shall establish its own procedures for meeting and acting; provided, AHH retains the right to require that any decisions of such committee require the approval of a majority of the AHH members.

3.2 Co-Branding. The parties agree that the services provided pursuant to this Agreement will be identified by a "co-brand" that acknowledges the management role that MR performs at AHH (the "Co-Branded Designation(s)"), and utilizes the names, brands, and identities of the parties. During the term of this Agreement, MR agrees to permit AHH to use MR's name, logo and service mark (the "MR Brand") in connection with the Unit to at least the same extent, and subject to the same conditions under which MR permits other hospitals and health care providers to use the MR Brand under agreements or arrangements similar to this Agreement. The parties will work cooperatively to develop the Co-Branded Designation(s) related to the Unit, which shall be approved by both parties. It is expected that this process will be completed and a Co-Branded Designation(s) approved within ninety (90) days after the effective date of this Agreement. The parties agree to consistently refer to the Unit by using the approved Co-Branded Designation(s). Each party shall be permitted without prior approval by the other party to use the approved

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Co-Branded Designation(s) in connection with the identification of the Unit in any directory of services, any listing describing services and service locations, any similar descriptive listing, or for any use internal to staff, medical staff and/or other internal audiences. Any use of the Co-Branded Designation(s) by either party in connection with marketing, advertising or other publication shall be submitted to the other party at least five (5) business days in advance of its use, and written approval of the other party shall be obtained, which approval shall not be unreasonably withheld or delayed. Except as set forth herein, neither party shall use the name, service, mark or logo of the other party in any marketing or other materials or presentations without the prior written consent of the other party. MR acknowledges that AHH owns all rights to the use of the name "Paulson Rehabilitation Unit" and all variations thereof.

ARTICLE IV

FINANCIAL ARRANGEMENT

4.1 Management Fee. In consideration for the Services provided by MR to AHH hereunder, subject to the increases outlined below, AHH agrees to pay MR an Initial annual "Management Fee" calculated based on the "Base Management Fee" plus the "Hourly Rate Services, as both are set forth on Exhibit C of this Agreement, attached hereto and incorporated herein by reference. On an annual basis beginning on the first anniversary of the effective date of this Agreement and each contract anniversary date thereafter, the then current Base Management Fee (including the fixed annual management fee and each of the hourly rates set forth on Exhibit C) shall be automatically increased by three percent (3%). The Base Management Fee and the hourly fees, as set forth on Exhibit C, shall be payable in monthly installments, due within 30 days of AHH's receipt of a detailed monthly invoice from MR detailing the hourly services provided in the previous month (including the names of the individuals providing services, and the dates and times such services were provided) plus the other fees due hereunder in accordance with Exhibit C. AHH shall notify MR if it disputes any invoice or portion thereof, and the parties agree to reasonably cooperate in order to timely resolve such dispute. AHH shall not be required to pay any disputed portion of any invoice until such dispute is resolved by agreement of the parties. If such items are resolved in AHH's favor, interest will be paid to AHH at the rate indicated below. All payments due hereunder shall be delivered by the AHH to the Vice President Financial Services, at Marianjoy, Inc. 26 West 171 Roosevelt Road, Wheaton, Illinois 60187. If any payment due hereunder is not paid within 30 days of when it is due, the outstanding balance on each of these payments shall bear simple interest from the first day of the month of the due date at a rate of ten percent (10%) per annum until such amount is paid in full. Any payments thereafter received by MR shall be applied first to interest accrued but unpaid and then to the oldest unpaid monthly payment.

4.2 Billing and Collection for Clinical Services. MR shall be solely responsible for billing and collecting from the patients, insurers, and other third party payers for any professional medical services rendered by the Rehabilitation Medical Director. Such separately billable services shall not include any services provided as the medical director of the Unit or any Services described in and reimbursable pursuant to this Agreement. Except as provided herein or as otherwise prohibited by applicable law or regulation, AHH shall be solely responsible for billing and collecting from the patients, insurers, and other third party payers for all AHH services provided under this Agreement. Except for professional medical services rendered by the Rehabilitation Medical Director billed pursuant to the first sentence of this Paragraph 4.2, the compensation provided to MR under this Agreement shall constitute full compensation for all services rendered by MR under this Agreement or at the Unit, and MR shall not seek the payment of additional amounts from any other source, including the patient, Medicare, any other payer or insurer, for services rendered under this Agreement. Each party agrees to reasonably cooperate with the other and to execute such forms and documentation (including, as appropriate, assignments) as may be required to facilitate billing and collection by the other party for services rendered by such party.

4.3 Medicare Disallowance. In the event that Medicare and/or Medicaid denies reimbursement to AHH for Medical Rehabilitation Services provided to a AHH patient or otherwise disallows the Management Fee paid to MR under this Agreement under AHH's cost report, it is understood and agreed by the parties that AHH shall have no

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right to seek any recourse or recover from the MR any such denied reimbursement or disallowance or to require any refund of any part of the Management Fee paid by AHH to the MR hereunder as compensation for such Medicare or Medicaid disallowance (except in each case to the extent such disallowance is due to or relates to MR or any MR Personnel's exclusion, termination or suspension from or other inability to participate in or order or provide services compensated under the Medicare, any Medicaid or other federal or state procurement or health care program; or results from the gross negligence or willful misconduct of MR or any MR Personnel; or results from the failure of MR or any MR Personnel to comply with AHH's corporate compliance policy or any applicable law or regulation.

ARTICLE V

ADDITIONAL COVENANTS

5.1. Selection, Maintenance and Utilization of Equipment. Through the Rehabilitation Oversight Committee, referenced above, MR shall advise and make recommendations to AHH with respect to the selection of additional and replacement equipment necessary for Medical Rehabilitation Services. MR shall assist AHH in the inspection and evaluation of all equipment used to provide Medical Rehabilitation Services to assure that such equipment is being maintained in a safe condition and used in a safe and efficient manner, and MR shall promptly notify AHH if any such equipment is in need of repair or replacement. AHH will be responsible for the purchase of all equipment necessary for the provision of Medical Rehabilitation Services, within the limits of the budgets established pursuant to this Agreement as approved by AHH. Further, the parties shall use reasonable efforts to maintain all equipment furnished by it in good condition and working order.

5.2. Certification/Accreditation. MR shall assist and advise AHH in the preparation of any and all information, data and materials required to obtain or maintain accreditation or for certification, licensure and survey by voluntary, local, state and national organizations, including, but not limited to JCAHO and CARF. All other costs and expenses incurred by either party in complying with, or pursuant to, this Paragraph 5.2 shall be borne by AHH. MR shall be reimbursed by AHH for extra ordinary expenses it incurs, provided the same are pre-approved by AHH.

5.3. MR and AHH Insurance.

5.3.1. MR Insurance Coverage. MR shall maintain, at its own expense, appropriate worker's compensation insurance for its employed personnel with minimum limits no less than required by law, as well as auto-insurance policies with single vehicle limits and annual aggregate limits of no less than \$1 million (including coverage for non-owned autos) and shall provide and maintain professional and general liability primary insurance coverage or self-insurance with coverage limits of at least One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate, which insurance shall afford coverage for the negligence, errors and omissions of MR, its employees, agents and representatives during the entire term of this Agreement (and any extension thereof). Such insurance shall be carried with insurance companies having a rating of A or better as rated by A.M. Bests or through one or more self-insurance programs. Additionally, MR agrees to provide AHH with written notice of cancellation or change in coverage in respect of monetary limits less than those set forth above at least thirty (30) days prior to such cancellation or change.

5.3.2. AHH Insurance Coverage. AHH shall maintain, at its own expense, property insurance coverage for the equipment, supplies, premises, building, at AHH, which insurance shall cover all risks of direct physical loss during the entire term of this Agreement (and any extensions thereof), including but not limited to fire. In addition, AHH shall provide and maintain primary general liability and professional liability insurance policies or self insurance, each having per occurrence and aggregate coverage limits of at least One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate, respectively, and providing coverage for (a) the negligence, errors and omissions of AHH, its employees, agents and representatives during the entire term of this Agreement (and any extensions thereof), and (b)

the negligence, errors and omissions of AHH's students and volunteers, providing Medical Rehabilitation Services. Additionally, AHH agrees to provide MR with written notice of cancellation or change in coverage in respect of monetary limits less than those set forth above at least thirty (30) days prior to such cancellation or change.

5.3.3. Proof of Insurance. AHH and MR shall each provide written proof of insurance coverage that complies with the provisions of this Paragraph 4.6 promptly upon request. AHH or MR, as appropriate, shall notify the other party promptly upon learning of the potential for cancellation or limitation for any reason of the insurance required under this section. All insurance shall be maintained on an occurrence basis. Any party may self-insure some or all of the required insurance required under this section, to the extent permitted by law.

5.3.4 Notice of Claims. MR agrees to promptly notify AHH of any patient event or other event (including failures to treat or diagnose) that MR reasonably determines or should determine may result in liability to or any claim against either party relating to or resulting from the Services or otherwise relating to this Agreement, and of any complaints received from patients or other parties relating to the Services. No provision of this Section is intended to or shall be construed as a waiver of any applicable peer review, attorney-client or insured-insurer privilege.

5.4. Ethical Directives. The parties recognize the MR is part of the Wheaton Franciscan Healthcare system, which is a catholic sponsored healthcare system. Accordingly, all services performed by MR under this Agreement shall be performed in conformity with the Ethical and Religious Directives for Catholic Health Care Services, as promulgated by the United States Catholic Conference, as amended, as interpreted by the local bishop.

5.5. Compliance with Regulations. MR shall conduct its activities and operations in compliance with all rules and regulations and written policies of AHH and its medical staff, as amended from time to time. MR and AHH shall conduct their activities and operations and provide all services pursuant to this Agreement in compliance with applicable state and other governmental authority and Medicare and Medicaid regulations and the requirements of AHH's contracted third party payors, and the standards, rules or regulations of JCAHO and CARF, and prevailing industry standards. MR's and AHH's employees, agents and representatives rendering services hereunder shall comply with and observe all federal, state, local, laws, statutes, ordinances, rules and regulations. AHH may require MR Personnel to attend one or more orientation or training session, and training sessions regarding security, infection control, confidentiality or other topics.

5.6. Patient Information Materials. Subject to AHH's prior written approval, AHH shall provide or pay for all patient and public information materials used by or for the Unit, including but not limited to patient information handbooks, brochures and business cards for personnel providing Medical Rehabilitation Services, including the Executive Director and Rehabilitation Medical Director.

5.7. Responsibility of the Parties. Each party is responsible for their own acts and omissions under this Agreement.

ARTICLE VI

PROPRIETARY COVENANTS

6.1. Non-Solicitation of Employees. During the term of this Agreement, and for a period of one year following its termination for any reason, without the prior express written consent of the other party, MR and AHH each agree that they will not (directly or through any affiliated entity): (I) recruit, solicit for employment or hire any of the other party's Rehab Personnel, as defined below; or (II) solicit or enter into any written or unwritten agreement contract or other business arrangement including, without limitation, a lease, professional services arrangement or other type of

arrangement, with any of the other party's Rehab Personnel. For purposes herein, "Rehab Personnel" shall be defined as any individual that was an employee of the other party involved in providing professional, clinical or administrative services directly relating to the Medical Rehabilitation Services at any time during the Term of this Agreement, including without limitation MR's Rehabilitation Medical Director and Rehabilitation Liaison ("Rehab Personnel"). MR and AHH each acknowledge that the other party has expended considerable time, effort, and cost in the recruitment of their respective Rehab Personnel and that a violation of this non-solicitation provision will result in irreparable damage to such party, and that such dollar amount of such damage is difficult to ascertain with any degree of certainty. Should such breach of this provision occur, in addition to any other remedies available at law or in equity, the non-breaching party shall be entitled to damages in the amount equal to one half of the specific Rehab Personnel's annual salary offered and accepted at the time of hire for each breach of this non-solicitation provision of this Agreement.

6.2. Proprietary Information. During and subsequent to the term of this Agreement, MR and AHH agree that they will not, without the advance written consent of the other, use for any purpose other than the provision of Services pursuant to this Agreement, or disclose or authorize or permit anyone under their direction to disclose to anyone not properly entitled thereto as determined by mutual agreement of the parties, any proprietary or other confidential information or materials relating to the business or financial affairs of the parties or any corporation or entity then directly or indirectly affiliated with the parties. Except as otherwise permitted in this Agreement, the parties further agree that upon expiration or termination of this Agreement they will not take with them or retain in any form, without advance written authorization from the other party, any such proprietary or other confidential information of the other party. As used herein proprietary or other confidential information in respect of AHH shall mean and include patient lists or records, files or other documents or copies thereof or other information of any kind pertaining to the business or financial affairs of AHH or the Unit or any entity then directly or indirectly affiliated with AHH not readily available through sources in the public domain; protected software of AHH; and other information of any kind pertaining to the business or financial affairs of AHH or the Unit or any entity then directly or indirectly affiliated with AHH, and all other information that a reasonable person would recognize is confidential or proprietary to AHH, whether such information is designated or marked as confidential or proprietary. As used herein proprietary or other confidential information in respect of MR shall mean and include all medical protocols, methods, techniques and procedures utilized by MR in providing medical rehabilitation services in general or Medical Rehabilitation Services, in particular, to patients not readily available through sources in the public domain; protected software of MR; and other information of any kind pertaining to the business or financial affairs of MR or any entity then directly or indirectly affiliated with MR, and all other information that a reasonable person would recognize is confidential or proprietary to MR, whether such information is designated or marked as confidential or proprietary. Notwithstanding the foregoing, to the extent that any Services or deliverables provided by MR pursuant to this Agreement, including but not limited to Unit policies, procedures, or protocols incorporate any MR confidential or proprietary information, MR grants to AHH a non-exclusive, perpetual, worldwide, royalty-free license to use such MR confidential or proprietary information in connection with AHH's use of the Services or deliverables.

6.3. Survival. MR and AHH each hereby agree that they shall continue to be bound by the obligations of this Article VI after the termination of this Agreement, regardless of the reason for termination.

6.4 Legal Request for Confidential Information. If either party is requested or becomes legally compelled to provide access to any information of the other party, such party shall, to the extent allowed under law, provide the other party with prompt notice of such request so that the other party may seek an appropriate protective or limiting order or other appropriate remedy, and shall reasonably cooperate with the other party in its efforts to decline, resist or narrow such requests.

ARTICLE VII

TERM AND TERMINATION


7.1. Term. This Agreement shall be effective for a term of two (2) years commencing as of ~~April 30, 2012~~ **May 1, 2010** through **April 30, 2012** (the "Initial Term"). Thereafter this Agreement shall automatically renew for successive renewal terms of two years (each a "Renewal Term"), unless either party provides written notice of non-renewal at least 180 days prior to the expiration of the then current Term. For purposes herein, "Term" shall refer to the Initial Term and any Renewal Term, as applicable.

7.2. Termination. In addition to either party's right to elect to not renew this Agreement, as set forth in Section 7.1 above, this Agreement may also be terminated prior to the expiration of the Term, if any of the following events occur:

7.2.1. Subject to Paragraph 7.2.2 below, in the event either party substantially breaches the terms of this Agreement, the non-breaching party shall notify the breaching party of the existence of such breach and the breaching party shall then have 30 days to remedy the default. If the breaching party is unable to remedy the default to the reasonable satisfaction of the non-breaching party in the 30-day period, the Agreement may be terminated by the non-breaching party at the end of such 30-day cure period. A substantial default shall include, but not be limited to:

- (a) Failure by a party to maintain a material license, permit, certification, accreditation or other regulatory compliance or credential which is the responsibility of that party (including but not limited to any violation of CMS or JCAHO requirements or guidelines as related to the Medical Rehabilitation Services which is caused directly or indirectly by either party, or any officer, agent, employee, independent contractor, guest or invitee of either party.
- (b) Significant, repeated and/or continuing failure to fulfill the material obligations of the breaching party.
- (c) Failure to maintain and/or to provide access to information required to be maintained by a party.
- (d) Any other conduct by a party which seriously and adversely affects the provision of Medical Rehabilitation Services.

7.2.2. In the event AHH shall fail to pay any undisputed amount payable to MR pursuant to this Agreement when due, MR shall notify AHH of such payment breach and AHH shall then have 30 additional days to make payment. If AHH fails to make payment during such 30-day cure period, MR may terminate the Agreement at the expiration of the 30-day cure period.

7.2.3. AHH may terminate this Agreement at any time upon written notice to MR if, in the sole reasonable opinion of AHH, an act or omission on the part of MR materially jeopardizes the quality and delivery of patient care.

7.2.4. This Agreement shall automatically and immediately terminate if either party suffers one of the following occurrences:

- (a) If either party's state license to operate as a hospital is revoked or, if AHH closes and ceases operating; or

(b) If either party loses its accreditation with JCAHO or its Medicare certification; is excluded, terminated or suspended from, or charged with or convicted of a criminal offense relating to, the Medicare, any Medicaid or any other federal or state procurement or health care program; or is listed as a specially designated national or blocked person by the U.S Office of Foreign Assets Control.

(c) If either party involuntarily fails to continuously maintain insurance coverage required by this Agreement; or

(d) If either party be adjudged bankrupt; or

(e) If a Court appoints a receiver for either party; or

(f) If a Court approves a petition seeking a party's reorganization under Federal bankruptcy law; or

(g) If a Court enters any judgment which would reasonably and materially impair a party's ability to carry out its duties and obligations under this Agreement.

7.2.5. This Agreement may be terminated pursuant to the termination provisions set forth in the HIPAA Business Associate Addendum as Exhibit B.

7.2.6 This Agreement may be terminated without cause by either party at any time upon 180 days' prior written notice to the other party.

7.3. Effect of Termination. In the event of termination or expiration of this Agreement, for any reason, neither party shall have any further obligations hereunder, except for obligations accruing prior to the date of termination and the obligations surviving in accord with specific provisions of this Agreement including without limitation the responsibility for payment of the early termination fees as outlined in Section 3 of Exhibit C of this Agreement. Upon notice of termination or expiration of this Agreement for any reason, the parties shall reasonably cooperate to facilitate a seamless transition of the Services being provided pursuant to this Agreement. Notwithstanding the foregoing, it is expressly understood that AHH shall have sole responsibility for and the rights to provide the continual delivery of services to current patients receiving Medical Rehabilitation Services or its associated programs. Any termination of this Agreement shall be without prejudice to any right or remedy to which the terminating party may be entitled at law, or in equity, or under this Agreement. Upon termination, each party shall promptly (within twenty (20) days) return to the other party all property of the other party in such party's possession or control. The parties agree that in the event this Agreement is terminated for any reason during the initial term of this Agreement, then the parties shall not enter into any type of agreement or arrangement with each other with respect to the services that are the subject of this Agreement prior to the date the initial term would have otherwise expired, except to the extent permitted by law.

ARTICLE VIII

GENERAL PROVISIONS

8.1. Independent Contractor Relationship. It is expressly acknowledged by the parties hereto that MR is an independent contractor with respect to AHH and nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship between AHH and MR, or between any MR Personnel and AHH, and no MR Personnel shall be deemed to be employees or borrowed servants of AHH, or deemed to be an agent of AHH. Each party shall be responsible for the salary, state and federal taxes, FICA, workers' compensation, unemployment compensation and all other reporting and payment obligations which ordinarily accrue to an employer for its

employees. Specifically, MR acknowledges that it has sole responsibility for compensating all of the MR personnel, and for all withholding and tax obligations relating to such payments, and MR agrees to indemnify, defend and hold AHH (and its affiliates and their respective officers, directors, employees and agents) harmless from and against any and all claims asserting liability for such compensation and/or reporting and withholding obligations. Each party acknowledges and agrees that (i) it will not withhold from the compensation payable to the other party pursuant to this Agreement any sums for income tax, unemployment insurance, social security or any other withholding pursuant to any law or requirement of any governmental body relating to its employees, and (ii) all such payments as required by law for the other party's employees are the sole responsibility of the other party. Without limiting MR's indemnification obligations, if the Internal Revenue Service or the Illinois Unit of Revenue questions the independent contractor status of the parties hereto, the parties agree that both MR and AHH shall have the right to participate in any discussion or negotiation with the Internal Revenue Service or the Illinois Unit of Revenue regardless of with whom such discussions and negotiations were initiated. Except as expressly set forth herein, neither party shall have the authority to, and shall not, incur any financial or other obligation on behalf of the other party without the other party's prior written approval. MR agrees to cooperate with AHH in its efforts to notify AHH patients, staff and visitors that MR and the MR Affiliates and their respective employees and agents are not AHH agents or employees, including through the use of written notices

8.2. Medicare Access and Reporting Requirements. In accordance with the provisions of the Omnibus Reconciliation Act of 1980, AHH and MR agree as follows:

8.2.1. Until the expiration of six (6) years after the furnishing of services pursuant to this Agreement, AHH and MR shall make available upon written request to the Secretary of the United States Unit of Health and Human Services, or upon request of the Comptroller General, or any of their duly authorized representatives, this Agreement and books, documents and records of AHH and MR that are necessary to certify the nature and extent of the cost of the services provided by the parties pursuant to the terms of this Agreement.

8.2.2. If AHH or MR carry out any of the duties of this Agreement through a subcontract with a value or cost of Ten Thousand Dollars (\$10,000.00) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration date of six (6) years after the furnishing of such services pursuant to such subcontract the related organization shall make available, upon request to the Secretary, the Comptroller General or any other duly authorized representatives, the subcontract and books, documents and records of such organization that are necessary to verify the nature and extent of such costs. (This Paragraph 8.2. shall be of no force or effect if not required by law.)

8.3. Limited Renegotiation. In the event there are substantial changes or clarifications to statutes, regulations or rules, which materially affect either party's right to receive Medicare or Medicaid reimbursement for services, or in the Medicare or Medicaid Programs, or affects any other significant legal right of either party to this Agreement, including the tax exempt status of any party or a party's affiliate, or the tax exempt status of any bonds or other obligations issued on behalf of a party or a party's affiliate, the affected party may, by written notice to the other party, propose such modifications to this Agreement as may be necessary to comply with the change or clarification to law. Upon receipt of the notice, the parties shall engage in good faith negotiations to reach an agreement regarding any appropriate modifications to this Agreement. Notwithstanding any provisions of this Agreement, if the parties are unable within sixty (60) days thereafter to agree to appropriate modifications to this Agreement, either party may terminate this Agreement by providing at least sixty (60) days' written notice to the other. Notwithstanding the foregoing, this Agreement shall terminate immediately in the event either party receives a written opinion from its legal counsel which states that the continuation of this Agreement will subject either or both of the parties (or any affiliate thereof) to criminal and/or civil penalties, or termination is otherwise necessary in order to demonstrate compliance with applicable law or regulation.

8.4. Assignment. Except as otherwise expressly provided herein, neither AHH nor MR may assign this Agreement nor any rights or obligations hereunder without prior written approval of the other party.

8.5. Force Majeure. If either of the parties hereto is delayed or prevented from fulfilling any obligations under this Agreement by any cause beyond the reasonable control of such party, including but not limited to, act of God, act or omission of civil or military authorities of nation or state, fire, strike, flood, riot, war, delay of transportation, or inability due to the aforementioned causes to obtain necessary labor, materials or facilities, then said party shall not be liable under this Agreement for said delay or failure; provided, each party shall use good faith efforts to minimize the effect of such causes and to promptly resume performance under this Agreement.

8.6. Amendment. No modification, amendment or addition to this Agreement will be valid or enforceable unless in writing and signed by all the parties.

8.7. Binding Agreement. This Agreement is binding on all parties, their legal representatives, successors and assigns except as otherwise stated herein.

8.8. Notice. Any notice, demand or other document required or permitted to be delivered hereunder shall be in writing and may be delivered personally, by overnight mail, postage prepaid, registered or certified mail, return receipt requested, or by overnight, prepaid national courier service addressed to the parties at their respective address indicated below, or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

If to MR: Kathleen C. Yosko, President
Marianjoy, Inc.
26 West 171 Roosevelt Road
Wheaton, IL 60187

With a Copy to: Sarah S. Herzog, Esq.
Sr. Vice President & General Counsel
Wheaton Franciscan Services, Inc.
26 West 171 Roosevelt Road
Wheaton, IL 60187

If to AHH: Adventist Hinsdale Hospital
120 North Oak Street
Hinsdale, Illinois 60521

With a copy to:

Adventist Health System
111 North Orlando Avenue
Winter Park, FL 32789
Attn: Legal Services

8.9. Disputes and Governing Law. In the event of any disputes arising under this Agreement, the parties agree to make good faith efforts to promptly resolve such disputes without resort to litigation, and shall make one or more of its officers or other authorized agents available on a timely basis to endeavor to promptly resolve such dispute informally. The laws of the State of Illinois shall govern this Agreement, without regard to its conflicts of laws provisions, and the exclusive venue for the litigation of any disputes arising under this Agreement shall be the Circuit Court of DuPage County, Illinois, or, for claims of exclusive federal jurisdiction, the Federal District Court for the Northern District of Illinois.

8.10. Agreement Subject to Law. Subject to Section 8.10 herein, if any provision of this Agreement, is adjudicated to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, the provision shall be fully severable and this Agreement shall be construed and enforced as if the illegal, invalid or unenforceable provision had never comprised a part of the Agreement. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance. Furthermore, in lieu of such illegal, invalid or unenforceable provision, this Agreement shall be reformed to include as a part of this Agreement a provision as similar in terms to the illegal, invalid or unenforceable provision as may be possible and still be legal, valid or enforceable.

8.11. Captions. Paragraph and subparagraph headings are not to be considered part of this Agreement, are included solely for convenience, and are not intended to be fully accurate descriptions of the content thereof. Where appropriate, words used in this Agreement in a singular shall include the plural and words used in any gender shall include all genders.

8.12. Entire Agreement. This Agreement contains the entire agreement and understanding between the parties and supersedes all prior offers and negotiations, oral and written.

8.13. Waiver. Failure to insist upon full performance of the obligation or failure to exercise rights under this Agreement shall not constitute a waiver as to future defaults or exercise of rights.

8.14. Counterparts. This Agreement may be executed simultaneously in two or more counterparts each of which shall be deemed originals and it shall not be necessary in making proof of this Agreement to produce or account for more than one such copy, provided the party can produce original counterpart signatures.

8.15. Certification. Each party hereby represents and warrants to the other on behalf of itself and any and all of their own respective owners, employees, contractors or any entity in which it has a direct or indirect ownership interest, are not now, nor has any one of them ever been, (i) charged with or convicted of a criminal offense related to health care (unless the individual or entity has been reinstated to participation in Medicare after being excluded because of the conviction); or (ii) excluded, debarred, or otherwise ineligible for participation in a "Federal health care program" as defined at 42 U.S.C. §1320a-7b(f) (or any applicable successor statutory section) or in any other government payment program, or listed as a Specially Designated National or Blocked Person by the U.S. Treasury Office of Assets Control. Each party further warrants and represents that it actively screens its officers, directors, employees and agents (including subcontractors) for such exclusion. Each party further certifies to the other that it will immediately notify the other party upon its receipt of any indication, whether or not official, that it shall be excluded from any federal health care program, as defined above, for any reason during the term of this Agreement, or that any one or more of the representations set forth in this Section are no longer true and accurate in all respects. Furthermore, each party agree to defend, indemnify and hold the other party, their affiliates and their respective officers, directors, employees and agents harmless from and against any and all liability resulting from: (i) any of its own misrepresentation of the representations, warranties and certifications made herein; (ii) failure to immediately notify the other party as required hereunder; or (iii) actual exclusion from any Federal health care program effective during the term of this Agreement. This Agreement shall terminate immediately in the event that either party is excluded from any Federal health care program.

8.16. Master List. The parties acknowledge that this Agreement and any other agreements between the parties may be included in a central Master List of physician agreements maintained by the Hospital.

8.17. Research. Any research or investigations to be conducted by MR or any MR Personnel at AHH or involving AHH patients is subject to the prior written approval of AHH and its IRB.

8.18. Ownership of Licenses. Notwithstanding the appointment of MR to provide the Services, AHH is and shall be the sole owner and holder of all licenses, permits, certificates and contracts relating to the Unit and its operations.

8.19 No Waiver of Privilege. The parties agree that any attorney-client, accountant-client, peer review or other legal privilege or protection shall not be deemed waived by virtue of any provision of this Agreement.

8.20 AHH Access to Records. MR shall maintain complete and accurate records to support and document the charges for the Services, including the days and hours worked, and a reasonable description of the services provided. Upon AHH's request at any time throughout the term of this Agreement or until four (4) years following the termination of this Agreement for any reason, MR shall permit AHH or its designated employees or agent(s) to examine its books and/or to conduct audits to confirm MR's charges hereunder. Any such examination or audit shall be conducted upon written notice of at least twenty (20) days and shall be at AHH's expense, unless such examination or audit reveals overcharges of more than five percent (5%) in the total applicable amount charged by MR, in which event MR shall pay for, or reimburse AHH the cost of conducting such examination or audit.

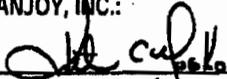
8.21 Referrals. Nothing in this Agreement, whether written or oral, nor any consideration in connection with it, is intended to induce, contemplates or requires the referral of any patient by or on behalf of any party hereto. Neither party shall receive nor be entitled to receive any compensation or remuneration for patient care referrals, if any. The parties support the right of every physician and patient to select medical service providers based on the best interests of the patient.

8.22 Attorney Fees. The prevailing party in any litigation or other proceeding among the parties under this Agreement shall be entitled to recover its reasonable attorney's fees and expenses from the non-prevailing party.

8.23 HHS Access to Records. Until the expiration of four years after the furnishing of services pursuant to this Agreement, MR shall make available, upon written request to the Secretary of the U.S. Department of Health and Human Services (the "Secretary"), or upon request to the Comptroller General of the U.S. General Accounting Office (the "Comptroller General"), or any of their duly authorized representatives, this Agreement, and all books, documents and records of MR that are necessary to certify the nature and extent of the costs of such services. If MR carries out any of the duties of this Agreement through a subcontract with a value or cost of \$10,000 or more over a 12-month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request of the Secretary or upon request to the Comptroller General, or any of their duly authorized representatives, the subcontract and books, documents, and records of such organization that are necessary to verify the nature and extent of the costs of such services. This paragraph shall be of no force and effect if not required by law.

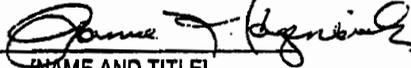
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date indicated below.

MARIANJOY, INC.:

By: 
Kathleen C. Yasko
President and CEO

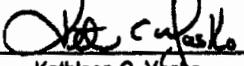
Date: 4-28-10

ADVENTIST HINSDALE HOSPITAL:

By: 
[NAME AND TITLE]
& VP President and GEO CFO

Date: 4-27-2010

Acknowledged on behalf of
MARIANJOY REHABILITATION HOSPITAL & CLINICS, INC.
And REHABILITATION MEDICINE CLINIC, INC:

By: 
Kathleen C. Yasko
President & CEO

Date: 4-28-10

Exhibit A

Rehabilitation Medical Director Duties and Responsibilities

The Medical Director of Rehabilitation Programs and Services (the "Rehabilitation Medical Director") shall spend approximately eighty (80) hours per month (calculated annually) in rendering day-to-day management and medical direction services to assist AHH in its provision of Medical Rehabilitation Services at the Unit. The Rehabilitation Medical Director shall provide such medical direction services in a manner consistent with currently approved methods and practices in the field of rehabilitation medicine, as may be updated from time to time, and such services shall be rendered in a professional, competent, efficient, timely and otherwise satisfactory manner. The Rehabilitation Medical Director shall serve as a member of the AHH Rehabilitation Leadership Team.

Role and Responsibilities Relating to the Unit

- 1) Assists in the creation of a rehabilitation milieu throughout the rehabilitation services continuum, and provides medical leadership in the assessment, planning, implementation and evaluation of all elements of the services provided at the Unit.
- 2) Develops & implements standardized operational protocols for key elements of the rehabilitation process.
- 3) Assists in selection and implementation of clinical outcome tool; Monitors rehabilitation outcomes. This responsibility shall include the development of quality measures as well as the metrics for determining success and using those same metrics to drive performance improvement initiative surrounding the care of the rehab patient.
- 4) Defines and leads the interdisciplinary team rehabilitation process (including patient staffing, weekly therapy rounds, etc.).
- 5) Assures medical necessity and appropriateness of admission, intensity of therapy, length of stay and discharge decision.
- 6) Oversees physiatry management of individual rehabilitation programs according to established protocol.
- 7) Assures ongoing communication with other attending and referring physicians.
- 8) Supports monitoring of attending and consulting physician utilization of ancillary services and quality assurance.
- 9) Participates in the development and planning in the future rehabilitation programs services including an inpatient rehabilitation unit.
- 10) Active participation in the review and evaluation of protocols and processes related to the medical management of rehabilitation services for residents of the Unit.
- 11) Assist AHH in implementing an effective, proactive program of risk management related to physical medicine and rehabilitation services provided to patients of the Unit.
- 12) Participate in and provide medical leadership as needed in the development and evaluation of CARF approved credentialing processes for physical medicine and rehabilitation staff of the Unit.

- 13) Coordinate and communicate regularly with other AHH Medical Directors and facility administrators to ensure that quality protocols consistent with CARF and CMS guidelines are followed within the Unit.
- 14) Advise and assist AHH with its compliance with all applicable laws, rules, and regulations of any federal, state, or local government or agency (eg, HIPAA, Medicare/Medicaid regulations).

EXHIBIT B

HIPAA Business Associate Addendum (the "Addendum")

1. HIPAA Compliance.

(a) The Federal Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160-164) ("HIPAA") sets forth standards for protecting the privacy of individually identifiable health information. HIPAA's requirements became effective as of April 14, 2003. Pursuant to HIPAA, AHH I (referred to in this Addendum as the "Covered Entity") is required to enter into Business Associate Agreements with all of its contractors, agents and related and unrelated third parties that perform a function or activity on behalf of such Covered Entity that involves individually identifiable health information.

(b) The Health Information Technology for Economic and Clinical Health Act ("HITECH") was adopted as part of the American Recovery and Reinvestment Act of 2009. HITECH imposes new requirements on business associates with respect to privacy, security and breach notification and contemplates that such requirements shall be implemented by regulations to be adopted by the Department of Health and Human Services. These provisions of HITECH and the final regulations applicable to business associates are collectively referred to as the "HITECH BA Provisions". The HITECH BA Provisions shall apply commencing on February 17, 2010 or such other date as may be specified in the applicable regulations (the "Applicable Effective Date").

(c) This Addendum is made a part of any Agreements executed between the parties (the "Agreement"). This Addendum is intended to comply with the Covered Entity's requirements under HIPAA and HITECH. The Parties to the Agreement hereby acknowledge and agree that MR is a "Business Associate" of Covered Entity as that term is defined by HIPAA. For purposes herein, Business Associate and Covered Entity shall be collectively referred to as the "Parties." Capitalized terms used in this Addendum and not otherwise defined herein shall have the meanings set forth in HIPAA, which definitions are hereby incorporated by reference.

2. Obligations and Activities of Business Associate.

(a) Business Associate agrees to use or disclose Protected Health Information ("PHI") received from or on behalf of Covered Entity or created for Covered Entity only as permitted or required by this Addendum, the Agreement or as required by law.

(b) Business Associate hereby acknowledges and agrees to comply with the HITECH BA Provisions and with the obligations of a business associate as proscribed by HIPAA and HITECH commencing on the Applicable Effective Date of each such provision. Business Associate and Covered Entity each further agree that the provisions of HIPAA and HITECH that are required to be incorporated in a business associate agreement are incorporated into this Addendum between Business Associate and Covered Entity as if set forth in this Addendum in their entirety and are effective as of the Applicable Effective Date.

(c) Business Associate acknowledges and agrees that if Business Associate provides services with respect to patient accounts of the Covered Entity, Business Associate shall have and follow appropriate procedures to protect against identity theft in accordance with the "Red Flag Rules" as set forth in 16 C.F.R. §681, *et seq.* (the "Red Flag Rules"), and any other applicable law, rule or regulation relating to identity theft. Without limiting the generality of the foregoing, Business Associate shall maintain and implement reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft or "Red Flag(s)" as defined in the Red Flag Rules. Upon discovery of a Red Flag, Business Associate shall promptly notify Covered Entity of same and take appropriate steps to prevent or mitigate identity theft of the subject individual.

(d) Business Associate agrees not to use PHI other than as provided for by this Addendum and it agrees to implement appropriate administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the PHI that it creates, receives, maintains or transmits on behalf of the Covered Entity. Business Associate shall document and keep these security measures current and available for inspection, upon request. Business Associate's security measures must be consistent with the Red Flag Rules, HITECH and HIPAA's security regulations, Title 45, Part 164 of the Code of Federal Regulations (commonly referred to as the "Security Rule"), and any other implementing regulations issued to preserve the integrity and confidentiality of and to prevent non-permitted or violating use or disclosure of PHI created or received for or from Covered Entity.

(e) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Addendum.

(f) Business Associate agrees to report to Covered Entity any security incident (including any attempted or actual unauthorized access or breach of PHI) and/or any use or disclosure of the PHI not provided for by this Addendum within ten (10) days of becoming aware.

(g) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity agrees to the same restrictions and conditions that apply through this Addendum to Business Associate with respect to such information.

(h) Business Associate agrees to make internal practices, books, and records, including policies and procedures regarding PHI, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, in a time and manner mutually agreed by the Parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

(i) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. §164.528.

(j) Business Associate agrees to provide to Covered Entity or an individual, in time and manner mutually acceptable to the Parties, information collected in accordance with Section 2(i) of this Addendum, to permit Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. §164.528.

(k) To the extent that Business Associate has PHI in a Designated Record Set, Business Associate agrees to provide access, at the request of Covered Entity, and in the time and manner mutually agreed by the Parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an individual in order to meet the Covered Entity's requirements under 45 C.F.R. §164.524.

(l) To the extent that Business Associate has PHI in a Designated Record Set, Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. §164.526 at the request of Covered Entity, and in the time and manner mutually agreed by the Parties.

(m) If Business Associate conducts any Standard Transaction for or on behalf of Covered Entity, Business Associate will comply, and will require any subcontractor or agent conducting such Standard Transaction to comply with, each applicable requirement of 45 C.F.R. Part 162. Business Associate will not enter into or permit its

subcontractors or agents to enter into any trading partner agreement in connection with the conduct of Standard Transactions for or on behalf of Covered Entity that: (i) changes the definition, health information condition, or use of a health information element or segment in a standard; (ii) adds any health information elements or segments to the maximum defined health information set; (iii) uses any code or health information elements that are either marked "not used" in the standard's implementation specification or are not in the standard's implementation specification(s); or (iv) changes the meaning or intent of the standard's implementation specification(s).

3. **Permitted Uses and Disclosures by Business Associate.** Except as otherwise limited in this Addendum, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity including the minimum necessary requirements thereto.

(a) Except as otherwise limited in this Addendum, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

(b) Except as otherwise limited in this Addendum, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. §164.504(e)(2)(i)(B).

(c) Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with §164.502(j)(1).

4. **Obligations of Covered Entity.** Upon request, Covered Entity shall provide Business Associate with a copy of its Notice of Privacy Practices.

5. **Permissible Requests by Covered Entity.** Except as otherwise permitted by this Addendum, Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.

6. **Term and Termination.**

(a) **Term.** The Term of this Addendum shall be effective upon the effective date of the Agreement between the Parties to which this Addendum relates, and, except for the rights and obligations set forth in this Addendum specifically surviving termination, shall terminate upon the termination of the Agreement executed between the Parties.

(b) **Termination for Cause.** In addition to any termination provisions otherwise set forth in the Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(i) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Addendum and the Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(ii) Immediately terminate this Addendum and the Agreement if Business Associate has breached a material term of this Addendum and cure is not possible; or

(iii) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(c) Effect of Termination.

(i) Except as provided in paragraph (ii) below of this section, upon termination, for any reason, of this Addendum or the final Agreement executed between the Parties, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(ii) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Business Associate shall extend the protections of this Addendum to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

7. Miscellaneous.

(a) **Regulatory References.** A reference in this Addendum to the Red Flag Rules or any HIPAA or HITECH regulation or a section in the Privacy Rule means the respective section or regulation as in effect or as may be later amended.

(b) **Amendment.** The Parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for Covered Entity to comply with the requirements of the Red Flag Rules, HIPAA and the HITECH BA Provisions.

(c) **Survival.** The respective rights and obligations of Business Associate under Sections 6(c), 7(f) and 7(g) of this Addendum shall survive the termination of this Addendum and any Agreements executed between the Parties.

(d) **Interpretation.** Any ambiguity in this Addendum shall be resolved to permit Covered Entity to comply with the Privacy Rule.

(e) **Conflicts.** To the extent that there is any conflict between the provisions of this Addendum and the Agreement, the provisions of this Addendum shall control. To the extent that the law of the state in which the Covered Entity does business is more stringent than Federal law regarding privacy issues, the law of such state shall control, unless such state law is expressly preempted by the Federal law.

EXHIBIT C
BASE MANAGEMENT FEE AND BONUS MANAGEMENT FEE

As set forth in Section 4.1 of the Agreement, in consideration for the services provided by MR to AHH hereunder, AHH agrees to pay MR an annual "Management Fee" calculated based on: (i) the "Base Management Fee," calculated pursuant to Section 1 of this Exhibit C below; plus (ii) the "Bonus Management Fee," calculated pursuant to Section 2 of this Exhibit C below.

1. **BASE MANAGEMENT FEE.** During the first contract year of the term of this Agreement, the Base Management Fee shall be equal to the aggregate of: (A) a Fixed Annual Fee of \$60,000 per year, billed in twelve equal installments; plus (B) the total of the Hourly Rate Services as set forth below, invoiced based on the documented hours of services actually provided. Both Component (A), the Fixed Annual Fee amount, and Component (B), the hourly rate for the Hourly Rate Services, set forth below are all subject to an automatic 3% increase once in the second year of the initial Term of this Agreement, and once in each year of any renewal term, as set forth in Section 4.1 of the Agreement.

	Approx. Hours/Month	Rate
(A) Fixed Annual Fee Includes General Management and Additional Consultation Services	n/a	\$60,000/Year Fixed
B. Hourly Rate Services		
Rehabilitation Medical Director	Approx. 80/Four week period	\$88/hour up to the first 80 hours in any four week period (average 20 hours/week); \$150 dollars per pre-approved hour in excess of 80 per four week period
Rehabilitation Liaison	Approx. 40/Month	\$50/Hour
Intake Coordinator	Approx 160/Month	\$40-\$45/Hour based on individual
Managed Care Contracting Consultation	to be negotiated and pre-approved in writing (which may be by email) by AHH CFO	\$88/Hour

Note: Hours spent by the Rehabilitation Medical Director in excess of 80 hours per rolling four week period will be billed and reimbursed at the rate of \$150 per hour; provided, however, MR shall obtain AHH's written approval (which may be by email) prior to providing any such excess hours.

2. **BONUS MANAGEMENT FEE.** In addition to the Base Management Fee, set forth in Section 1 of this Exhibit C above, based on MR's performance during the year, MR may also be entitled to be paid a Bonus Management Fee, calculated and mutually agreed to by the parties at the end of each year during the Term of this Agreement.

2.1. **Determine Maximum Bonus Management Fee Available for the Year.** The maximum amount available for the Bonus Management Fee for any one year shall be determined, as a percentage of the then current total Base Management Fee, based on the applicable Performance Level for that year as follows. The performance levels defined below track the corresponding work efforts of MR on behalf of AHH under the Agreement.

	Annual Bonus Management Fee Potential Award to MJ (In addition to Base Management Fee)
Performance Level I (See Metrics in Section 2.2 Below)	Equivalent of Up to 10% of then Current Base Management Fee
Performance Level II (See Metrics in Section 2.2 Below)	Equivalent of Up to 20% of then Current Base Management Fee
Performance Level III (See Metrics in Section 2.2 Below)	Equivalent of Up to 30% of then Current Base Management Fee

Attachment 21 (141)

2.2 Determine Actual Bonus Management Fee Award Based on Satisfaction of Performance Goals.

Once the Bonus Management Fee available for the year is determined, the parties next assess MR's performance for the year at the Unit based on the goals and metrics set forth below. Each goal and metric is assigned an equal weight of 20% of the Bonus Management Fee available for that year, such that, depending upon MR's performance for each of the 5 goals, MR can earn 0%, 20%, 40%, 60%, 80% or 100% of the Bonus Management Fee available for that year.

Goal	Weighted % of Bonus Management Fee	Data Source+	Metric	Metric	Metric
			Performance Level I	Performance Level II	Performance Level III
Discharge to community	25%	eRehab Data or UDS	% of patients discharged to community from acute rehab is within 2-5% less than the weighted regional %	% of patients discharged to a community from acute rehab is equal to the weighted regional % plus or minus up to 2%	% of patients discharged to a community from acute rehab is greater than 2% above the weighted regional %
FIM change, admission to discharge	25%	eRehab Data or UDS	Average FIM score improvement is within 2 to 5% less than the weighted regional average	Average FIM score improvement is equal to the weighted regional average plus or minus up to 2%	Average FIM score improvement is greater than 2% above the weighted regional average
Medicare LOS	25%	eRehab Data or UDS	Actual Medicare ALOS is within the range equaling the CMS ALOS to .5 days below CMS ALOS	Actual Medicare ALOS is .6 to 1.0 days below CMS ALOS	Actual Medicare ALOS exceeds 1.0 days below CMS ALOS
Therapy Productivity**	25%	Financial Services	PT/OT/SLP average between 2.4 and 2.7 units of medically necessary therapy /therapist hour	PT/OT/SLP average between 2.8 and 3.1 units of medically necessary therapy/therapist hour	PT/OT/SLP average greater than 3.2 units of medically necessary therapy/therapist hour

**Based on existing staffing levels as of Effective Date and number of positions filled. All therapy shall be provided in accordance with all applicable laws, regulations, licensure requirements and industry standards

+Data sources for monitoring of performance

3. **Early Termination.** If this Agreement is terminated for any reason prior to the end of a full contract year under this Agreement, AHH shall be responsible for paying MR for the following:

- (i) **Base Management Fee:** With respect to the Base Management Fee, AHH is responsible to pay MR for prorata portion of Component (A) of the Fixed Annual Fee for that Year; plus with respect to Component (B), the documented Hourly Rate Services at the rates set forth above for services rendered through the effective date of termination; plus
- (ii) **Bonus Management Fee:** With respect to the Bonus Management Fee, unless the agreement is terminated by AHH for cause, in which case no Bonus Management Fee shall be due to MR, the

parties will mutually agree on an interim performance assessment process, which agreement will not be unreasonably withheld, and AHH shall pay MR a Bonus Management Fee on a prorata basis based on performance through the effective date of termination.

4/13/10

**MEDICAL REHABILITATION
MANAGEMENT SERVICES AGREEMENT**

Adventist Hinsdale Hospital

THIS AGREEMENT is entered into as of the last date written below, by and between Marianjoy, Inc., an Illinois not-for-profit corporation ("MR"), and Adventist Hinsdale Hospital, an Illinois not for profit corporation ("AHH").

WITNESSETH:

WHEREAS, AHH, located at 120 N. Oak Street in Hinsdale, IL, 60521, is a general acute care hospital that provides, among other services, inpatient and outpatient medical rehabilitation services (the "Medical Rehabilitation Services") to AHH's patients through its Paulson Rehabilitation Unit (the "Unit"); and

WHEREAS, MR, through its controlled affiliates Marianjoy Rehabilitation Hospital & Clinics, Inc., an Illinois not for profit corporation ("Marianjoy Hospital"), and Rehabilitation Medicine Clinic, Inc. d/b/a Marianjoy Medical Group, an Illinois not for profit corporation, ("RMC," and together with MR and Marianjoy Hospital, collectively referred to as "MR Affiliates"), are in the business of developing, managing and providing the professional and administrative staff necessary for the furnishing of Medical Rehabilitation Services on an inpatient and outpatient basis in other hospitals and clinics in the region; and

WHEREAS, AHH desires to engage MR to provide the services ("Services") of certain professional personnel employed or engaged by MR or one or more MR Affiliates (the MR Personnel") to assist AHH in its management and supervision of the Medical Rehabilitation Services it provides at the Unit and MR desires to accept such engagement; and

WHEREAS, it is the desire of the parties to develop a successful working relationship with one another as contemplated herein and to explore together the possibility of other related ventures and working relationships, each of which will be negotiated at arm's length, in order that the parties may, in accordance with applicable laws, improve access to quality rehabilitation services in their respective communities;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, the parties do hereby agree as follows:

ARTICLE I

RIGHTS AND OBLIGATIONS OF MR

For purposes of assisting AHH in its provision of the Medical Rehabilitation Services at the Unit, during the term of this Agreement, MR shall, through its employees and through the employees of its controlled MR Affiliates, provide AHH with the Services set forth in this Article 1, all in a manner that is consistent with the policies, regulations and directives of AHH, and in a timely, competent and professional manner, pursuant to a schedule agreed upon by the parties. MR shall keep AHH reasonably apprised of the performance of the Services, and the operation of the Unit, by regularly reporting to AHH in such manner as agreed upon by the parties. Except as expressly provided for otherwise in this Agreement, throughout the term of this Agreement, AHH shall retain all authority and control over the business, policies, and operation and assets of AHH and the Unit, and AHH does not, through this Agreement, delegate to MR any of the powers, duties, and responsibilities vested by law or through AHH governance documents to the AHH board of directors or any AHH affiliate.

1.1 Rehabilitation Medical Director. MR shall employ a Medical Director of Rehabilitation Programs and Services (the "Rehabilitation Medical Director") who shall be selected by MR, with the input and approval of AHH as identified in Section 1.5 below, provided that such approval is not unreasonably withheld. The Rehabilitation Medical Director shall spend an average (measured on an annual basis) of eighty (80) hours per month in rendering day-to-day management and medical direction services to assist AHH in its provision of Medical Rehabilitation Services at the Unit. In accordance with Section 4.1 below, hours spent by the Rehabilitation Medical Director under this Agreement up to 80 hours per month will be billed at an hourly rate of \$88/hour and hours spent in excess of 80 hours per month will be billed at an hourly rate of \$150/hour. A description of the role and responsibilities of the Rehabilitation Medical Director is described on Exhibit A of this Agreement, attached hereto and incorporated herein by reference. The Rehabilitation Medical Director shall provide medical direction services for the Unit in a manner consistent with currently approved methods and practices in the field of rehabilitation medicine, as may be updated from time to time, and such services shall be rendered in a professional, competent, efficient, timely and otherwise satisfactory manner. The Rehabilitation Medical Director shall abide at all times by the Bylaws, Rules and Regulations, and Policies and Procedures of AHH and of the Medical Staff of AHH, including without limitation those regarding quality assurance, utilization review, risk management, corporate compliance and credentialing procedures. In performing these services, the Rehabilitation Medical Director shall be administratively responsible jointly to the AHH's Vice President and Chief Nursing Officer and MR's the Vice President of Medical Affairs. At all times during the term of this Agreement, the Rehabilitation Medical Director (or MR, on behalf of the Rehabilitation Medical Director, where appropriate) shall: (i) hold a currently valid and unlimited license to practice medicine in all of its branches in the State of Illinois; (ii) maintain registration in good standing with the U.S. Drug Enforcement Administration and a state narcotic's license; (iii) be enrolled and qualified to provide and be reimbursed for providing services to Medicare and Medicaid beneficiaries; (iv) be board certified by the American College of Physical Medicine and Rehabilitation or eligible to obtain such certification and maintain such certification or eligibility for certification in good standing while performing services hereunder; (v) maintain unrestricted and unsuspended status as an active member of the Medical Staff of AHH, with appropriate (as reasonably determined by AHH) clinical privileges; (vi) comply with insurance requirements set forth in this Agreement, at MR's sole cost, maintain general liability insurance and professional liability insurance, under a professional liability insurance policy providing insurance with coverage limits of at least One Million Dollars per occurrence and Three Million Dollars annual aggregate (\$1,000,000/\$3,000,000); (vii) be a credentialed, participating physician provider in all AHH contracted managed care plans, a list of which shall be provided to MR, as amended from time to time; and (viii) receive the initial and continuing approval of AHH to provide services at the Unit in accordance with the provisions of this Section 1.1 herein. Further, MR represents that the Rehabilitation Medical Director's medical licenses or authorizations to practice medicine in the State or in any other jurisdiction have ever been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or restricted in any way. The Rehabilitation Medical Director and MR shall be under a continuing obligation to notify AHH within twenty-four (24) hours of 1) any action taken that revokes, restricts or in any way alters the qualifications of the Rehabilitation Medical Director to perform the services described in this Section 1.1; 2) if the Rehabilitation Medical Director is required to or agrees to pay any amount in any malpractice lawsuit or claim by way of judgment or settlement; 3) if the Rehabilitation Medical Director becomes the subject of any investigatory, disciplinary or other proceeding before any government, professional, licensing, medical staff or peer review body; or 4) MR, any MR Affiliate or the Rehabilitation Medical Director becomes the subject of a government audit (other than routine payor audits) or investigation relating to its billings or billing practices. In the event the Rehabilitation Medical Director fails to continuously meet the qualifications set forth in this Section 1.1, AHH may terminate this Agreement upon notice to MR, or, at AHH's option, require the immediate replacement of the Medical Director. This agreement will replace and supersede any existing service agreement between the parties for the provision of medical director services for the Unit by the Marianjoy Medical Group. MR acknowledges that no provision of this Section 1.1 shall obligate AHH to appoint or reappoint the Rehabilitation Medical Director to its Medical Staff or grant any clinical privileges for which the Rehabilitation Medical Director is not otherwise eligible, or to limit or prohibit any disciplinary action pursuant to the AHH Medical Staff bylaws or procedures.

Personnel List and Credentials

Name	Job Title	Credentials	State Licensure	FTE
Nursing				
Fides O'Hara	Nurse Manager	RN BSN Nursing Administration (NE-BC)	IL	1
Olga Jumic	Nurse	CRRN	IL	0.9
Amanda Keizer	Nurse	BSN CRRN	IL	0.9
Carol Joy Arroyo	Nurse	RN BSN	IL	0.9
Angelique Maples	Nurse	BSN CRRN	IL	0.6
Maryamma Baby	Nurse	RN	IL	0.9
Susan Howes	Nurse	CRRN	IL	0.8
Wei Huang	Nurse	CRRN	IL	0.9
Danae Burghgraef	Nurse	RN BSN	IL	0.9
Maria Luisa Ada	Nurse	CMSRN, MSN	IL	IHR
Shiajahni Juarez	Nurse	RN BSN	IL	0.5
Maria Luisa Vergara	Nurse	RN BSN	IL	0.9
Antoinette Ruskjer	Nurse	CRRN	IL	0.9
Lois Basit	Nurse	RN	IL	0.9
Joyce Vitagliano	Nurse	CRRN, MSN	IL	0.5
Barbara Burrows	Nurse	RN	IL	0.9
Therapy				
Patricia Scavuzzo	Therapy Manager	SLP	IL	1
Julie Dwyer	Physical Therapist	RPT	IL	1
Katherine Gomez	Physical Therapist	RPT	IL	1
Bridgett Tarrant	Physical Therapist	RPT	IL	1
Michelle Gentile	Occupational Therapist	OTR	IL	1
Margaret Johnson	Occupational Therapist	OTR	IL	1
Deborah Millar	Occupational Therapist Assistant	COTA	IL	1
Laurie Hill	Speech Language Pathologist	SLP	IL	Registry
Lynn Zambreno	Speech Language Pathologist	SLP	IL	Registry
Jeff Fish	Social Worker	MSW, LCSW	IL	1
Gregory Malo	Neuropsychologist	Psy.D.	IL	1
Malinda Oij	Audiologist	Doctor of Audiology	IL	1

- * **Vocational Counselor/Specialist** will be provided by Marianjoy Rehabilitation Hospital on an as needed basis.
- * **Dietitian and Pharmacist** will be provided by Adventist La Grange Memorial Hospital's Dietary and Pharmacy Department
- * **Orthotic and Prosthetic Services** will be provided by Hanger, Inc. A copy of the agreement is appended to this attachment.

**ADVENTIST MIDWEST HEALTH
DEPARTMENT OPERATIONAL PLAN FOR SERVICE EXCELLENCE
2013-2014**

FACILITY:	Adventist Hinsdale Hospital
DEPARTMENT:	3 North Inpatient Rehabilitation
MANAGER:	Fides O'Hara
DIRECTOR:	Jane Mitchell
VICE PRESIDENT:	Shawn Tyrrell
COST CENTERS INCLUDED:	250

SCOPE OF SERVICE

Describe the Department's Work: The professional staff of the Adventist Paulson Rehab Services provides excellent rehabilitative services for individuals with physical and cognitive impairment in order to foster their maximum functional independence. We partner with patients and families seeking to meet each person's unique needs and to provide whole-person care in this Christian institution.

Scope and Complexity of Provided Services (such as diagnoses, age, procedures or services performed):

The Inpatient Rehabilitation Unit provides rehabilitation care to adult and geriatric patients. The unit provides services to patients between the ages of 18-104 years. Diversity in background, race, religion and culture is valued and welcomed.

All services are provided under the direction of a Physiatrist. If the patient care needs are beyond the level of care that the Rehabilitation Unit can provide, provisions will be made for the transfer of these patients to an acute unit or another facility where these special services are provided.

Admission Criteria:

Criteria for Admission to 3 North

- ◆ Must demonstrate medical necessity and rehab necessity
- ◆ Presence of a significant, new functional loss
- ◆ Need for intensive interdisciplinary rehabilitation services.
- ◆ Need for skilled rehabilitation nursing care on a 24-hour basis
- ◆ Sufficient physical and mental endurance to participate in an intensive interdisciplinary rehabilitation program for a minimum of three hours daily
- ◆ Must be in agreement with the rehabilitation transfer
- ◆ Must have sufficient prognostic indicators to demonstrate a potential for progress with functional independence within a reasonable period of time
- ◆ Must have limited ambulation skills requires assistance for activities of daily living
- ◆ Plan for discharge to a less restrictive environment if admitted from skilled nursing facilities
- ◆ Need for active and ongoing therapeutic intervention of multidisciplinary team (physician, rehab nurse, and therapist at a minimum)
- ◆ A referral to the inpatient rehabilitation program from a physician
- ◆ Must meet the Medicare criteria for diagnoses (75% rule)
- ◆ Stroke
- ◆ Spinal Cord Injury
- ◆ Congenital Deformity
- ◆ Amputation
- ◆ Major Multiple Trauma
- ◆ Hip Fracture
- ◆ Brain Injury
- ◆ Active polyarticular rheumatoid arthritis, seronegative orthopathies
- ◆ Systemic vasculidities with joint inflammation
- ◆ Severe or advanced osteoarthritis involving two or more weight bearing joints (elbows, shoulders, hips or knees)
- ◆ Bilateral knee or bilateral hip joint replacement
- ◆ Joint replacements - patient body mass index 50 or more

Attachment 21 (148)

- ◆ Neurological Disorders (Including Multiple Sclerosis, Motor Neuron Diseases, Polyneuropathy, Muscular Dystrophy and Parkinson's Disease)
- ◆ Burns

Discharge Criteria:

- ◆ Achieves stated functional goals
- ◆ Inadequate endurance for participation in minimum of three hours of therapy a day
- ◆ Does not demonstrate a need for skilled rehabilitation nursing care, physical therapy, and/or occupational therapy
- ◆ Sufficient prognostic indicators for potential for progress are no longer present
- ◆ Patient makes an informed choice to be discharged
- ◆ Refuses full program participation
- ◆ Acute medical care needs require transfer to an acute medical floor
- ◆ Patient condition and/or age would indicate transfer to a specialty rehab facility

Customer Service:

Key Customers	Internal/External	Plan for Service Excellence (2014)
Patients/Families	Internal	Analyze Press Ganey and Patient Call Manager Satisfaction scores. Opportunities for improvement are identified, and action plans are implemented.
Physicians	Internal/External	Physician Satisfaction Survey and implement Action Plan
Other Departments/Hospitals	Internal/External	Social Work Satisfaction Survey and implement Action Plan
Rehab Staff	Internal	Employee Engagement Survey and implement Action Plan

Department Certifications/Licensure Requirements: Care of patients is delivered by Registered Nurses with a current State of Illinois License who maintain a current CPR. Certified Nursing Assistants assist the RN in the care of the patients. The CNA maintains CPR certification. Also, a Clinical Social Worker licensed by the State of Illinois

OPERATIONAL DATA

Physical Location: 3 North is located on the third floor on the north side of Hinsdale Hospital.

Hours of operation: The 3 North Adventist Paulson Rehab Services is open 24 hours a day, 7 days a week, and 365 days a year.

HUMAN RESOURCES

Type of Staff (Qualifications/Skill Level): The primary care in this unit is administered by qualified RN's, Certified Nursing Assistants and Unit Secretaries are part of the team to assist the RN in the care of the patient. Interdisciplinary Team Members are present on the unit including, but not limited to, Social Services, Rehab Services Coordinator, OT, PT, Speech Therapy

Total FTEs:

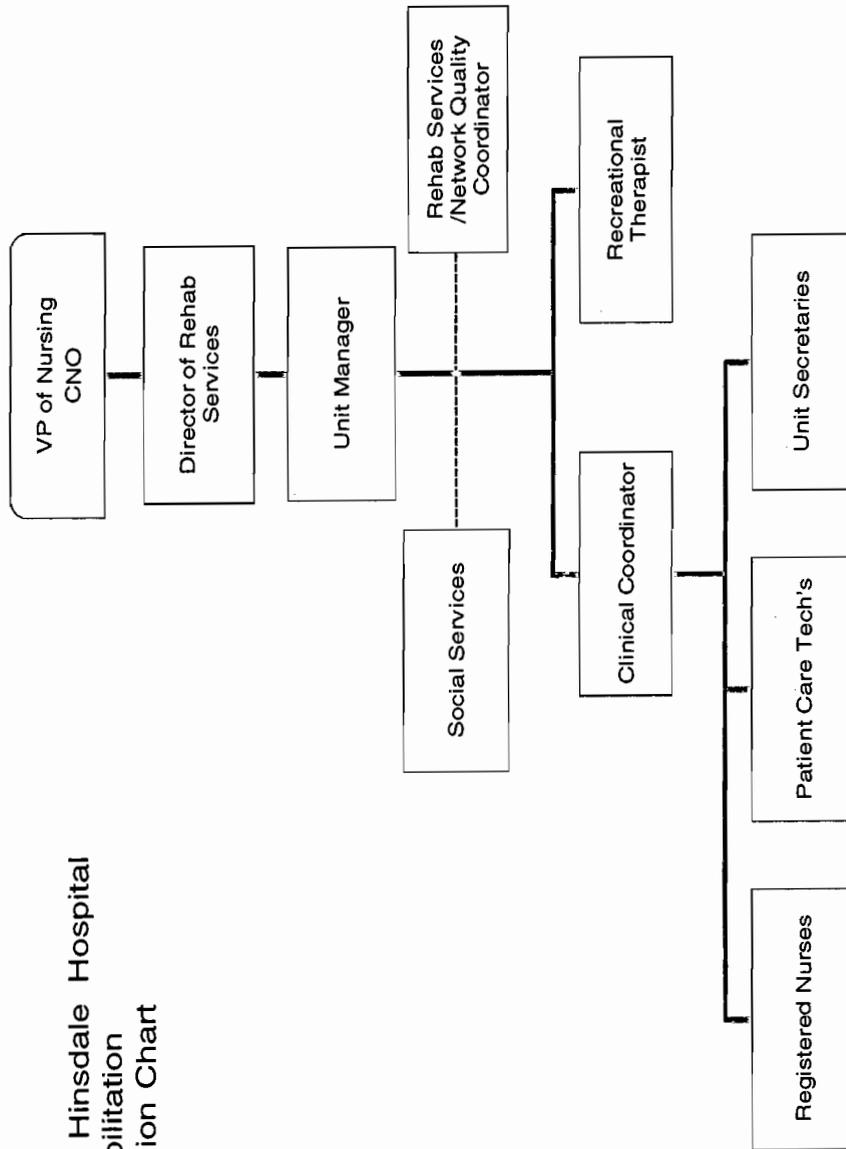
3 North = 19.98

Contract Services (excluding temporary agency help) Yes No

Medical Directorship and Intake Coordinator Services are provided by Marianjoy Affiliation.

Department Organizational Chart:

Adventist Hinsdale Hospital
3N Rehabilitation
Organization Chart



Method of Orientation to Unit/Department: Staff attends hospital-required and nursing orientation. Individualized unit orientation is provided based on the specific needs of the newly hired staff member. PRN Interdisciplinary Orientation is completed with all staff.

Types of Ongoing Educational Requirements/Offerings: Continuing education is provided to meet mandatory certification requirements.

Staff members are encouraged to belong to related professional organizations. Educational needs of the staff are assessed ongoing, with continuing education provided to meet job-specific and unit-specific needs. Additionally, there are mandated educational and competency requirements annually based on organizational initiatives (e.g. restraint training, pain management, fall prevention training, Safety Fair, etc.).

STAFFING

Method of Determining Staffing Levels

- (x) Unit/Hospital Census Program
- (x) Number of Scheduled Assessments
- () Type of Scheduled Assessments
- (x) Patient Acuity
- (x) Skill mix of Staff
- (x) Technology required
- (x) Other: Potential Admissions/Discharges

Planned Staffing Levels

Based on the department mission and scope of care, the following staffing requirements must be met: Levels of staffing are adjusted on a shift-to-shift basis driven by census and acuity. The minimum staffing includes two clinical staff members. The mix of two RNs. The following are considered, at a minimum, on a shift-to-shift basis:

- Complexity of patient condition (including acuity, frequency of tasks/observations, technology, etc.)
- Staff mix, number and level of competence
- Infection control and/or safety issues

STAFFING GUIDELINE FOR 3 NORTH

7-3 SHIFT

CENSUS	STAFF
1-6	2 RN'S
7	2 RN'S, 4 hour PCT
8	2 RNs, 1 PCT
9-10	2 RN'S, 1 PCT, 1US
11-12	2 RN'S, 2 PCT, 1US
13-15	3 RN'S , 2 PCT, 1 US

3-11 SHIFT

CENSUS	STAFF
1-6	2 RN'S
7	2 RN'S, 4 hour PCT
8-10	2 RN'S, 1PCT
11-12	2 RN'S, 2 PCT
13-15	3 RN'S, 2 PCT

11-7 SHIFT

CENSUS	STAFF
1-11	2 RN'S
12 - 13	2 RN'S, 1 PCT
14-15	3 RN'S / 2 PCT

Source of Emergency or Contingency Staffing

- (x) Contract Services
- (x) Casual or PRN Staff
- (x) Float Staff: From other units
- (x) Overtime
- () On call Staff
- (x) Call in unscheduled workers
- () Other

INTERDEPARTMENTAL COMMUNICATION

Describe internal and external methods of communication

Method	Internal/External	Audience	Frequency
Staff Meetings	Internal	3N Staff	Monthly
Memos	Internal/External	3N Staff/Hospital Staff	PRN
Posters	Internal	3N Staff	PRN
Mailboxes	Internal	3N Staff	PRN
Email	Internal/External	3N staff/Hospital Staff	PRN
Phone	Internal/External	3N staff/patient's family/rehab team and ancillary services	PRN
Intranet(For Staff & Pt Educational Needs)	Internal/External	3N staff/ stakeholders	PRN
Open Door Policy	Internal	3N staff/Hospital Staff	PRN
Bulletin Board	Internal	Hospital staff/ stakeholders	At all times
Informal Meetings	Internal	3N staff/Hospital Staff	PRN
Fax	External/Internal	Hospital Staff	PRN
Hospital & Departmental Newsletters	External/internal	3N Staff/Hospital Staff	PRN

Attachment 21 (155)

Describe Collaborative/Functional Relationships with Other Departments

Work most closely with other acute units, outside referring facilities, and multiple ancillary departments. All care is provided and integrated, and evidenced on the Interdisciplinary Plan of Care. Weekly conferences for patients are completed by the interdisciplinary care team members.

Department	Brief Description of Collaborative Efforts	Measure of Performance	Plan for Improving Performance (2014)
Case Management	Coordination of services prior to transitioning to rehab or discharge destination	Social Worker Survey	Case management education on Admission Criteria to Rehabilitation
Interdisciplinary Team	Team works toward achievement of patient's goals	Physician Survey, Press Ganey and Patient Call Manager Surveys, Employee Engagement	Regular Family Conferences/Team conferences Huddles, use of white board Focused patient/family education and training

PERFORMANCE INITIATIVES

Describe the Plan for Improving Performance including Measurement and Reporting

1. Fall Prevention: Performance improvement initiative to maintain patient safety and prevent injury.
2. Safe Patient Transfers: Performance improvement initiative to successfully complete Safe Patient Transfer Training between primary physical therapist and primary nurse to demonstrate transfer techniques when patient's level of assistance is moderate, maximum or dependent.

Attachment 21 (156)

**ADVENTIST MIDWEST HEALTH
DEPARTMENT OPERATIONAL PLAN FOR SERVICE EXCELLENCE
2013-2014**

FACILITY:	Adventist Hinsdale Hospital
DEPARTMENT:	Physical Therapy Department
MANAGER:	Patricia Scavuzzo
DIRECTOR:	Jane Mitchell
VICE PRESIDENT:	Shawn Tyrrell
COST CENTERS INCLUDED:	525-02

SCOPE OF SERVICE

AHH Physical Therapy Department provides diagnostic and rehabilitation care in the following medical settings: inpatient critical care, inpatient acute care, inpatient acute rehabilitation, and outpatient. All services are provided per order and under the direction of a physician. Services are provided to individuals aged 8 years and above. Diversity in background, race, orientation, religion and culture is valued and welcome. Services are provided throughout the continuum of care depending on the medical acuity and stability of the patient and the specific rehabilitative needs of the person served. The professional staff of the Physical Therapy Department serves their patients by providing evaluations, education, treatment, equipment and emotional support; and it serves third-party payers by providing accurate documentation and cost effective treatment always rooted in evidence-based best practice. We work as a mentoring, supportive team giving respect and compassion to all. For patients we seek the restoration of function, elimination or reduction of pain, and education that leads to prevention of recurrence. For physicians we seek positive outcomes based on their recommendations in collaboration with our treatment plan of care. If after initial patient contact, it appears that the AHH Physical Therapy staff is unable to provide appropriate care for the patient, the patient will be offered a list of alternative locations where services can be provided. The physical therapists on staff are licensed and trained to provide clinical bedside physical therapy assessments and treatment, crutch training, wound vac application, pre-surgical consultation for DME needs, TENS therapy, assessment of spasticity levels after baclofen injections, ambulation, transfers, gait/balance, vestibular assessment and treatment and CPM

measurement and application. Physical Therapy Assistants on staff are licensed and trained to provide ongoing treatment for gait, balance, ambulation, CPM application, and transfers under the guidance of the physical therapists. Rehab technicians have been trained on equipment cleaning and CPM set-up, and to offer physical assist with use of transfer equipment. AHH Physical Therapy provides care for a wide variety of conditions including: spinal cord injury, CVA/TIA, progressive neurological conditions, oncology patients, vestibular patients, wound care patients, tracheostomy/ventilated patients, orthopedic patients, and traumatic brain injury.

Key Customers	Internal/External	Plan for Service Excellence (2014)
PHYSICIANS	INTERNAL/EXTERNAL	IMPROVE MD SATISFACTION SCORES ON PHYSICIAN SURVEY >80 TH PERCENTILE
PATIENTS	INTERNAL/EXTERNAL	IMPROVE PATIENT SATISFACTION ON PRESS GANEY >90 TH PERCENTILE
NURSING	INTERNAL	CONTINUED REPRESENTATION AT PCC MEETINGS, IN-SERVICES, UNIT ROUNDS, AND OTHER OPPORTUNITIES FOR TEAM COMMUNICATION
CASE MANAGEMENT	INTERNAL	EXPAND OPPORTUNITIES FOR CONTINUED TEAM COMMUNICATION

All physical therapists and physical therapy assistants have current CPR certification, and State of Illinois licensure. All rehab technicians have current CPR certification.

OPERATIONAL DATA

Physical Location: B2 South

Hours of operation: Mon-Fri 7:00-6:30 pm; Sat-Sun/Holidays 7:30 am-5pm

HUMAN RESOURCES

Type of Staff (Qualifications/Skill Level): The staff is made up of physical therapists, physical therapy assistants, and rehab techs.

158

Total FTEs: 2.1 Rehab Techs; 9.0 FTE Physical Therapists; 1.0 Registry Physical Therapists; 1.5 FTE Physical Therapy Assistants; and .1 Registry Physical Therapy Assistants

Contract Services (excluding temporary agency help) ___ Yes ___ x ___ No

Department Organizational Chart (please see attached)

Method of Orientation to Unit/Department: Staff attend regional and site specific Hospital orientation as well as complete department orientation with manager. Department orientation follows the regional and site specific orientation. New staff is assigned a preceptor to provide support for the new employee.

Types of Ongoing Educational Requirements/Offerings: Educational needs of the staff are assessed annually via employee survey, with continuing education and competency requirements based on organizational initiatives. Staff is also encouraged to belong to their professional organizations as applicable.

STAFFING

Method of Determining Staffing Levels

(x) Unit/Hospital Census Program

(x) Number of Scheduled Assessments

3

Department Operational Plan for Service Excellence

- (x) Type of Scheduled Assessments
- (x) Patient Acuity
- (x) Skill mix of Staff
- () Technology required
- () Other

Planned Staffing Levels

SHIFTS	SUN	MON	TUE	WED	THU	FRI	SAT
AM	6 FTEs	11 FTEs	5 FTEs				
PM		2 FTEs					

Source of Emergency or Contingency Staffing

- () Contract Services
- (x) Casual or PRN Staff
- (x) Float Staff
- (x) Overtime
- () On call Staff
- (x) Call in unscheduled workers
- () Other

4

(160)

INTERDEPARTMENTAL COMMUNICATION

Describe internal and external methods of communication

Method	Internal/External	Audience	Frequency
Staff Meetings	Internal	Staff	Monthly
Employee Forum/Town Halls	Internal	Staff	Quarterly
Communication Board	Internal/External	Staff/Public	Ongoing
Hospital and Department Newsletters	Internal	Staff	PRN

Describe Collaborative/Functional Relationships with Other Departments

Department	Brief Description of Collaborative Efforts	Measure of Performance	Plan for Improving Performance (2014)
Physicians	Phone calls/electronic patient care reports/face to face discussions, rounding, patient care conferences	MD satisfaction survey	Improve MD Satisfaction Survey Results to >80 th percentile
Nursing Units	Phone calls/electronic patient care reports/face to face discussions, rounding, patient care conferences	Nurse Leader Rounding	Improve Gallup Employee Engagement Survey Results to >75 th percentile

PERFORMANCE INITIATIVES

Describe the Plan for Improving Performance including Measurement and Reporting

1. Mission: Improve awareness/availability of weekly devotional at all sites for staff and visitors. Support new Department Creation Health Leader in all upcoming initiatives.
2. Stewardship: Efficient use of staff to census. Meet budget productivity for DORS.
3. Growth: Program development-increase patient volume to 2% for the year.
4. Best Practices for Quality and Service: Achieve an overall patient satisfaction score on Press Ganey equal or greater than 90th percentile. To be in compliance with all CARF, JCAHO, IDPH, CMS regulations at all times. Be at Magnet level for Falls on 3N Rehab Unit.
5. Leadership and Staff Development: Schedule in-services and CEU opportunities based on needs identified in the educational needs assessment. Provide continued opportunities to advance qualified therapists to Senior positions based on Clinical Ladders.
6. Community: Continue to provide University students clinical practicum experiences and continue to participate in organization sponsored community fund-raisers and the Stroke Support Group.

**ADVENTIST MIDWEST HEALTH
DEPARTMENT OPERATIONAL PLAN FOR SERVICE EXCELLENCE
2013-2014**

FACILITY:	Adventist Hinsdale Hospital
DEPARTMENT:	Occupational Therapy Department
MANAGER:	Patricia Scavuzzo
DIRECTOR:	Jane Mitchell
VICE PRESIDENT:	Shawn Tyrrell
COST CENTERS INCLUDED:	530-02

SCOPE OF SERVICE

AHH Occupational Therapy Department provides diagnostic and rehabilitation care in the following medical settings: inpatient critical care, inpatient acute care, inpatient acute rehabilitation, and outpatient. All services are provided per order and under the direction of a physician. Services are provided to individuals aged 8 years and above. Diversity in background, race, orientation, religion and culture is valued and welcome. Services are provided throughout the continuum of care depending on the medical acuity and stability of the patient and the specific rehabilitative needs of the person served. The professional staff of the Occupational Therapy Department serves their patients by providing evaluations, education, treatment, equipment and emotional support; and it serves third-party payers by providing accurate documentation and cost effective treatment always rooted in evidence-based best practice. We work as a mentoring, supportive team giving respect and compassion to all. For patients we seek the restoration of function, elimination or reduction of pain, and education that leads to prevention of recurrence. For physicians we seek positive outcomes based on their recommendations in collaboration with our treatment plan of care. If after initial patient contact, it appears that the AHH Occupational Therapy staff is unable to provide appropriate care for the patient, the patient will be offered a list of alternative locations where services can be provided. The occupational therapists on staff are licensed and trained to provide clinical bedside occupational therapy assessments and treatment, fabrication of splints, pre-surgical consultation for DME needs, lymphedema therapy, visual-proprioceptive training, safe transfers, bathroom skills, grooming/hygiene, and ADLs. Certified Occupational Therapy Assistants

on staff are licensed and trained to provide ongoing treatment for grooming/hygiene, ADLs, bathroom skills and safe transfers under the guidance of the occupational therapists. AHH Occupational Therapy provides care for a wide variety of conditions including: spinal cord injury, CVA/TIA, progressive neurological conditions, oncology patients, visual-proprioceptive patients, lymphedema patients, tracheostomy/vented patients, orthopedic patients, and traumatic brain injury.

Key Customers	Internal/External	Plan for Service Excellence (2014)
PHYSICIANS	INTERNAL/EXTERNAL	IMPROVE MD SATISFACTION SCORES ON PHYSICIAN SURVEY >80 TH PERCENTILE
PATIENTS	INTERNAL/EXTERNAL	IMPROVE PATIENT SATISFACTION ON PRESS GANEY >90 TH PERCENTILE
NURSING	INTERNAL	CONTINUED REPRESENTATION AT PCC MEETINGS, IN-SERVICES, UNIT ROUNDS, AND OTHER OPPORTUNITIES FOR TEAM COMMUNICATION
CASE MANAGEMENT	INTERNAL	EXPAND OPPORTUNITIES FOR CONTINUED TEAM COMMUNICATION

All occupational therapists and certified occupational therapy assistants have current CPR certification, and State of Illinois licensure.

OPERATIONAL DATA

Physical Location: B2 South

Hours of operation: Mon-Fri 7:00-5:30 pm; Sat-Sun/Holidays 7:30 am-5pm

HUMAN RESOURCES

Type of Staff (Qualifications/Skill Level): The staff is made up of occupational therapists and certified occupational therapy assistants.

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Total FTEs: 3.5 FTE Occupational Therapists; 1.0 Registry Occupational Therapists; 1.5 FTE Certified Occupational Therapy Assistants; and .5 Registry Certified Occupational Therapy Assistants

Contract Services (excluding temporary agency help) ___ Yes ___ x ___ No

Department Organizational Chart (please see attached)

Method of Orientation to Unit/Department: Staff attend regional and site specific Hospital orientation as well as complete department orientation with manager. Department orientation follows the regional and site specific orientation. New staff is assigned a preceptor to provide support for the new employee.

Types of Ongoing Educational Requirements/Offerings: Educational needs of the staff are assessed annually via employee survey, with continuing education and competency requirements based on organizational initiatives. Staff is also encouraged to belong to their professional organizations as applicable.

STAFFING

Method of Determining Staffing Levels

- (x) Unit/Hospital Census Program
- (x) Number of Scheduled Assessments
- (x) Type of Scheduled Assessments

- Patient Acuity
- Skill mix of Staff
- Technology required
- Other

Planned Staffing Levels

SHIFTS	SUN	MON	TUE	WED	THU	FRI	SAT
AM	5 FTEs	6 FTEs	5 FTEs				

Source of Emergency or Contingency Staffing

- Contract Services
- Casual or PRN Staff
- Float Staff
- Overtime
- On call Staff
- Call in unscheduled workers
- Other

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INTERDEPARTMENTAL COMMUNICATION

Describe internal and external methods of communication

Method	Internal/External	Audience	Frequency
Staff Meetings	Internal	Staff	Monthly
Employee Forum/Town Halls	Internal	Staff	Quarterly
Communication Board	Internal/External	Staff/Public	Ongoing
Hospital and Department Newsletters	Internal	Staff	PRN

Describe Collaborative/Functional Relationships with Other Departments

Department	Brief Description of Collaborative Efforts	Measure of Performance	Plan for Improving Performance (2014)
Physicians	Phone calls/electronic patient care reports/face to face discussions, rounding, patient care conferences	MD satisfaction survey	Improve MD Satisfaction Survey Results to >80 th percentile
Nursing Units	Phone calls/electronic patient care reports/face to face discussions, rounding, patient care conferences	Nurse Leader Rounding	Improve Gallup Employee Engagement Survey Results to >75 th percentile

PERFORMANCE INITIATIVES

Describe the Plan for Improving Performance including Measurement and Reporting

1. Mission: Improve awareness/availability of weekly devotional at all sites for staff and visitors. Support new Department Creation Health Leader in all upcoming initiatives.
2. Stewardship: Efficient use of staff to census. Meet budget productivity for DORS.
3. Growth: Program development-increase patient volume to 2% for the year.
4. Best Practices for Quality and Service: Achieve an overall patient satisfaction score on Press Ganey equal or greater than 90th%ile. To be in compliance with all CARF, JCAHO, IDPH, CMS regulations at all times. Be at Magnet level for Falls on 3N Rehab Unit.
5. Leadership and Staff Development: Schedule in-services and CEU opportunities based on needs identified in the educational needs assessment. Provide continued opportunities to advance qualified therapists to Senior positions based on Clinical Ladders.
6. Community: Continue to provide University students clinical practicum experiences and continue to participate in organization sponsored community fund-raisers and the Stroke Support Group.

**ADVENTIST MIDWEST HEALTH
DEPARTMENT OPERATIONAL PLAN FOR SERVICE EXCELLENCE
2013-2014**

FACILITY:	Adventist Hinsdale Hospital
DEPARTMENT:	Speech Therapy
MANAGER:	Patricia Scavuzzo
DIRECTOR:	Jane Mitchell
VICE PRESIDENT:	Shawn Tyrrell
COST CENTERS INCLUDED:	534-02

SCOPE OF SERVICE

AHH Speech Therapy Department provides diagnostic and rehabilitation care in the following medical settings: inpatient critical care, inpatient acute care, inpatient acute rehabilitation, and outpatient. All services are provided per order and under the direction of a physician. Services are provided to individuals aged 18 years and above. Diversity in background, race, orientation, religion and culture is valued and welcome. Services are provided throughout the continuum, of care depending on the medical acuity and stability of the patient and the specific rehabilitative needs of the person served. The professional staff of the Speech Therapy Department serves their patients by providing evaluations, education, treatment, equipment and emotional support; and it serves third-party payers by providing accurate documentation and cost effective treatment always rooted in evidence-based best practice. We work as a mentoring, supportive team giving respect and compassion to all. For patients we seek the restoration of function, elimination or reduction of pain, and education that leads to prevention of recurrence. For physicians we seek positive outcomes based on their recommendations in collaboration with our treatment plan of care. If after initial patient contact, it appears that the AHH Speech Therapy staff is unable to provide appropriate care for the patient, the patient will be offered a list of alternative locations where services can be provided. The speech pathologists on staff are licensed and trained to provide clinical bedside swallow evaluations, video fluoroscopic swallow evaluations, speech and language evaluations and treatment, executive function assessments and treatment, swallow therapy, Passy-Muir valve placement, fluency and voice evaluations and treatment, and e-stimulation treatment for

dysphagia. AHH Speech Therapy provides care for a wide variety of conditions including: spinal cord injury, CVA/TIA, progressive neurological conditions, oncology patients, GI-related disorders, voice disorders, tracheostomy/vented patients, and traumatic brain injury.

Key Customers	Internal/External	Plan for Service Excellence (2014)
PHYSICIANS	INTERNAL/EXTERNAL	IMPROVE MD SATISFACTION SCORES ON PHYSICIAN SURVEY >80 TH PERCENTILE
PATIENTS	INTERNAL/EXTERNAL	IMPROVE PATIENT SATISFACTION ON PRESS GANEY > 90 TH PERCENTILE
NURSING	INTERNAL	CONTINUED REPRESENTATION AT PCC MEETINGS, IN-SERVICES , UNIT ROUNDS, AND OTHER OPPORTUNITIES FOR TEAM COMMUNICATION
CASE MANAGEMENT	INTERNAL	EXPAND OPPORTUNITIES FOR CONTINUED TEAM COMMUNICATION

All speech pathologists have current CPR certification, ASHA certification and State of Illinois license.

OPERATIONAL DATA

Physical Location: B2 South

Hours of operation: Mon-Fri 8am-4:30 pm; Sat-Sun/Holidays 8am-2:30 pm

HUMAN RESOURCES

Type of Staff (Qualifications/Skill Level): The staff is made up of Speech-Language Therapists

Total FTEs: The staff is currently all registry equivalent to 1.0 FTE

Contract Services (excluding temporary agency help) ___ Yes ___ x ___ No

Department Organizational Chart (please see attached)

Method of Orientation to Unit/Department: Staff attend regional and site specific Hospital orientation as well as complete department orientation with manager. Department orientation follows the regional and site orientation. New staff is assigned a preceptor to provide support for the new employee.

Types of Ongoing Educational Requirements/Offerings: Educational needs of the staff are assessed annually via employee survey, with continuing education provided to meet job and department specific needs. There are mandated educational and competency requirements based on organizational initiatives. Staff is also encouraged to belong to their professional organizations.

Speech Pathologists are required to obtain a minimal 20 hours of continuing education every two years to maintain their license.

STAFFING

Method of Determining Staffing Levels

- (x) Unit/Hospital Census Program
- (x) Number of Scheduled Assessments
- (x) Type of Scheduled Assessments

- Patient Acuity
- Skill mix of Staff
- Technology required
- Other

Planned Staffing Levels

SHIFTS	SUN	MON	TUE	WED	THU	FRI	SAT
AM	1 FTE	1FTE	1FTE	1FTE	1FTE	1FTE	1FTE

Source of Emergency or Contingency Staffing

- Contract Services
- Casual or PRN Staff
- Float Staff
- Overtime
- On call Staff
- Call in unscheduled workers
- Other

INTERDEPARTMENTAL COMMUNICATION

Describe internal and external methods of communication

Method	Internal/External	Audience	Frequency
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PERFORMANCE INITIATIVES

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1. Mission: Improve awareness/availability of weekly devotional at all sites for staff and visitors. Support new Department Creation Health Leader in all upcoming initiatives.
2. Stewardship: Efficient use of staff to census. Meet budget productivity for DORS.
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4. Best Practices for Quality and Service: Achieve an overall patient satisfaction score on Press Ganey equal or greater than 90th percentile. To be in compliance with all CAARF, JCAHO, IDPH, CMS regulations at all times. Be at Magnet level for Falls on 3N Rehab unit.
5. Leadership and Staff Development: Schedule in-services and CEU opportunities based on needs identified in the educational needs assessment. Provide continued opportunities to advance qualified therapists to Senior positions based on Clinical Ladders.
6. Community: Continue to provide University students clinical practicum experiences and continue to participate in organization sponsored community fund-raisers and the Stroke Support Group.

26256



December 21, 2011

Adventist Hinsdale Hospital
Regional Chief Legal Officer
120 North Oak Street
Hinsdale, IL 60521

Dear Sir/Madam,

Enclosed, please, find a fully executed copy of the License and Service Agreement between Hanger Prosthetics & Orthotics, Inc. and Adventist Midwest Health. We are very excited to have you on board and we look forward to a long and beneficial relationship between CARES and Adventist Hinsdale Hospital.

If you have any questions, please, let me know.

Sincerely,

A handwritten signature in black ink that reads "Laurie A. Chapman". The signature is written in a cursive style.

Laurie A. Chapman
Contract and Sales Administration Manager

Attachment 21

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This Agreement must be signed within ninety (90) days of the date of issue, January 1, 2012, to be valid.

SERVICES AGREEMENT

This SERVICES AGREEMENT (this "Agreement") is entered into and made effective as of November 11, 2011 ("Effective Date") by and between Adventist Midwest Health, on behalf of its affiliated organizations: Adventist Hinsdale Hospital, an Illinois not-for-profit corporation, which is located at 120 North Oak Street, Hinsdale, Illinois 60521; Adventist Health System/Sunbelt, Inc., d/b/a Adventist La Grange Memorial Hospital, a Florida not-for-profit corporation, which is located at 5101 South Willow Springs Road, La Grange, Illinois 60525; Adventist GlenOaks Hospital, an Illinois not-for-profit corporation, which is located at 701 Winthrop Avenue, Glendale Heights, Illinois 60139; Adventist Bolingbrook Hospital, an Illinois not-for-profit corporation, which is located at 500 Remington Road, Bolingbrook Illinois 60440 (referred to herein as "Hospital") and Hanger Prosthetics & Orthotics, Inc. ("Hanger") (Hanger and Hospital are also hereinafter collectively referred to as the "Parties"). The Parties hereby agree as follows:

Article I. Provision of the CARES System and Hanger Products.

Section 1.01 CARES System. Hanger is in the business of providing critical and rehabilitative equipment solutions ("CARES"), including the utilization of secured storage cabinets and technology that provide an automated distribution system (the "CARES System") for off-the-shelf prosthetic and orthotic goods and durable medical equipment ("DMEPOS" or "Hanger Products").

Section 1.02 Cabinet Systems. Hanger shall provide to Hospital, at no cost to Hospital, secured automated dispensing cabinet systems ("Cabinets") consisting of an aggregate of fifteen (15) cells, and related software and computer servers for the purpose of storing, distributing and billing of Hanger Products at the locations ("Initial CARES Locations") listed on Schedule 1. Hanger shall provide to Hospital Hanger Products through the CARES System, with all freight and shipping costs to be paid by Hanger. The number and types of cells and Cabinets provided at the Initial CARES Locations and the provision of cells and Cabinets at each possible location ("Possible Future CARES Location") listed on Schedule 1 shall be subject to adjustment based upon the mutual agreement of the Parties. All cells and Cabinets provided at an Initial CARES Location or a Possible Future CARES Location shall be governed by the terms hereof, unless otherwise agreed to in writing by Hanger and Hospital. Hanger shall have no obligation to provide cells and/or Cabinets at any Hospital location that is not an Initial CARES Location or Possible Future CARES Location, and if Hanger does agree to provide cells and/or Cabinets at any such location that is not an Initial CARES Location or Possible Future CARES Location, the Parties shall agree in writing as to whether such cells and/or Cabinets are governed by the terms of this Agreement or by a separate written agreement.

Section 1.03 Training Services. Hanger shall provide Hospital, at Hanger's sole cost and expense, training and training materials related to the operation of the Cabinets (including with respect to the role of System Administrator) and the opportunity to receive training and training materials related to the provision, application, fitting and adjustment of Hanger Products for the purpose of Hospital staff to fit and maintain Hanger Products on Hospital patients.

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Use or disclosure of this document without the express written consent of the Parties is prohibited.

Article II. Inventory.

Section 2.01 Product Mix. The initial type, manufacturer and brand of Hanger Products to be stored in and distributed from the Cabinets shall be mutually agreed upon by the Parties, with any changes thereto being subject to the mutual agreement of the Parties. Hanger will purchase all usable inventory similar to the Hanger Products from Hospital at the time of Cabinet installation, at the Hospital's actual initial procurement cost for each item of such inventory. The physical inventory process shall be conducted at a time and documented in a manner mutually agreed to by the parties.

Section 2.02 Inventory Replacements.

(a) The CARES System will send to Hanger, automatically and on a regular, periodic basis, electronic inventory information. Hanger agrees to ship and deliver Hanger Products to Hospital for restocking the Cabinets to maintain sufficient inventory of Hanger Products therein. Nothing in this Agreement shall be construed to require Hospital to use any designated minimum amount of Hanger Products. If Hospital has reason to believe that Hanger is not receiving the electronic inventory information, Hospital shall use reasonable efforts to notify Hanger of such belief and the need to ship and deliver to Hospital additional Hanger Products.

(b) Hospital will designate a Hospital employee to perform restocking services for the Cabinets and reconcile with Hanger's inventory records the inventory of Hanger Products stored in the Cabinets on Hospital premises pursuant to a physical inventory examination. Such verification and reconciliation will be conducted no less than on a monthly basis, with the dates and times of such activities being subject to the advance mutual agreement of the Parties.

(c) Hanger agrees to (i) provide the opportunity for such employee to receive training in the operation of the Cabinets in accordance with Section 1.03 of this Agreement and (ii) reimburse Hospital in an amount equal to six hundred-eighty-seven dollars (\$687.00) per month for the initial term of this Agreement, which the Parties agree is a reasonable estimate of the actual fair market value cost to be incurred by Hospital for its designated and trained employee(s) to restock the Cabinets with Hanger Products; provided, however, the reimbursement amount set forth above will be adjusted by the Parties to reflect any increase or decrease in the monthly fair market value cost of the restocking services, which adjustment may account for the following: (I) Cabinets or cells being added or removed (which change results in a net increase or decrease in the number of Cabinets); (II) the number of locations where Cabinets or cells are located being increased or decreased; and/or (III) changes to the amount of time spent by Hospital employees in providing restocking services.

Section 2.03 Title and Risk of Loss, Shipping Terms. Hanger Products delivered by Hanger to Hospital and stocked by Hospital's designated employee(s) in the Cabinets under this Agreement will remain the sole and exclusive property of Hanger. Hanger will retain title to and risk of loss (except as provided in Section 5.02(b)) of all Hanger Products until such time as such Hanger Products are used by Hospital for patient care.

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Article III. Cabinet Installation, Maintenance and Support Services.

Section 3.01 Cabinet Installation.

(a) Hospital shall designate a project manager and provide the required personnel as stipulated in an applicable Installation Worksheet, during the configuration, implementation and installation of the Cabinets at Hospital facilities and the development of related interface and integration with the Hospital information systems for the proper function of the Cabinets at the Hospital facilities, all to ensure the efficient and appropriate installation and operation of the Cabinets at Hospital facilities. The respective roles and responsibilities of Hospital and Hanger relating to the preparation, configuration, installation and initial operations of the Cabinets shall be as set forth on Exhibit A hereto.

(b) During the term of this Agreement, Hospital shall provide Hanger and Hanger's automation technology vendor with access to Hospital information systems, network infrastructure, the Cabinets, related servers, other hardware and software to the extent necessary for the Parties to cooperate and work together to develop and maintain an automated, electronic information system interface between the Hospital information system and the Cabinets in accordance with specifications provided by Hanger and approved by Hospital, which interface will transmit a limited admission, discharge and transfer feed of information minimally necessary for Hanger to bill for the Hanger Products provided under this Agreement, such as In-bound Interfaces. Interfaces which are "in-bound" to the automation technology server will transmit to the Cabinets and will receive messages or records from the applicable Hospital Information System ("HIS"). Hospital is responsible for (A) producing and transmitting interface messages or records from the HIS side of an interface; and (B) development, installation, set-up, and testing of the HIS side of an interface. The in-bound interface is only responsible for receiving HIS interface messages or records and processing them on the Cabinets.

(c) Prior to the installation of the Cabinets, Hospital shall provide at the Premises all requirements set forth in the Minimum System Requirements described in Exhibit C and the Installation Worksheet, and as defined in the Lease Agreement attached hereto as Exhibit B (the "Lease").

(d) Hanger will provide all installation personnel, tools, equipment, and material necessary for the installation of the Cabinets including related server(s).

Section 3.02 Maintenance.

(a) During and following installation of the Cabinets at Hospital facilities, Hospital shall: (i) utilize the Cabinets in accordance with specifications provided and as authorized pursuant to this Agreement, and for no other purpose; (ii) designate and maintain a qualified Hospital employee to be the "System Administrator" on behalf of Hospital as the technical point of contact with Hanger and its automation technology vendor; provided, however, the System Administrator may be changed at any time by Hospital, upon notice to Hanger; and (iii) promptly call the telephone hotline of the automation technology vendor for any maintenance needs and coordinate any troubleshooting efforts relating to the Cabinets with Hanger's automation technology vendor (which efforts may include the opening of network firewalls, restoring of software and data, and/or installation of upgrades). Hospital shall be

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responsible for any loss of or damage to the Cabinets, excepting any loss or damage caused by Hanger's automation technology vendor or Hanger personnel. Hospital shall maintain reasonable insurance coverage against any such loss or damage to the Cabinets. The System Administrator shall be responsible for (a) administering, monitoring and managing the performance of the Cabinets; (b) reviewing and evaluating all Hospital requests for service; (c) informing the automation technology vendor of any problems that the System Administrator cannot resolve; and (d) serving as the primary Hospital contact with Hanger's automation technology vendor for support calls. Hanger agrees to reimburse Hospital in an amount equal to ninety-one dollars and sixty-five cents (\$91.65) per month, which the Parties agree is a reasonable estimate of the actual fair market value cost to be incurred by Hospital for its designated and trained employee to perform the functions of System Administrator.

(b) Subject to Hospital's continued compliance with its support service obligations set forth in this Agreement, Hanger shall provide (or shall cause its automation technology vendor to provide) the support services necessary to insure the proper operation of the Cabinets and, in the event of the failure of the Cabinets, restore the Cabinets to operational capacity.

Section 3.03 Support Services; Hospital Responsibilities.

(a) **Reporting.** Hospital shall document and promptly report to Hanger and Hanger's automation technology vendor (i) all errors, malfunctions or failures to perform in accordance with functional specifications of the Cabinets; and (ii) failure of Hanger's automation technology vendor to promptly resolve any problems with the Cabinets. The automation technology vendor will provide Hospital with a trouble ticket number that Hospital will use to track the status of each issue, which ticket shall include an estimate of the time required for full resolution of the problem, which shall not exceed five (5) days.

(b) **Problem Resolution.** Hospital shall take all steps necessary to carry out any procedures Hanger's automation technology vendor may give for the rectification of errors or malfunctions within a reasonable time after such procedures have been provided. In the event that the procedures recommended by Hanger's automation technology vendor do not resolve Hospital's trouble ticket issue, the matter shall be escalated, and a proposed resolution shall be provided to Hospital within five (5) business days. Hanger's automation technology vendor may close the trouble ticket without further responsibility or liability if Hospital does not provide appropriate feedback to the automation technology vendor within thirty (30) days of receiving a new Cabinet (or cell) or a workaround for a problem, or if Hospital otherwise fails to respond to a request for additional information; provided, however, notice of the closure of the trouble ticket shall be provided to Hospital.

(c) **Access.** Hospital shall provide Hanger's automation technology vendor with access to Hospital's personnel and equipment (including remote access) during standard support hours to facilitate support services requests.

Article IV. Representations and Warranties.

Section 4.01 Federal Health Programs. Each Party hereby represents and warrants that it is not and at no time has been excluded from participation in any federally funded health care program, including Medicare and Medicaid.

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Section 4.02 Notice of Exclusion. Each Party agrees to immediately notify the other of any threatened, proposed or actual exclusion from any federally funded health care program, including Medicare and Medicaid.

Section 4.03 Hanger Products. Hanger represents to Hospital that all Hanger Products are new and not used, remanufactured or reconditioned and warrants that all Hanger Products are accompanied by the original manufacturer's warranties.

Article V. Payment Terms.

Section 5.01 Billing Information and Support. Hospital shall cooperate with Hanger to facilitate Hanger's billing obligations under this Agreement. In the event that necessary patient billing information is not available to Hanger from the CARES System, such as in the cases of "temporary patients" or "John Doe" patients, then Hospital agrees to promptly provide to Hanger patient information, medical records, and other supporting information as needed by Hanger to bill for Hanger Products provided to patients of Hospital.

Section 5.02 Billing by Hanger. Hanger will use industry standard and generally accepted practices for patient billing, which practices shall be implemented in manner which ensures (i) timely, accurate and complete billing of all patients receiving Hanger Products, and (ii) customary collection practices. Upon request, Hanger shall provide to Hospital reasonable evidence of these practices.

(a) Private Pay Patients. Except as otherwise provided herein, Hanger shall directly bill private pay patients and/or applicable payors for all Hanger Products provided to such patients within the Hospital facilities. Hanger shall make reasonable efforts to collect any co-payments payable by a patient under his or her benefit plan and shall not waive the collection of such co-payments.

(b) Other Patients, Uncollected or Unpaid Amounts, and Product Shrinkage. Hanger shall directly bill Hospital, and Hospital agrees to promptly pay Hanger, for: (i) all Hanger Products provided to Hospital patients covered by federal and/or state reimbursement programs, such as Medicare and Medicaid to the extent that Hanger is not able to obtain direct reimbursement from such payor, (ii) all amounts which remain uncollected from or unpaid by any Hospital patients for Hanger Products within ninety (90) days of the date that Hanger Products were provided to such patient(s) (other than for the patient's portion of their co-pay or deductible), and (iii) all Hanger Products delivered to Hospital but which are missing or unaccounted for within the Hospital; provided, however, in no event shall Hanger bill Hospital, nor shall Hospital be required to pay Hanger, if Hanger's failure to obtain reimbursement is based on the fact that, although billing information was timely provided by Hospital, Hanger did not generate a bill for services within the time period required by the payor. Invoices provided by Hanger to Hospital for Hanger Products shall reflect Hanger's acquisition cost for such Hanger Products, plus the associated Costs of Service. "Costs of Service" will be defined as CARE'S acquisition cost for invoiced product plus 40%. Hospital shall remit to Hanger full payment of the amounts shown on each invoice within sixty (60) days of each such invoice date. Hanger shall accept payments from Hospital made in accordance with the terms hereof as payment in full for all Hanger Products provided to such patients.

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(c) Payment Terms. To the extent that Hospital disputes any charge reflected on an invoice provided to Hospital pursuant to this Agreement, Hospital shall provide to Hanger written notice of such dispute within sixty (60) days of the invoice date. Any invoice that is not disputed by Hospital in writing within such sixty (60) day period shall be deemed valid and accepted. Any amount due and payable under this Agreement that is not received within fifteen (15) days of the due date shall accrue interest in the amount of one and one half percent (1.5%) per month of the amount outstanding, or the maximum charge permitted by law, whichever is less.

Section 5.03 Hanger Product Returns. An administrative charge of \$25.00 will be assessed for returns of Hanger Products to inventory made more than five (5) days after any such Hanger Product is dispensed by the Hospital from a CARES System Cabinet.

Article VI. Term And Termination.

Section 6.01 Term. The term of this Agreement shall commence as of the Effective Date and shall continue in effect for an initial term of three (3) years. The parties may mutually agree to renew the Agreement for additional terms (each a "Renewal Term"). Any party that wishes to enter into a Renewal Term shall provide the other party with not less than ninety (90) days written notice prior to the expiration of the initial Term, or any Renewal Term, via postage prepaid certified or registered mail, and the parties shall then discuss the terms and duration of any such Renewal Term. In the absence of any such notice, the Agreement shall automatically terminate at the expiration of the Term or any Renewal Term.

Section 6.02 Termination.

(a) Without Cause. After the initial term, either Party may terminate this Agreement at any time without cause upon at least ninety (90) days prior written notice to the non-terminating Party.

(b) Termination For Cause. This Agreement may be terminated at any time for cause in accordance with the following provisions:

(i) This Agreement may be terminated by Hanger immediately upon written notice to Hospital in the event of Hospital's material breach of Section 8.01 (Proprietary Information) of this Agreement.

(ii) Except as otherwise provided for in Section 6.02(a) above, this Agreement may be terminated by either Party due to a material breach of any provision of this Agreement by the other Party, upon sixty (60) days prior written notice by the terminating Party to the breaching Party; provided, however, that this Agreement shall continue in effect if the breaching Party cures or corrects any such breach or noncompliance alleged in the notice of termination within said sixty (60) day notice period.

(iii) This Agreement may be immediately terminated without notice at the option of one Party in the event of the occurrence to the other Party of any of the following events:

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a) In the event of an appointment of a receiver for a Party's assets, an assignment by a Party for the benefit of its creditors, or any relief sought or obtained by a Party under any insolvency or bankruptcy statute, then the other Party shall have the option to immediately terminate this Agreement.

b) In the event of either Party's dissolution, merger or consolidation, or the sale of all or substantially all of that Party's assets, then the other Party shall have the option to immediately terminate this Agreement.

c) In the event of the loss, suspension, condition or revocation of a Party's license necessary to perform obligations under this Agreement, whether or not any or all appeals of such loss, suspension, condition or revocation have been exhausted, or failure by a Party to maintain any other certification or permit required to perform its obligations under this Agreement, then the other Party shall have the option to immediately terminate this Agreement.

d) In the event that Hanger's rights in the Cabinets and/or Hanger's contract with the automation technology vendor terminate, then Hanger shall have the option to immediately terminate this Agreement.

e) In the event that a Party is excluded from participation in any federally funded health care program during the term of this Agreement, or if at any time after the effective date of this Agreement it is determined that either Party is in breach of Article IV hereof, this Agreement shall, as of the effective date of such exclusion or breach, automatically terminate.

Section 6.03 Obligations Upon Termination. Upon the termination of this Agreement for any reason, Hospital shall immediately discontinue use of the Cabinets and Proprietary Information and within ten (10) days certify in writing to Hanger that all documentation relating to the Cabinets and Proprietary Information, in whole or in part, in any form, have either been returned to Hanger or destroyed in accordance with Hanger's instructions.

Article VII. Indemnification; Insurance.

Section 7.01 Indemnification.

(a) Each Party shall indemnify and hold the other harmless from and against all third party claims, demands, losses, liabilities, damages, judgments, settlements, penalties, expenses and costs, including reasonable attorneys' fees, incurred by the other Party as a result of or arising out of any professional malpractice, negligence or a breach of the terms of this Agreement by the indemnifying Party, its employees, agents or contractors.

(b) Hanger shall cause its automation technology vendor to indemnify Hospital for third party claims relating to infringement of any United States patent, copyright, trade secret or trademark by the Cabinets as delivered to Hospital; provided that Hospital has taken all reasonable steps to mitigate any potential expenses and provides Hanger's automation technology vendor with: (i) prompt written notice of any such claim or action or possibility thereof (which notice shall also be provided to Hanger); (ii) sole control and authority over the defense or settlement of such claim or action; and (iii) proper and full information and assistance to settle and/or defend any such claim or action without liability to Hospital.

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(c) In the event of any claim relating to infringement as described in Section 7.01(b), Hanger shall, at its sole option and expense, either: (I) procure for Hospital the right to use the infringing Cabinets as provided herein; (II) replace the infringing Cabinets with a non-infringing product; (III) modify the infringing Cabinets so that they are not infringing; or (IV) demand return of the infringing Cabinets. Upon exercise of option (IV) in the previous sentence, Hanger shall have no further obligation or liability to Hospital with respect to Section 7.01(b).

(d) Nothing herein shall be construed to cause Hospital to be liable for any medical decisions made or patient care rendered by non-Hospital employees or contractors; and Hospital acknowledges that Hanger and its automation technology vendor provide no advice with respect to medical decisions relating to patients and deliver no direct services to patients under this Agreement.

(e) This Section 7.01 will survive the expiration or termination of this Agreement.

Section 7.02 Exceptions. The foregoing indemnity obligations shall not apply to the extent the infringement arises as a result of (i) the combination or use of the Cabinets with materials not furnished by Hanger's automation technology vendor, (ii) use of the Cabinets not in accordance with the related documentation, or (iii) use of the Cabinets outside the scope of this Agreement.

Section 7.03 Insurance. The Parties shall maintain during the term of this Agreement commercially reasonable, comprehensive insurance on their goods, services, and operations.

Section 7.04 DISCLAIMER OF WARRANTY. OTHER THAN AS EXPRESSLY PROVIDED IN THIS AGREEMENT, HANGER SPECIFICALLY DISCLAIMS ALL EXPRESS, IMPLIED, OR STATUTORY WARRANTIES, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE OR TITLE RELATED TO THE CABINETS AND RELATED SOFTWARE. HANGER MAKES NO REPRESENTATIONS OR WARRANTIES ABOUT CUSTOMER'S USE OF THE CABINETS OR OF ANY HANGER PRODUCTS. NO INFORMATION RELATING TO THE USE OF THE CABINETS OR ANY PROSTHETIC OR ORTHOTIC DEVICE IS INTENDED TO SERVE AS A SUBSTITUTE FOR THE KNOWLEDGE, EXPERTISE, SKILL, AND JUDGMENT OF PHYSICIANS OR OTHER HEALTHCARE PROFESSIONALS. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, IN NO EVENT WILL HANGER BE LIABLE FOR ANY DAMAGES ASSOCIATED WITH HOSPITAL'S USE OF THE CABINETS, RELATED SOFTWARE OR ANY DEVICES THAT MAY BE STORED WITHIN SUCH CABINETS.

Section 7.05 LIMITATION ON LIABILITY. EXCEPT IN CONNECTION WITH A BREACH OF CONFIDENTIALITY OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT SHALL HOSPITAL OR HANGER BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, LOSS OF USE, BUSINESS INTERRUPTION, OR LOSS OF DATA IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ITS TERMINATION REGARDLESS OF WHETHER ALLEGED AS

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A BREACH OF CONTRACT, TORT, OR NEGLIGENCE, EVEN IF THE CLAIMING PERSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Article VIII. Relationship Between The Parties.

Section 8.01 Proprietary Information.

(a) The Parties acknowledge that, during the term of this Agreement, each Party shall have access to certain confidential and/or proprietary information pertaining to the other Party hereto, Hanger's automation technology vendor, and their respective businesses ("Proprietary Information"). Proprietary Information shall include, but not be limited to: (i) manuals (including, but not limited to, policy and procedure manuals, Cabinet manuals and treatment manuals); (ii) forms; (iii) training materials; (iv) product information; (v) pricing information; (vi) software information; (vii) functionality of operating systems and hardware, (viii) financial reporting packages; and (ix) the terms and conditions of this Agreement.

(b) Each Party shall (i) permit access to Proprietary Information only by its employees and contractors who have a need to know such information in the performance of their duties under this Agreement; (ii) cause such employees and contractors to execute and be bound by a confidentiality agreement materially the same in scope to this Section 8.01; and (iii) be liable for any breach of this Section 8.01 by its employees and/or contractors. The Parties shall use the Proprietary Information only for the purposes of this Agreement and as expressly permitted by this Agreement.

(c) During the term of this Agreement and for a period of one (1) years thereafter, each Party shall not (and shall cause its employees and contractors not to) disclose or otherwise disseminate, either directly or indirectly, to any entity or person not employed by such Party, or use for its benefit or for the benefit of others, any Proprietary Information of the other Party hereto (or of Hanger's automation technology vendor), or any copies thereof, without the prior written consent of the other Party hereto (or of Hanger's automation technology vendor), except to the extent that disclosure is: required by law; necessary or appropriate in connection with an audit of such Party (or Hanger's automation technology vendor); or made to such Party's (or Hanger's automation technology vendor's) attorneys or accountants.

Article IX. Compliance.

Section 9.01 Confidentiality of Health Information. Notwithstanding any other provision of this Agreement, each Party shall comply with all applicable federal and state laws pertaining to the confidentiality of medical records and other health information, including without limitation, the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009, Public Law 111-005, as amended, and the regulations promulgated from time to time thereunder (collectively, "HIPAA"). Hanger and Hospital each acknowledges that they will execute a Business Associate Agreement that complies with applicable law regardless of whether required by HIPAA, in substantially the form attached as Exhibit D.

Section 9.02 Patient Intake Forms. Hospital's patient intake forms ("Intake Forms") shall cover Hanger as a non-hospital provider. To the extent that such forms do not

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provide such coverage, Hospital agrees to update such forms. The Intake Forms shall include: HIPAA Notice of Privacy Practices, Assignment of Benefits, and Authorization to Release Information. Hospital agrees to provide Hanger with a copy of the Intake Forms and with updated copies reflecting any future changes.

Section 9.03 Record Keeping. Hanger shall maintain financial and billing records and other books and documents relating to Hanger Products distributed to Hospital patients under this Agreement. Hospital shall maintain patient records, financial records, and other books and documents relating to Hanger Products distributed to Hospital patients under this Agreement. Such records shall be maintained consistent with industry norms, prudent record keeping procedures, and the requirements of applicable federal and state law, including, but not limited to, the Safe Medical Devices Act of 1990, as amended, and its reporting obligations, and federal and state laws regarding the confidentiality of medical records and other health information. Hanger and Hospital shall each retain such records for seven (7) years after the termination date of this Agreement or for such longer period as may be required by applicable law.

Section 9.04 Access to Records. Except as otherwise provided for under Section 8.01, each Party agrees to provide to the other Party, upon written request, in accordance with applicable state and federal law, reasonable access to its books and records to the extent necessary for duly authorized representatives of the Comptroller General of the United States and the Secretary of the United States Department of Health and Human Services to evaluate the nature and extent of costs of Medicare and Medicaid reimbursable products and services provided under this Agreement. Such access shall be allowed for a period of five (5) years after such Medicare and Medicaid reimbursable services are furnished. The inspecting Party shall reimburse the Party providing access for the reasonable costs of copying such records unless otherwise provided by law or contract.

Section 9.05 Patient Notification Form. Hanger shall provide Hospital with a patient notification form that Hospital hereby agrees to provide to each patient at the time any Hanger Product is dispensed from a Cabinet. Such form will advise the patient that the Hanger Product is being provided by Hanger and will contain information regarding the billing process and applicable Medicare Supplier Standards.

Article X. Intellectual Property; Title. The Parties acknowledge and agree that Hanger's automation technology vendor owns the Cabinets (including all software used in connection therewith and used in connection with the CARES System), certain Proprietary Information and all Intellectual Property Rights thereto, including any and all adaptations, modifications or derivative works thereto. "Intellectual Property Rights" shall mean any patent rights, copyrights, trade secrets, trade names, trademarks, service marks, moral rights, and any other similar rights recognized under the laws of any jurisdiction whatsoever or any international conventions or treaties. Hanger represents and warrants that it has the requisite license from the automation technology vendor to permit the use of the Cabinets and CARES System at Hospital as provided in this Agreement. For clarification purposes, the "CARES" trademark and all associated names and marks are solely owned by Hanger and are therefore not covered by this Article X. No Party to this Agreement shall receive any rights, whether Intellectual Property Rights or otherwise, to any of Hanger's automation technology vendor's Cabinets, the software used in connection therewith and in connection with the CARES System, such Proprietary

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Information and such Intellectual Property Rights, except pursuant to a separate written agreement between such Party and Hanger's automation technology vendor.

Article XI. General Provisions.

Section 11.01 Independent Contractors. The Parties to this Agreement are independent contractors. None of the provisions of this Agreement are intended to create, nor shall they be interpreted or construed to create, any relationship between Hanger or Hospital other than that of independent contractors. Except as otherwise expressly set forth herein, neither Party hereto, nor any of its representatives, shall be deemed to be the agent, employee or representative of the other Party.

Section 11.02 Non-exclusivity. This Agreement is non-exclusive. Each Party is free to contract with any other person or entity for the provision of DMEPOS products and services at any time and in any geographic area; provided, however, that Hospital agrees that, during the term of this Agreement, Hospital shall not permit any other person or entity to provide DMEPOS products through dispensing machines located at Hospital facilities.

Section 11.03 Compliance with Federal Anti-Kickback Statute. Nothing in this Agreement is intended as or shall be construed as an offer or payment by one Party to the other Party (or its affiliates) of cash or other remuneration, either directly or indirectly, in exchange for patient referrals, or for arranging for or recommending the purchase, lease or order of any item or service.

Section 11.04 Freedom of Choice. The Parties acknowledge patient freedom of choice in selecting health care services and supplies. Hospital and its professional staff are under no obligation to recommend to patients Hanger Products and have not received and will not receive any remuneration for any patient that Hospital or its professional staff may refer to Hanger. Hospital and its professional staff are free to refer patients to any other supplier or provider based upon the professional judgment of Hospital's professional staff and the individual needs and wishes of Hospital's patients. The Parties further agree that this Agreement shall not be construed to induce or encourage the referral of patients or the purchase of health care services and supplies. Notwithstanding any other provision of this Agreement, if a patient requests DMEPOS products from a provider other than Hanger, such request shall be complied with by the Parties.

Section 11.05 Amendment. No modification, amendment or addition to this Agreement, or waiver of any of its provisions, shall be valid or enforceable unless in writing and signed by both Parties.

Section 11.06 Assignment. This Agreement and the Lease Agreement may not be assigned by a Party without the prior written consent of the other Party, except only that Hanger may assign this Agreement (and its rights and obligations hereunder) to any entity that is owned or controlled by Hanger Orthopedic Group, Inc.; provided that, as a condition of any such assignment, Hanger provides to Hospital written notice of such assignment and retains liability for its obligations under this Agreement.

Section 11.07 Waiver. Any waiver of any provision of this Agreement shall be in writing and signed by the Party against whom it is sought to be enforced. Any such waiver

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Attachment 21 (186)

shall not operate or be construed as a waiver of any other provision of this Agreement or a future waiver of the same provision.

Section 11.08 Entire Agreement. This Agreement and the Schedules and Exhibits attached hereto constitute the entire agreement between the Parties and supersedes all prior or contemporaneous agreements, express or implied, oral or written, between the Parties related to the subject matter of this Agreement.

Section 11.09 Captions. The captions and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 11.10 Severability. The provisions of this Agreement shall be severable, and if any provision shall be determined to be invalid, void or unenforceable, in whole or in part, by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

Section 11.11 Notices. Any notice, demand, request, consent, approval or other communication required or permitted hereunder to be served on or given to either Party hereto by the other Party shall be in writing and shall be deemed to have been served or given on the date of delivery if delivered in person to the Party named below, or if delivered by certified or registered mail, postage prepaid, return receipt requested, or other reputable delivery service (e.g., FedEx), upon the date indicated on the return receipt if addressed as follows:

If to Hanger: Hanger Prosthetics & Orthotics, Inc.
10910 Domain Drive, Suite 300
Austin, Texas 78758
Attention: General Counsel

If to Hospital: Adventist Hinsdale Hospital
120 North Oak Street
Hinsdale, IL 60521
Attention: Regional Chief Legal Officer

or at such other address, and to the attention of such other person, as either Party may designate in writing from time to time.

Section 11.12 Notice of Adverse Actions. Within five (5) business days of a Party's receipt of notice of any judicial or administrative proceeding or action, or of any governmental investigation, initiated against such Party that could materially affect its ability to perform its duties and obligations under this Agreement, such Party shall give written notice to the other Party of such judicial or administrative proceeding or action, or governmental investigation.

Section 11.13 Counterparts. This Agreement may be executed in one or more counterparts, and by the Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The Parties further agree that facsimile signatures or signatures scanned into .pdf (or similar) format and sent by e-mail shall be deemed original signatures.

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Section 11.14 Third Party Beneficiary. Hospital acknowledges that Hanger's automation technology vendor is a third party intended beneficiary to this Agreement with the right to enforce Article VII (Indemnification; Insurance), Article VIII (Relationship Between the Parties) and Article X (Intellectual Property; Title) (and any breaches thereof) against Hospital directly.

Section 11.15 Changes in Applicable Law. The Parties hereby agree that if any applicable federal or state law, rule, regulation or decision of a governmental entity ("Applicable Law") is amended or issued following the date hereof, the Parties hereby covenant and agree to take all necessary action to amend any affected provision of this Agreement so as to comply with such Applicable Law.

[The next page is the signature page.]

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IN WITNESS WHEREOF, the Parties have executed this Services Agreement as of the date first above written

HANGER PROSTHETICS & ORTHOTICS, INC.

By: [Signature]
Title: President and COO
Date: 11/13/11

HOSPITAL / ADVENTIST MIDWEST HEALTH

By: [Signature: Daniel R. Cron]
Title: President & CEO, AMH
Date: 11/8/11

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SCHEDULE 1

Initial CARES Locations

Name of Facility	Street Address	City, State Zip Code
Adventist Hinsdale Hospital	120 North Oak Street	Hinsdale, IL 60521

Possible Future CARES Locations

Name of Facility	Street Address	City, State Zip Code

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EXHIBIT A

ROLES AND RESPONSIBILITIES

Phase	Action	Hospital	Hanger
Pre-Implementation	Contract approved and signed	X	X
Pre-Implementation	Facilities Review	X	X
Pre-Implementation	Complete Site Walk Through	X	X
Pre-Implementation	Determine Interface Requirements	X	X
Pre-Implementation	Review Interface Spec's & Test Plans	X	X
Pre-Implementation	Draft Project Plan	X	X
Pre-Implementation	Final Draft, Policy & Procedure	X	X
Pre-Implementation	Facility preparation, setup and construction	X	
Pre-Implementation	Rent floor space for cabinet(s)		X
Pre-Implementation	Provide data line to cabinets	X	
Pre-Implementation	Provide power to cabinets	X	
Pre-Implementation	Facility readiness tested and approved	X	X
Implementation	Set Up Testing area in Staging Area		X
Implementation	Set Up Test Cabinet	X	X
Implementation	Establish Cabinet Delivery Timeline		X
Implementation	Set Up Telephone/Network Access	X	X
Implementation	Set Up WAN or port access to CARES external server	X	X
Implementation	Interface Development	X	X
Implementation	Interface Testing	X	X
Implementation	Interface Testing Completed and Approved	X	X
Implementation	Schedule Education Planning Meeting & Establish Schedule		X
Implementation	Train Supply Staff in Stocking and Routine Maintenance		X
Implementation	Train Nursing Supervisors (Super Users)		X
Implementation	Nurse Training		X
Implementation	Configure Cabinets		X
Implementation	Establish Cabinet Communication to Server		X
Implementation	Establish Server Communication to CARES ext. central server	X	X
Implementation	Stock Items		X
Operations	Allow access to cabinets	X	
Operations	Dispense Product & Assign Patient Information	X	
Operations	Manage returns on a timely basis	X	
Operations	Manage patient table, ensuring all products provided are related to the correct patient	X	
Operations	Billing - Discrepancy Research Assistance	X	
Operations	Provide product and patient notification form		X
Operations	Stock product	X	
Operations	Maintain Master Item List		X
Operations	Review and Modify PAR Levels		X
Operations	Reconcile Inventory Discrepancies	X	X
Operations	Maintain cabinets	X	

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Phase	Action	Hospital	Hanger
Operations	Modify Cabinet Configurations (e.g., lockout period varies by location of cabinet)		X
Operations	On-site cabinet repair		X
Operations	System Maintenance	X	X
Operations	Maintain users	X	
Operations	New Hire Training	X	
Operations	Database Maintenance	X	X
Operations	Develop / Modify Reports		X
Operations	Global Database Changes		X
Operations	Monitor Server Status (Error Messages, Load Profiles, etc.)	X	X
Operations	Monitor Interface Status	X	X
Operations	Run Batch Processing		X
Operations	Run Diagnostics	X	X
Operations	System Backup	X	

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EXHIBIT B

LEASE AGREEMENT

This LEASE AGREEMENT (the "Agreement") is made as of November 11, 2011, by and between Adventist Hinsdale Hospital ("Landlord"), and Hanger Prosthetics & Orthotics, Inc., a Delaware corporation ("Tenant"). The parties hereby agree as follows:

SECTION 1. Lease of Space. Landlord represents to Tenant that Landlord is the owner of the building(s) located at the addresses at which the Initial CARES Locations on Schedule 1 to the Services Agreement between the parties hereto are located (collectively, the "Hospital"). Landlord hereby leases to Tenant, and Tenant does hereby lease from Landlord, approximately sixty -six (66) square feet of space (the "Premises") located within the Hospital locations listed as such Initial CARES Locations, at which Tenant shall be permitted to install, maintain and operate automated distribution systems and related hardware, servers and software ("CARES Systems"), all pursuant to the terms of this Agreement. If Landlord and Tenant agree, pursuant to the Services Agreement, to install CARES Systems at some or all of the Possible Future CARES Locations listed in Schedule 1 to the Services Agreement, then the number of square feet in the Premises shall be adjusted accordingly in conformance with Attachment A. Landlord hereby represents to Tenant that it has, at all relevant times, had authority to lease the Premises and enter into this Lease and that no other party's consent to this Lease is required. In no event shall this Agreement cover CARES Systems installed at locations other than the Initial CARES Locations and Possible Future CARES Locations unless specifically agreed by Landlord and Tenant pursuant to a separate written agreement that expressly references this Agreement and the Services Agreement.

SECTION 2. Term. This Agreement shall commence and terminate in concert with the Services Agreement of even date herewith between Landlord and Tenant (the "Term").

SECTION 3. Rent. On the Commencement Date (as defined below) and thereafter on the first day of each month during the Term and all renewals thereof, Tenant shall pay to Landlord, except as otherwise provided herein, rent for the Premises equal to the fair market value of twenty-five dollars (\$25.00) per square foot per annum (the "Rent"), payable in equal monthly installments. The total square footage of the Premises and calculation of the monthly payment of Rent due hereunder are as set forth on Attachment A hereto, as may be amended in accordance with the square footage calculation table in Attachment A to reflect changes in the actual square footage occupied by the CARES System in the event of changes to the number and/or locations of Cabinets and cells at the Premises, whether with respect to the installation of CARES Systems at Possible Future CARES Locations listed in Schedule 1 to the Services Agreement or otherwise. If the Commencement Date does not occur on the first day of a calendar month, then the Rent payable by Tenant to Landlord under this Agreement shall be pro-rated for the actual number of days in each of the first and last month of the Term. As used herein, the "Commencement Date" shall mean the date on which the CARES Systems: (1) have been installed at the Premises; and (2) are operational. Tenant shall not be responsible or liable for any other charges, costs or expenses of any other type, other than the Rent, under this Agreement. Landlord represents and warrants to Tenant that the rental rate payable on a per square foot basis by Tenant to Landlord for the Premises is equal to the fair market value of rent. Tenant shall, however, remain liable to pay its share of sales tax, if any, assessed against its

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product pursuant to the applicable laws regarding said sales tax within the State in which the Premises are located.

SECTION 4. Use. The Premises may be used by Tenant, its employees and contractors, in accordance with Landlord safety and security policies, only for the installation, maintenance and operation thereof of the CARES Systems.

SECTION 5. Affirmative Covenants of Tenant. Tenant agrees that during the Term, including any renewals thereof, Tenant shall (i) pay to Landlord all amounts due as Rent, when and as the same are due and payable; (ii) keep the Premises clean and in good order; (iii) surrender the Premises at the termination of this Agreement in the same condition in which Tenant has agreed to keep the Premises during the Term hereof, reasonable wear and tear excepted; and (iv) comply with all laws and regulations of any government authority or agency relating to Tenant's use and occupancy of the Premises.

SECTION 6. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered, mailed or transmitted, and shall be effective upon receipt, if delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested), or delivered by overnight delivery service (e.g., FedEx), to the parties hereto at the following addresses (or at such other address for a party as shall be specified by like changes of address) or sent by electronic transmission to the fax number specified below:

Tenant: Hanger Prosthetics & Orthotics, Inc.
Attention: Real Estate Department
10910 Domain Drive, Suite 300
Austin, Texas 78758

Landlord: Adventist Hinsdale Hospital
Attention: Regional Chief Legal Officer
120 North Oak Street
Hinsdale, IL 60521
Phone No.: 630/856-6050
Fax No.: 630/856-6000

SECTION 7. Entire Agreement. This Agreement contains the entire agreement between Landlord and Tenant with respect to the subject matter hereof, and any agreement or amendment hereafter made between Landlord and Tenant shall be ineffective to modify, waive, release, discharge, terminate or effect an abandonment of this Agreement, in whole or in part, unless such subsequent agreement and/or amendment is in writing and signed by both Landlord and Tenant.

SECTION 8. Effect of Termination. In the event this Agreement terminates in concert with the Services Agreement, of even date herewith, between the parties hereto prior to the end of the then current Term, then Tenant and Landlord agree that they shall not enter into a new lease agreement relating to space in the Hospital during the unexpired portion of such then current Term. In the event of any expiration or termination of this Agreement for any reason, Landlord agrees to permit Tenant and persons and entities assisting Tenant to have sole control

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over the CARES System and Products and to permit Tenant and such other persons and entities assisting Tenant to remove the CARES System and Products from the Premises.

SECTION 9. Regulatory Requirements. The parties hereto expressly agree that nothing contained in this Agreement shall require Landlord or Tenant to refer or admit any patients to, or order any goods or services from, Landlord or Tenant. Notwithstanding any unanticipated effect of any provision of this Agreement, each party shall exercise due care such that neither party will knowingly or intentionally conduct itself in such a manner as to violate the prohibition against fraud and abuse in connection with the Medicare and Medicaid programs (including the prohibition against illegal remuneration set forth in 42 U.S.C. Section 1320a-7b).

SECTION 10. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties hereto further agree that facsimile signatures or signatures scanned into .pdf (or similar) format and sent by e-mail shall be deemed original signatures.

[The next page is the signature page.]

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IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement, as of the day and year first above written, by its respective duly authorized officers.

LANDLORD:

Adventist Hinsdale Hospital

By: Michael Saul
Name: MICHAEL SAUL
Title: CEO

TENANT:

Hanger Prosthetics & Orthotics, Inc.

By: Vinit K. Asar
Name: Vinit K. Asar
Title: President and COO

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Exhibit B - Page 1

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Attachment 21

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ATTACHMENT A

CALCULATION OF RENT

Square Footage of Premises 66
Fair Market Value (per square foot per annum) \$25.00

Calculation of Rent: 66 Sq. Ft. x \$25.00 per sq. foot per annum \$1650.00/12 = \$137.5 Monthly

In the event the number and/or location of the cells and/or Cabinets at the Premises should change, the following Cabinet and cell configurations shall be deemed to utilize the following number of square feet, and the rent shall be adjusted accordingly:

Number of Cells in Cabinet and Square Footage		
1 Cell or ½ Cell	2 Cells	3 Cells
5 sf	9 sf	13 sf

Initialed

Landlord M. D.

Tenant V

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EXHIBIT C

MINIMUM SYSTEM REQUIREMENTS SCHEDULE

- Clean commercial power, including an uninterrupted power supply and HVAC services, to each location in the Hospital facilities where the Cabinets are to be installed.
- LAN or VLAN Ethernet communication between CARES System server(s) and all CARES System cabinets installed in Hospital facilities.
- Static or Reserved DHCP IP addresses assigned to the CARES System server(s) and CARES System cabinets.
- All network cables terminated with RJ-45 connectors.
- Network access for CARES System server(s) in compliance with Hospital system security policies and procedures, permitting CARES System server(s) to communicate with Hanger's central application server via secure HTTP transactions (HTTPS) over the Internet at a minimum bandwidth of 512kbps.
- Requirement of software-based Virtual Private Network (VPN) Internet outbound connectivity via port 443 in Hospital's firewall permitting V-suite software remote access connectivity by Hanger's automation technology vendor and/or Hanger with the CARES System server(s) and/or CARES System cabinets to provide support and configuration management services and to permit the CARES System server(s) to submit system performance monitoring transactions to Hanger's automation technology vendor.

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EXHIBIT D
BUSINESS ASSOCIATE AGREEMENT

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Exhibit B - Page 7

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Attachment 21

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Access to Information Systems Acknowledgement

As a representative of Hanger Prosthetics & Orthotics ("Business Associate"), I request access to the following applications on Adventist Midwest Health's ("Covered Entity") information systems, on behalf of myself and the employees that I supervise:

Cerner Millenium

I request this access in order to provide services to the Covered Entity on behalf of the Business Associate pursuant to the Business Associate Agreement entered into between the Covered Entity and the Business Associate.

I understand that I will have access to protected health information ("PHI") which may include, but is not limited to, information relating to:

- Individually identifiable health information that includes demographic information collected from an individual and relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual.

I understand that I will have access to confidential information ("Confidential Information") which may include, but is not limited to, information relating to:

- Employees/volunteers/students (such as salaries, employment records, disciplinary actions, etc.);
- Covered Entity information (such as financial and statistical records, strategic plans, internal reports, memos, contracts, communications, proprietary computer programs, source codes, proprietary technology, etc.); and
- Third party information (such as computer programs, client and vendor proprietary information, source codes, proprietary technology, etc.).

PHI and Confidential Information is protected by law, including but not limited to the Health Insurance Portability and Accountability Act of 1996, and by strict policies of the Covered Entity.

As a representative of the Business Associate, I am required to abide by the applicable laws and Covered Entity policies governing PHI and Confidential Information. I am also required to abide by the terms and conditions of the Business Associate Agreement between the Covered Entity and Business Associate.

As a condition of and in consideration of my access to PHI and Confidential Information, I promise that:

1. I will use Confidential Information only as needed by me to perform my legitimate duties as a representative of the Business Associate. This means, among other things, that:
 - A. I will only access Confidential Information for which I have a need to know;
 - B. I will safeguard and not in any way divulge, copy, release, sell, loan, review, alter or destroy any Confidential Information except as properly authorized within the scope of my professional activities; and
 - C. I will not misuse Confidential Information or carelessly handle Confidential Information.
2. I will use the minimum necessary amount of PHI to perform my legitimate duties as a representative of the Business Associate. This means, among other things, that:
 - A. I will only access the PHI that is necessary to perform my duties as a representative of the Business Associate.
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 - C. I will not misuse PHI or carelessly handle PHI.
3. I will safeguard and reasonably protect my access code or any other authorization I have that allows me to access PHI or Confidential Information. I accept responsibility for all activities undertaken using my access code and other authorization.
4. I will report activities by any individual or entity that I suspect may compromise the privacy or confidentiality of PHI or Confidential Information to the Privacy Officer of the Covered Entity.
5. I understand that my obligations under this Agreement will continue after termination of my relationship with the Company and that I am to return or destroy all PHI or Confidential Information at the termination of such relationship or upon termination of my ability to access the Covered Entity's information systems.
6. I understand that the Covered Entity retains the right to review, revise and if appropriate, renew or cancel my access to the Covered Entity's information systems.
7. I understand that I have no right or ownership interest in any PHI or Confidential Information referred to in this Acknowledgement.
8. I will educate and inform the employees who are under my control and supervisions of these duties and responsibilities, if they have access to PHI or Confidential Information.

Brandon Dale
Printed Name of Representative

VP and General Manager
Title of Representative

Brandon Dale
Signature of Representative

11/08/2011
Date
President & COO

[Signature]
Signature of Business Associate's
Authorized Agent

Date

Business Associate Name and Address:

Hanger Prosthetics & Orthotics, Inc.

10910 Domain Drive, Suite 300

Austin, Texas 78758

Phone Number: _____

Covered Entity Department Contact Information

Covered Entity: _____

Department: _____

Contact Name: _____

Phone Number: _____

Access to Information Systems Acknowledgement

As a representative of Hanger Prosthetics & Orthotics ("Business Associate"), I request access to the following applications on Adventist Midwest Health's ("Covered Entity") information systems, on behalf of myself and the employees that I supervise:

Cerner Millenium

I request this access in order to provide services to the Covered Entity on behalf of the Business Associate pursuant to the Business Associate Agreement entered into between the Covered Entity and the Business Associate.

I understand that I will have access to protected health information ("PHI") which may include, but is not limited to, information relating to:

- Individually identifiable health information that includes demographic information collected from an individual and relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual.

I understand that I will have access to confidential information ("Confidential Information") which may include, but is not limited to, information relating to:

- Employees/volunteers/students (such as salaries, employment records, disciplinary actions, etc.);
- Covered Entity information (such as financial and statistical records, strategic plans, internal reports, memos, contracts, communications, proprietary computer programs, source codes, proprietary technology, etc.); and
- Third party information (such as computer programs, client and vendor proprietary information, source codes, proprietary technology, etc.).

PHI and Confidential Information is protected by law, including but not limited to the Health Insurance Portability and Accountability Act of 1996, and by strict policies of the Covered Entity.

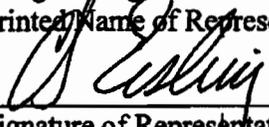
As a representative of the Business Associate, I am required to abide by the applicable laws and Covered Entity policies governing PHI and Confidential Information. I am also required to abide by the terms and conditions of the Business Associate Agreement between the Covered Entity and Business Associate.

As a condition of and in consideration of my access to PHI and Confidential Information, I promise that:

1. I will use Confidential Information only as needed by me to perform my legitimate duties as a representative of the Business Associate. This means, among other things, that:
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Craig Esslinger
Printed Name of Representative

Director of Operations
Title of Representative


Signature of Representative

11/08/2011
Date


Signature of Business Associate's
Authorized Agent

11/2/11
Date

Business Associate Name and Address:

Hanger Prosthetics & Orthotics, Inc.

10910 Domain Drive, Suite 300

Austin, Texas 78758

Phone Number: _____

Covered Entity Department Contact Information

Covered Entity: _____

Department: _____

Contact Name: _____

Phone Number: _____

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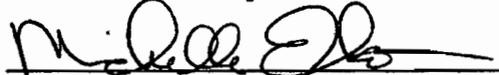
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Michelle Erickson
Printed Name of Representative

Director of Billing and Collections
Title of Representative


Signature of Representative

11/08/2011

Date
President & COO


Signature of Business Associate's
Authorized Agent

11/13/11
Date

Business Associate Name and Address:

Hanger Prosthetics & Orthotics, Inc.

10910 Domain Drive, Suite 300

Austin, Texas 78758

Phone Number: _____

Covered Entity Department Contact Information

Covered Entity: _____

Department: _____

Contact Name: _____

Phone Number: _____



Adventist
La Grange Memorial Hospital
Keeping you well

December 11, 2012

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Ms. Avery:

Adventist Health System/Sunbelt, Inc. d/b/a Adventist La Grange Memorial Hospital understands and attests that by the second year of operation, after project completion, we will achieve and maintain occupancy standards specified in 77 Ill. Adm. Code 1100. For Rehabilitation services, the target occupancy is 85%.

Sincerely,

A handwritten signature in cursive script that reads "David L. Crane".

David L. Crane
Vice President

Attachment 21

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RatingsDirect®

Adventist Health System/Sunbelt Obligated Group; System

Primary Credit Analyst:

Jessica H Goldman, New York (1) 212-438-6484; jessica.goldman@standardandpoors.com

Secondary Contact:

Stephen Infranco, New York (1) 212-438-2025; stephen.infranco@standardandpoors.com

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Adventist Health System/Sunbelt Obligated Group; System

Credit Profile

Highlands Cnty Hlth Fac Auth, Florida

Adventist Hlth Sys/Sunbelt Obligated Grp, Florida

Series 2002, 2005A-D, 2005I, 2006C, 2006G, 2008B, and 2009E

Long Term Rating

AA-/Stable

Affirmed

Rationale

Standard & Poor's Ratings Services has affirmed its 'AA-' long-term ratings and underlying ratings (SPURs) on multiple series of debt, issued by various entities on behalf of the Adventist Health System/Sunbelt Obligated Group (AHS). Standard & Poor's also affirmed its 'AA-/A-1+' rating on AHS' series 2007A bonds and series 2012I bonds. The 'AA-' long-term rating component reflects our opinion of AHS' own credit quality and the 'A-1+' short-term rating component reflects our assessment of AHS' own liquidity. The outlook on all the ratings is stable.

The long-term rating reflects our view of AHS' continued solid operating performance and cash flow, strong operating and financial dispersion, solid and improving balance sheet and disciplined and stable management team. AHS' operating performance in fiscal 2012 was better than prior-year levels, and we consider the five-year operating record solid. We understand this rating incorporates AHS' plans to move forward with about \$485 million in additional debt in September 2013. The bonds will be direct placements with banks and with the majority to go to unrestricted reserves as reimbursement for prior capital expenditures and a small portion going toward capital spending the balance of this year and into 2014. We believe, however, that the additional debt with this issue is manageable in light of management's forecast that overall debt levels will decline significantly over the next five years.

The 'A-1+' short-term rating on AHS' series 2012I, and 2007A bonds reflects our opinion of AHS' ample liquidity, sufficiency of liquid investment assets, and the detailed procedures articulated in AHS' self-liquidity program. Standard & Poor's monitors this program monthly.

More specifically, the current 'AA-' rating reflects our view of AHS':

- Broad geographic and financial dispersion, with many facilities located in high-growth markets, which supports its strong financial profile;
- Improved operating results for fiscal 2012 and continuing through the six-month interim period ended June 30, 2013, highlighting strong operating cash flow, coupled with historically strong EBIDA margins;
- Sustained growth in unrestricted reserves due to a conservative investment policy that is heavily weighted toward fixed-income investments and minimizes unpredictable gains and losses; and
- Excellent ongoing performance and demographics in its core central-Florida marketplace even as AHS' historical dependence on Florida has steadily decreased over time as other regional markets have performed well.

In our opinion, offsetting factors include:

- Some volume softness in the first half of 2013; and
- Adequate balance sheet for the rating with unrestricted reserves to long-term debt and debt to capital slightly weaker than median ratio levels; and
- Pro forma debt service coverage that is only adequate for the rating and weaker on an operating lease adjusted basis.

The rating also reflects a disciplined capital spending process, in our view, with clear and manageable spending targets. From 2001 through 2008, AHS' capital spending model limited spending to 75% of EBIDA. In response to the challenging economic and market conditions, management reduced its spending target as a percent of EBIDA to 70% for fiscal years 2009 through 2011, and again in fiscal 2012 to 67% where it remains. We still consider the overall pace of capital spending both robust and within the system's capital model, although some year-to-year variation is allowed because AHS is able to carry over unspent capital dollars to future years.

A pledge of the obligated group's gross revenues secures the bonds; however, Standard & Poor's analyzes and reports on the system as a whole, unless otherwise noted. The system completed a major debt refinancing plan in 2012, whereby a significant portion of its variable-rate bonds were replaced with fixed-rate bonds and its remaining variable-rate debt supported by letters of credit were replaced with self-liquidity, variable rate bonds. Standard & Poor's includes debt classified in the audit as short-term financings as long-term debt in this analysis. Total debt outstanding as of June 30, 2013, was approximately \$3.2 billion. In the first six months of fiscal 2013, AHS reduced its debt by about \$36 million with an open market purchase program as well as some principal payments on direct placement bank debt.

Furthermore, AHS terminated all but one of its outstanding swaps in August 2012, with a cost approximately of \$120 million. The one swap that was not terminated expired in December 2012 such that AHS does not have any swap agreements outstanding.

Outlook

The stable outlook reflects our belief that AHS will likely sustain its record of strong operations and balance sheet improvement, with management keeping liquidity levels greater than the 200-day mark and leverage at or slightly below the 40% range, while successfully managing capital expenses. Management's stated intention of maintaining capital spending within its capital allocation model also supports the rating and outlook. We could consider a positive outlook or higher rating if AHS can maintain the strong operating results and cash flow and strengthen its balance sheet metrics more while managing its capital needs, such that debt to capitalization is more in line with a higher rating and closer to 30% while unrestricted reserves to long-term debt is trending toward 175% or greater. While not expected, we believe that deterioration in operations or a significant weakening of the balance sheet could put the current rating or outlook at risk.

Enterprise Profile

Market position

AHS operates 43 acute-care facilities, 38 of which are members of the obligated group, spread throughout 10 Southern, Midwestern, and Mountain states. Many of the facilities are located in high-growth markets. AHS' Orlando-based Florida Hospital and the broader Florida region remain at the heart of the system. Florida Hospital's seven campuses operate as a single entity with one hospital license. While the Florida Hospital operations and profitability remain a key contributor to the consolidated system performance and financial profile, its reliance has decreased over time because AHS has diversified its portfolio of facilities, either through new construction or acquisition. More importantly, AHS' dependence on Florida and Florida Hospital for profitability and cash flow decreased significantly in the past five years mainly due to strong growth outside of Florida Hospital. In our opinion, the system's growing revenue and geographic diversity largely results from strong improvements in its non-Florida subsidiaries, coupled with sound acquisitions and the divestiture of underperforming subsidiaries.

During the past several years, strategic acquisitions and building projects have both added to the size of AHS' operations and created additional financial dispersion. AHS also opened the North Tampa facility and AHS is already looking at ways to expand the facility to accommodate more emergency rooms. In addition, in August 2013, AHS opened its Castle Rock, Colo. facility.

AHS has several joint-venture agreements in place and management has indicated that it continues to assess potential joint ventures, affiliations, and acquisitions on a case-by-case basis and will pursue only those organizations that fit within the strategic framework of the system.

Utilization

Volumes in 2012 were generally stable to increasing. Inpatient admissions were up 1.3% and equivalent inpatient admissions were up 2.9% in 2012. Surgeries, inpatient and outpatient, as well as emergency department visits were all up in 2012. For the first six months of fiscal 2013, however, overall volumes were flat to declining for the system. While we will monitor volume declines over time, it is not a negative credit factor at this time as this trend is similar to what we are seeing for many providers nationally.

Management

The rating reflects our view of AHS' excellent governance and management team, which has a successful record of clinical excellence and strong financial operations, while keeping AHS well positioned as a leading multistate provider. Management has demonstrated a trend of strong financial and strategic planning and continually delivers results in line with budgeted expectations. AHS also benefits from having depth at the senior management level and continually develops internal leaders within the organization, allowing for coordinated transitions when they occur.

Financial Profile

Change in accounting for bad debt

In accordance with the publication of our article, "New Bad Debt Accounting Rules Will Alter Some U.S. Not-for-Profit Health Care Ratios But Won't Affect Ratings," published on Jan. 19, 2012, on RatingsDirect, we recorded AHS' 2012 audit, including the adoption of Financial Accounting Standards Board ASU 2011-07 in 2012, but not in prior periods. The new accounting treatment means that AHS' fiscal 2012 and subsequent financial statistics are not directly

comparable with the results for 2011 and prior years. For an explanation of how each financial measure is affected by the change in accounting for bad debt, including the direction and size of the change, please see the above article.

Income statement

AHS has a history of generating strong operating surpluses that have even improved in recent years. Fiscal 2012 results were very solid, in our view, with AHS generating a \$461 million (6.3%) operating surplus compared with a \$369 million (5.1%) in 2011. Operating income excludes joint venture income and contributions (contributions excluded were \$27 million in 2012 and \$35 million in 2011, though we believe these estimates might be conservative and operating income might be slightly higher). Overall, we believe that improved profitability generally reflects effective revenue-cycle management, solid managed-care contracting, cost-control efforts, successful integration of new acquisitions, and the divestiture of unprofitable subsidiaries. In general, management has not only focused on system growth, but also operational improvement and integration, and it will continue to evaluate new business opportunities as they arise. Management has indicated there is an increase in interest from certain organizations in becoming part of AHS. Results in fiscal 2012 and 2011 did include a couple of non-recurring items including meaningful use reimbursement equal to \$58 million and rural floor settlement of \$53 million (before related expenses) in fiscal 2012.

Improved operating performance and strong nonoperating income, which has historically been sound due to AHS' conservative investment policy, contributed to very strong overall excess income of \$590 million in fiscal 2012. Excess income, which typically includes only realized gains according to Standard & Poor's calculation, may include some unrealized gains as a portion of AHS' investment portfolio does not distinguish between the two. Typically, Standard & Poor's captures all unrealized gains and losses in net asset changes but not excess income. Because of the improved investment returns, AHS' consolidated EBIDA margin is stronger than median levels and equaled 15.5% in fiscal 2012, which is an improvement over the 14.4% in fiscal 2011. The strong results contributed to pro forma maximum annual debt service coverage of 4.5x in 2012, which is slightly above the prior-year level of 4.1x, which is solid for the rating. However, coverage is weaker when adjusted for operating leases at 3.5x in 2012, but remains moderate for the rating.

For the first six months of fiscal 2013, operating performance is improved over prior year and budget when adjusting for some of the non-recurring items that bolstered results in fiscal 2012. Management is budgeting for fiscal 2013 operating results to come in under the fiscal 2012 levels, though when adjusted for the non-recurring items, the underlying operating performance run rate remains strong in our opinion.

Balance sheet

Overall balance sheet metrics remain in line with the rating and improved from historical levels. On a pro forma basis, including the planned bank debt, some metrics are weakened slightly but in our opinion are still in line with the rating. We believe that AHS' will remain conservative and disciplined in their financing approach and it will continue to at least maintain and likely improve the balance sheet. Unrestricted reserves totaled \$4.1 billion as of June 30, 2013, equal to what we consider a sound 223 days' cash on hand, up from nearly \$4 billion at fiscal year-end 2012. Over the past several years, unrestricted reserves improved steadily from slightly less than \$700 million and just 110 days' cash on hand at the end of fiscal 2000. We consider this a solid achievement because AHS' overall revenue growth has been robust, with revenues increasing significantly during that time. Unrestricted reserves relative to long-term debt are only adequate for the rating at 129% as of June 30, 2013, and on a pro forma basis is 126%. AHS has, in our view, a

conservative portfolio that is currently 82% invested in fixed-income securities and cash, which is an increase from 75% in 2011 though the alternative allocation has grown some and at 2012 year-end was 18%. We believe the lower level of equities during the past few years has allowed AHS' investment portfolio to avoid large unrealized gains or losses. Overall leverage is, in our view, moderate for the rating at 35%. In our opinion, debt service as a percent of revenues is also moderately high for the rating at 3.1%, but this level is manageable given AHS' strong level of cash flow. Standard & Poor's has reclassified short-term financings in the AHS audit to long-term debt for the purpose of its ratio calculations.

AHS has been increasing bank private placement debt as a percent of its overall debt portfolio and contingent liability (including put bonds, variable rate demand bonds VRDNs, direct placement bonds) is approximately 38% of the debt portfolio (includes bank debt and puttable bonds such as variable rate demand bonds). On a pro forma basis the contingent debt exposure will increase with the additional \$485 million 2013 transaction being done with two banks. Covenant requirements are relatively standard, in our opinion, across all the loans, with financial covenants such as maintaining 1.15x to 1x debt service coverage, days' cash on hand of greater than 75, and debt to capitalization of less than 65%. Should an event of default occur, the banks would need at least 25% bondholder consent to accelerate the debt. In our opinion, AHS maintains a very strong financial profile and has demonstrated consistent performance above the required covenant metrics. Furthermore, AHS' unrestricted cash and investments provide a significant cushion against contingent liabilities.

Short-term debt rating

The short-term ratings series 2007A and 2012I variable rate demand notes in weekly mode reflects our assessment of the ample liquidity and sufficiency of the assets pledged by AHS. The system has committed several sources of funds to guarantee the full and timely purchase of any bonds tendered upon the event of a failed remarketing. These funds consist of their internally managed fixed-income portfolio, which has assets of approximately \$3 billion in unrestricted short-duration, high-quality, fixed-income securities. Management has established clear detailed procedures to meet liquidity demands on a timely basis.

Adventist Health System Financial Statistics					
	--Six months ended June 30--	--Fiscal year ended Dec. 31--		Medians for 'AA-' rated health care systems	Medians for 'AA-' rated health care systems
	2013*	2012	2011§	2012	2012
Financial Performance					
Net patient revenue (\$000s)	3,632,539	7,014,461	6,923,593	1,811,816	2,214,240
Total operating revenue (\$000s)	3,798,045	7,295,085	7,189,314	MNR	MNR
Total operating expenses (\$000s)	3,551,400	6,834,127	6,819,855	MNR	MNR
Operating income (\$000s)	246,645	460,958	369,459	MNR	MNR
Operating margin (%)	6.5	6.3	5.1	4.3	3.9
Excess income (\$000s)	278,739	589,683	493,971	MNR	MNR
Excess margin (%)	7.3	7.9	6.8	6.4	7.6
Operating EBIDA margin (%)	13.9	14.0	13.0	11.0	10.7
EBIDA margin (%)	14.6	15.5	14.4	12.8	13.3
Net available for debt service (\$000s)	560,420	1,151,860	1,055,896	272,221	391,417

Attachment 36 (215)

Adventist Health System/Sunbelt Obligated Group; System

Adventist Health System Financial Statistics (cont.)					
Maximum annual debt service (\$000s)	219,679	219,679	219,679	MNR	MNR
Maximum annual debt service coverage (x)	5.1	5.2	4.8	5.2	7.2
Liquidity and Financial Flexibility					
Unrestricted reserves (\$000s)	4,065,427	3,995,352	3,787,102	1,191,316	2,134,223
Unrestricted days' cash on hand	222.5	227.2	215.3	231.8	293.7
Unrestricted reserves/total long-term debt (%)	128.9	125.4	114.3	157.4	221.6
Average age of plant (years)	N.A.	8.6	8.5	10.1	9.5
Capital expenditures/depreciation and amortization (%)	148.9	158.1	151.7	150.0	137.5
Debt and Liabilities					
Total long-term debt (\$000s)	3,153,616	3,187,350	3,312,452	MNR	MNR
Long-term debt/capitalization (%)	35.2	36.3	39.9	32.2	28.4
Contingent liabilities (\$000s)	1,193,145	1,193,145	1,544,525	MNR	MNR
Contingent liabilities/total long-term debt (%)	37.8	37.4	46.6	MNR	MNR
Debt burden (%)	3.3	3.4	3.5	2.6	1.9
Defined-benefit plan funded status (%)	N.A.	75.2	87.4	68.9	71.9
Pro forma Ratios†					
Maximum annual debt service (\$000s)	254,861	254,861	254,861	MNR	MNR
Maximum annual debt service coverage (x)	4.4	4.5	4.1	5.2	7.2
Operating lease-adjusted coverage (x)	N.A.	3.5	3.3	3.7	4.4
Long-term debt	3,399,222	N/A	N/A	MNR	MNR
Unrestricted reserves	4,474,100	N/A	N/A	MNR	MNR
Unrestricted days' cash on hand	244.9	N/A	N/A	231.8	293.7
Unrestricted reserves/total long-term debt (%)	131.6	N/A	N/A	157.4	221.6
Long-term debt/capitalization (%)	36.9	N/A	N/A	32.2	28.4

N/A—not applicable. N.A.—not available. MNR—median not reported. *Year to date results are unaudited. §Fiscal 2012 and subsequent periods are adjusted for the FASB rule on bad debt. In fiscal 2011, bad debt is included in operating expenses. †Pro forma ratio section includes the addition of \$485 million of additional debt and some pay down of outstanding debt and an add to 6/30/13 unrestricted reserves of about \$409 million

Related Criteria And Research

- USPF Criteria: Not-For-Profit Health Care, June 14, 2007
- The Interaction Of Bond Insurance And Credit Ratings, Aug. 24, 2009
- USPF Criteria: Contingent Liquidity Risks, March 5, 2012
- U.S. Not-For-Profit Health Care Sector Outlook: Providers Prove Adaptable But Face A Test In 2013 As Reform Looms, Jan. 4, 2013
- U.S. Not-For-Profit Health Care System Ratios: Metrics Remain Steady As Providers Navigate An Evolving Environment, Aug. 8, 2013
- Health Care Providers And Insurers Pursue Value Initiatives Despite Reform Uncertainties, May 9, 2013

- U.S. Not-For-Profit Health Care Providers Hone Their Strategies To Manage Transition Risk, May 16, 2012

Ratings Detail (As Of September 10, 2013)

Colorado Hlth Fac Auth, Colorado

Adventist Hlth Sys/Sunbelt Obligated Grp, Florida

Colorado Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group)

Unenhanced Rating AA-(SPUR)/Stable Affirmed

Series 2006D-F

Unenhanced Rating AA-(SPUR)/Stable Affirmed

Long Term Rating AA-/Stable Affirmed

Highlands Cnty Hlth Fac Auth, Florida

Adventist Hlth Sys/Sunbelt Obligated Grp, Florida

Highlands Cnty Hlth Fac Auth (Adventist Hlth Sys/Sunbelt Obligated Grp) hosp (ASSURED)

Unenhanced Rating AA-(SPUR)/Stable Affirmed

Series 2005B-D, 2006C, 2006G

Unenhanced Rating AA-(SPUR)/Stable Affirmed

Series 2005D and 2006C

Unenhanced Rating AA-(SPUR)/Stable Affirmed

Series 2008A

Long Term Rating AA-/Stable Affirmed

Series 2012I and 2007A

Long Term Rating AA-/A-1+/Stable Affirmed

Illinois Educl Fac Auth, Illinois

Adventist Hlth Sys/Sunbelt Obligated Grp, Florida

Illinois Fin Auth (Adventist Health System/Sunbelt Obligated Group) Series 1997B

Unenhanced Rating AA-(SPUR)/Stable Affirmed

Series 2000B

Unenhanced Rating AA-(SPUR)/Stable Affirmed

Kansas Dev Fin Auth, Kansas

Adventist Hlth Sys/Sunbelt Obligated Grp, Florida

Series 2009C and D

Long Term Rating AA-/Stable Affirmed

Orange Cnty Hlth Fac Auth, Florida

Adventist Hlth Sys/Sunbelt Obligated Grp, Florida

Orange Cnty Hlth Fac Auth (Adventist Health System/Sunbelt Obligated Group)

Long Term Rating AA-/Stable Affirmed

Unenhanced Rating NR(SPUR)

Many issues are enhanced by bond insurance.

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MOODY'S

INVESTORS SERVICE

Rating Update: Moody's affirms Aa3 and related ratings on Adventist Health System/Sunbelt Obligated Group's (FL) debt; outlook is positive

Global Credit Research - 28 Aug 2013

\$2.2 billion of rated debt outstanding

ADVENTIST HEALTH SYSTEM/SUNBELT OBLIGATED GROUP
Hospitals & Health Service Providers
FL

Opinion

NEW YORK, August 28, 2013 –Moody's Investors Service has affirmed the Aa3 and Aa3/VMIG 1 ratings assigned to Adventist Health System/Sunbelt Obligated Group's (referred to AHS or the System) \$2.2 billion of outstanding debt (see RATED DEBT list below). The outlook is positive. Our analysis includes the expected weakening in leverage metrics associated with the upcoming \$485 million private placement direct bank borrowing (not rated). The Aa3 rating reflects continued strong financial performance, above average debt metrics and balance sheet improvement.

SUMMARY RATINGS RATIONALE

The affirmation of the Aa3 rating reflects Adventist Health System/Sunbelt Obligated Group's remarkably consistent and improving financial performance with nearly all markets reporting very strong margins. Absolute cash levels continue to grow; liquidity is very strong with minimal exogenous demands on capital outside of system strategic and routine capital needs. AHS' strong financial performance, despite the credit concerns of sizable competition in most of the larger markets and the system's concentration in Florida, reflects management's philosophy of a highly-centralized operating model, a culture of strong financial accountability and demonstrated ability to make swift, mid-course corrections when needed. These attributes and our expectations of continued strong performance support the positive outlook despite the increase in leverage associated with the upcoming borrowing.

STRENGTHS

*AHS continues to report strong financial performance as the operating cash flow margin increased to 14.1% in FY 2012 and over 13.1% in FY 2011 (both years present bad debt as a revenue deduction and excludes \$45 million in net rural floor settlement funds in FY 2012), demonstrating a remarkable multi-year trend of financial improvement

*Growth in absolute unrestricted cash and investments to \$4.2 billion at the end of FY 2012, up from \$3.9 billion at FY end 2011 continues an annual trend of improvement; very liquid investment allocation is viewed favorably; demands on capital outside of routine and strategic need are limited; \$1.0 billion revolving line of credit further supports excellent liquidity position

*Debt structure remains conservative with pro forma 87% fixed rate debt; decision to terminate all swaps during FY 2012, even at a financial cost, is another indication of management's goal to de-risk the balance sheet; minimal defined benefit pension exposure (\$49 million unfunded liability in FY 2012) with a freezing of the plan in FY 2010

*Annual improvement in debt coverage metrics with 2.8 times debt to cash flow and 5.6 times Moody's-adjusted maximum annual debt service (MADS) coverage in FY 2012 due to consistent increase in operating cash flow and liquidity

*Some improvement in the overall Florida economy following the recession

*Strong daily liquidity metrics support a small self liquidity program

CHALLENGES

*Concentration in Florida is high at two-thirds of acute care cash flow and atypical of most multi-state systems

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*Several of AHS markets face tough competition, particularly Orlando, which is highly consolidated into two systems; Tampa with the presence of several multi site systems, and Denver; Chicago market is still highly fragmented and AHS reports lackluster performance in this market

*10% increase in debt with upcoming private placement debt weakens debt service coverage metrics to 3.2 times debt to cash flow and 124% cash to debt (from 2.8 times and 127%, respectively, in FY 2012)

DETAILED CREDIT DISCUSSION

LEGAL SECURITY: The system's outstanding debt is secured by a joint and several gross revenue pledge of the obligated group, which includes nearly all of the system hospitals and represents 95% of system revenues. Adventist established a new Master Trust Indenture that will become effective when 51% bondholder approval is received (expected to be in 2019). Bonds will continue to be secured by a gross revenue pledge of the obligated group and no mortgage pledge. Key provisions in the new MTI include a 1.15 times rate covenant in the most recent fiscal year based on the annual debt service requirement (compared to the current requirement which measures coverage of the maximum annual debt service). Additional bonds test is a 1.15 times coverage of historical pro forma debt service coverage. Per management, the bank covenants on the private placement debt are the following: 1.15 times rate covenant; 65 days cash on hand; no more than 65% debt to capitalization.

INTEREST RATE DERIVATIVES: None. AHS terminated its entire \$1.09 billion swap portfolio during FY 2012.

RECENT DEVELOPMENTS/UPDATE:

AHS continues to exhibit remarkably consistent and improving financial performance compared to other multistate peers. FY 2012 marked another year of "double digit" operating cash margins, reaching 14.1% and ahead of 13.1% in FY 2011 (both years represent bad debt as a revenue deduction; FY 2012 excludes \$45 million in net rural floor funds). Good volume trends in growth markets, centralized approach to decisions and attention to expense management contribute to these results. As a result FY 2012 debt coverage measures are favorable with 2.8 debt to cash flow and 5.6 times Moody's-adjusted maximum annual debt service coverage. Performance through the first six months of FY 2013 ending June 30, 2013 shows good performance with 13.9% operating cash flow margin, ahead of 13.8% in the prior year comparable period. Continued focus on expenses will be integral to maintaining high margins given management's prediction of very low revenue growth going forward (0-2% anticipated).

Absolute and relative liquidity metrics show annual improvement due to judicious capital spending and a low-volatility approach to asset allocation. Unrestricted cash and investments reached \$4.2 billion or 240 days cash on hand at the end of FY 2012, up from \$3.9 billion or 224 days cash on hand in FY 2011 while capital spending remained healthy at 1.6 times depreciation expense. Management adheres to a disciplined capital spending model, held at 67% of cash flow in FY 2012 and again in FY 2013. Cash to debt is modest and an unfavorable financial outlier at 127% which is below the Aa3 median of 177.4%.

Cash to comprehensive debt of 111.0% is also below the Aa3 median of 115.1% and will weaken with the upcoming borrowing. AHS has a de minimus pension exposure (\$49 million unfunded liability at the end of FY 2012) representing the frozen defined benefit pension plan inherited with the Florida Hospital - Tampa (formerly University Community Hospital merged in September 2010). The rest of the System maintains a defined contribution pension plan. However, operating leases are material, \$605 million in FY 2012 pursuant to our six times rental expense multiplier method. Similar to the pension, AHS inherited most of the leases with the University Community Hospital merger. Management's plan is to not renew these leases at the end of their terms.

AHS plans to borrow \$485 million through direct bank placements by the end of the third quarter of 2013. Most of the proceeds are for immediate reimbursement of prior capital spending and the balance will be spent by the end of FY2014. For our pro forma computations we have added the full \$485 million into unrestricted cash and investments. These borrowings will be amortizing, fixed rate loans with two banks: JP Morgan (\$197.5 million through final maturity of 2025) and Bank of American Merrill Lynch (\$60 million through final maturity of 2028 and another loan with Bank of America Merrill Lynch (\$227.6 million through 2032 although first put date is 2029). This new money issuance was unexpected at the time of our last review (October 2012) and represents a net 10% increase in leverage after repayment of normal principal and other debt retirement plans by the end of FY 2013 (about \$154 million in total). Pro forma debt metrics weaken to 124% cash to debt and 3.2 times debt to cash flow. Management is only anticipating a temporary, two year increase in leverage. As higher coupon debt becomes callable over the next two years AHS plans to defease higher coupon outstanding bonds that equate to the current \$485 million borrowing. There are no plans for additional debt in FY 2013 or FY 2014.

AHS is a very large \$7.3 billion healthcare system operating 43 hospitals in 10 states with Florida representing its far largest geography with 65.6% of acute care operating cash flow, atypical of most multistate systems. AHS's strongest Florida market is Orlando with the seven site Florida Hospital system anchored by the 2,377-bed flagship facility with a full array of tertiary and quaternary services. Extensive capital investment and service line expansions at the flagship have produced very strong results for this market with 14.4% operating cash flow margin in FY 2012, very consistent with prior years' performance levels. Admissions increased a strong 6% in FY 2012 over FY 2011 and contrary to flat growth trends we are seeing nationally. Orlando is highly competitive and consolidated market with multisite Orlando Health (A2) capturing 35.5% market share (declining trend) and Florida Hospital with 51.7% market share (increasing trend).

Florida (GO rating Aa1) continues to show economic recovery following the recession but has not yet reached pre-recession levels, particularly driven by still poor performance in the housing and construction sector. Notwithstanding, net in-migration to the state is positive, an important attribute as there is no income tax in the state. Florida finished FY 2012 with a budget surplus, the first time in five years. Efforts to pass Medicaid expansion failed in the last session.

Colorado is AHS's second largest market with 14.8% of system operating cash flow. Denver is a less consolidated market than Orlando with several not-for-profit and for-profit systems in the market. AHS enjoys a longstanding Joint Operating Company arrangement with Catholic Health Initiatives; combined they own 15 hospitals in this market. Illinois represents 7.1% and is a highly competitive and fragmented market with lackluster financial results. Kansas represents 6.1% of system operating cash flow and is a strong performer.

Currently AHS has \$396 million in weekly variable rate demand bonds and long-term mode (LASERS) bonds. Management plans to redeem the long-term mode bonds (\$13.7 million) whose put date is November 15, 2013. Another \$42 million in long-term mode has a mandatory tender date on November 17, 2015. Based on Moody's analysis of same-day available funds, a direct deposit account at a P-1 rated bank and a large portfolio of directly-owned U.S. agency bonds (\$1.8 billion in total after Moody's-applied discounts), Adventist's same-day liquidity coverage amply supports the Aa3/VMIG 1 rating. Weekly liquidity includes a large concentration in one particular 2a-7 money market fund at \$391 million (after Moody's discount) as of July 31, 2013. Adventist also has a \$1.0 billion credit facility as another external source of liquidity, although Moody's has not been asked to review this line for incorporation in the self-liquidity analysis and therefore we do not include it in our coverage calculation. AHS provides monthly reporting of assets in its self liquidity program to Moody's.

Bondholders should note that there is another \$410 million of direct placement debt for the long-standing accounts receivable program. AHS has not made any debt payments on this program as the debt is secured by the receivables and is non-recourse to AHS. If one were to remove a like-amount of cash (\$410 million) from AHS's total cash position, days cash would decline to 216 days in FY 2012 which we do not view as a concern given the annual growth in cash that AHS has demonstrated.

OUTLOOK

The positive outlook reflects our expectation that AHS will continue its history of strong financial performance and balance sheet growth that will drive down the weakened debt coverage metrics following the upcoming intended borrowing.

WHAT COULD MAKE THE RATING GO UP

An upgrade could occur if the leverage metrics decline as intended, the continuation of strong financial performance, balance sheet growth and ample headroom to the bond and bank covenants, maintenance of strong liquidity with continued discipline around capital spending and no material growth strategies that impair the current level of financial performance.

WHAT COULD MAKE THE RATING GO DOWN

A downgrade could be considered following a departure from current performance levels that represents a new, lower level of earnings, or if there is additional debt that stresses debt metrics to be more in line with A1 medians.

KEY INDICATORS

Assumptions & Adjustments:

-Based on financial statements for Adventist Health System

- First number reflects audit year ended December 31, 2011
- Second number reflects audit year ended December 31, 2012 including \$485 million borrowing
- Includes \$485 million of additional debt including \$485 million of reimbursement
- Excludes \$52 million of non-recurring revenues in FY 2012 and \$7 million of non-recurring expenses in FY 2012 related to the rural floor settlement
- Investment returns normalized at 6% unless otherwise noted
- Interest expense "grossed up" to include capitalized interest, for pro-forma numbers
- Comprehensive debt includes direct debt, operating leases, and pension obligation, if applicable
- Monthly liquidity to demand debt ratio is not included if demand debt is de minimis
- Bad debt represented as an expense in FY 2011 and revenue deduction in FY 2012

- *Inpatient admissions: 338,056; 337,495
- *Medicare % of gross revenues: 43.3; 43.4
- *Medicaid % of gross revenues: 13.5; 13.6
- *Total operating revenues (\$): 7.2 billion; 7.3 billion
- *Revenue growth rate (%) (3 yr CAGR):10.2; 8.6
- *Operating margin (%): 5.9; 6.4
- *Operating cash flow margin (%): 13.6; 14.1
- *Debt to cash flow (x): 2.9; 3.2
- *Days cash on hand: 224.3; 266.6
- *Maximum annual debt service (MADS) (\$): 224.2 million; 251.7 million
- *MADS coverage with reported investment income (x) 4.71; 4.39
- *Moody's-adjusted MADS Coverage with normalized investment income (x) 5.56; 5.28
- *Direct debt (\$): 3.2 billion; 3.7 billion
- *Cash to direct debt (%): 122.3; 124.2
- *Comprehensive debt (\$): 3.9 billion; 4.4 billion
- *Cash to comprehensive debt: 102.5%; 105.9%
- *Monthly liquidity to demand debt: 239%;191%

RATED DEBT (debt outstanding as of December 31, 2012)

Fixed Rate Bonds:

- *Series 1997B: Aa3 (also insured by MBIA); Illinois Development Fin. Auth.
- *Series 2005 A-D: Aa3; Highlands County Health Facilities Auth., FL
- *Series 2005I-2; Aa3; Highlands County Health Facilities Auth., FL
- *Series 2006C: Aa3; Highlands County Health Facilities Auth., FL
- *Series 2006D-F: Aa3; Colorado Health Facilities Auth.

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*Series 2006G: Aa3; Highlands County Health Facilities Auth., FL

*Series 2008B-1; Aa3; Highlands County Health Facility Auth., FL

*Series 2009C, D, E; Aa3; Kansas Development Finance Auth.

Auction Rate bonds:

*Series 2000B: Aa3 (also insured by MBIA); Ill Development Fin. Auth.

Variable Rate Bonds:

Self Liquidity:

*Series 2007A1-A2: Aa3/MMIG 1 (weekly mode); Highlands County Health Facilities Auth., FL

*Series 2008A1: put dates: November 15, 2013 (\$13.750 million; to be paid in full) and November 17, 2015 (\$42.0 million); Highlands County Health Facilities Auth., FL

*Series 2012I: Aa3/MMIG 1 (weekly mode); Highlands County

Adventist also has several series of bonds that are private placement debt and not rated (\$900 million).

The principal methodology used in this rating was Not-for-Profit Healthcare Rating Methodology published in March 2012. The additional methodology used in the short term underlying rating was the Rating Methodology for Municipal Bonds and Commercial Paper Supported by a Borrower's Self-Liquidity published in January 2012. Please see the Credit Policy page on www.moodys.com for a copy of these methodologies.

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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/ New	Square Foot	Mod.	Mod.	Gross Sq. Ft.	New	Gross Sq. Ft.	Circ.*	Gross Sq. Ft.	Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)					
CLINICAL																		
ADA toilets (12 rooms)	\$	-	\$	290					2,956	0	0	\$	857,240	\$	857,240	\$	857,240	
Therapy space			\$	228					2,101	28	28		\$	479,028	\$	479,028	\$	479,028
Patient rooms and Support Space				0					7,965	0	0			0	\$		\$	-
Contingency																	\$	126,396
Moveable or Other Equipment																	\$	350,000
Clinical Subtotal =	\$	-	\$	264					13,022			\$	1,336,268	\$	1,336,268	\$	1,812,664	
NON-CLINICAL																		
Family Waiting	\$	-	\$	200					175	28	28		\$	35,000	\$	35,000	\$	35,000
Offices				198					251	25	25		\$	49,698	\$	49,698	\$	49,698
Storage				228					542	12	12		\$	123,576	\$	123,576	\$	123,576
Staff Space				0					1,979	0	0		\$	-	\$	-	\$	-
Contingency																	\$	28,604
Non-Clinical Subtotal =	\$	-	\$	209					2,947			\$	208,274	\$	208,274	\$	236,878	
GRAND TOTALS=	\$	-	\$	264					15,969			\$	1,544,542	\$	1,544,542	\$	2,049,542	

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December 13, 2013

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

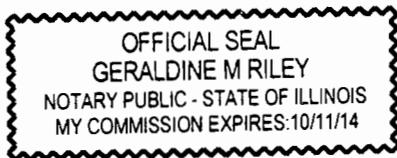
Dear Ms. Avery:

As an authorized representative of Adventist La Grange Memorial Hospital, I hereby attest that the estimated project costs and related costs will be funded in total with cash and equivalents.

Sincerely,

Rebecca Mathis
Chief Financial Officer

Notarized:



Criterion 1120.31(c), Reasonableness of Project Costs

Category	Cost	State Standard	% of Cost	Under State Norm
Preplanning	\$0	1.8% of construction + modernization + contingency + equipment	0%	Yes
Site Survey and Preparation	\$0	5% of construction + modernization + contingency	0%	Yes
Off Site Work	\$0	None	N/A	N/A
Consulting and Other Fees	\$87,250	None	N/A	N/A
Other Costs to be Capitalized	\$0	None	N/A	N/A
Architectural/Engineering	\$123,600	For projects with construction + modernization + contingency between \$1.5 million and \$1.7 million the standard is between 7.49 and 11.25%	6.7%	Yes
Moveable or Other Equipment	\$350,000	None	N/A	N/A

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

- Moveable or Other Equipment – Equipment not listed below will be moved from Adventist Hinsdale Hospital to Adventist La Grange Memorial Hospital

Item	Cost
Beds	\$90,000
Apartment Items	\$100,000
Bariatric Ceiling Lift	\$25,000
Bladder Scanner	\$13,000
Lite Gait	\$25,000
Tilt Table	\$5,000
Recliners	\$51,000
Sera Plus	\$4,500
Parallel Bars	\$7,000
Other Medical Equipment	\$29,500
Total Moveable or Other Equipment	\$350,000

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

- Consulting and Other Fees:

Item	Cost
CON Application Fees and Services	\$55,000
Permits	\$23,250
Reimbursable	\$9,000
Total Consulting and Other Fees	\$87,250

- Other Costs to be Capitalized – there were no other costs to be capitalized

Safety Net Impact Statement

Safety Net Services in the Community

The proposed project is not designed to have, nor to our knowledge will it have, any impact on essential safety net services in the community.

Safety Net Services at other area hospitals and health care providers

Other area hospitals provide safety net services in the community. The proposed project is not designed to, nor to our knowledge will it impair their ability to, subsidize their safety net services. This project is a relocation of inpatient rehabilitation services from Adventist Hinsdale Hospital to Adventist La Grange Memorial Hospital and, as such, should have no impact at all on other area hospitals.

Community Benefit

To help meet the needs of our community during FY'12 Adventist Hinsdale Hospital contributed over \$36 million in community benefits. Our community benefit contribution is distributed as follows:

Language Assistance Services:	\$ 163,377
Government Sponsored Indigent Health Care	\$ 24,688,958
Donations	\$ 371,012
Volunteer Services	\$ 230,392
Education	\$ 6,446,269
Research	\$ 226,158
Subsidized health services	\$ 449,170
Bad Debt expense	\$ 482,569
Other Community Benefits	\$ 1,051,591
Charity Care	\$ 2,795,788

In FY'12 Adventist La Grange Memorial Hospital contributed over \$23 million in community benefits. Our community benefit contribution is distributed as follows:

Language Assistance Services:	\$ 54,106
Government Sponsored Indigent Health Care	\$ 14,843,627
Donations	\$ 164,964
Volunteer Services	\$ 152,418
Education	\$ 4,680,544
Research	\$ 125,178
Subsidized health services	\$ 163,915
Bad Debt expense	\$ 429,073
Other Community Benefits	\$ 614,995
Charity Care	\$ 2,387,116

SAFETY NET INFORMATION

CHARITY CARE - Adventist La Grange Memorial Hospital

Charity (# of patients)	2010	2011	2012
Inpatient	195	133	146
Outpatient	3,154	480	585
Total	3,349	613	731

Charity (cost in dollars)

Inpatient	\$1,230,059	\$760,679	\$1,401,010
Outpatient	\$1,220,259	\$934,182	\$986,106
Total	\$2,450,318	\$1,694,861	\$2,387,116

MEDICAID

Medicaid (# of patients)	2010	2011	2012
Inpatient	675	605	686
Outpatient	12,195	8,582	8,826
Total	12,870	9,187	9,512

Medicaid (revenue)

Inpatient	\$4,321,178	\$5,007,354	\$6,410,577
Outpatient	\$5,142,266	\$5,959,492	\$5,299,573
Total	\$9,463,444	\$10,966,846	\$11,710,150

ADVENTIST MIDWEST HEALTH REGIONAL POLICY PROFILE

Category Patient Financial Services		Index Number (RG)PFS.09	
Title Adventist Midwest Health Charity Care Policy			
Effective Date 12/03/09	Review Date/s	Revision Date/s 12/13/10	Page 1 of 8
Applicable Regional Entities: <u>Chicago-area Hospitals</u>			
Cross Reference			

This Charity Care Policy describes the charity care practices of the following Adventist Midwest Health entities: Adventist Bolingbrook Hospital, Adventist Hinsdale Hospital, Adventist GlenOaks Hospital, and Adventist La Grange Memorial Hospital ("Hospital"). These hospital entities extend the healing ministry of Christ to all regardless of their ability to pay. Patients unable to pay for services should consult Hospital financial counselors for assistance with identifying available resources to meet financial obligations.

Hospital treats emergency and other non-elective patients without discrimination regardless of their ability to pay, ability to qualify for charity assistance, or the availability of third-party coverage.

This policy provides guidelines for the Hospital's offering of financial assistance to *self-pay patients* who qualify for such assistance based on financial need. A *self-pay patient* is a patient to whom any of the following may apply: (1) no third party coverage is available; (2) third-party coverage is available but with limited benefits; (3) third-party coverage is denied due to pre-existing conditions; (4) patient is already eligible for assistance (e.g. Medicaid), but the particular services are not covered; (5) Medicare or Medicaid benefits have been exhausted and the patient has no further ability to pay; or (6) welfare assistance is denied due to resources and/or income, but the patient is found to be in circumstances where an illness will make it impossible to meet their financial obligations, or (7) patient meets local state charity requirements.

The Hospital generally requires self-pay patients to submit an application to determine if they qualify for financial assistance based on financial need, as described in Sections D-G of this policy. The amount of financial assistance provided to a qualifying self-pay patient ranges from full write-off to discounts, and is in addition to other discounts offered by the Hospital.

Qualifying self-pay patients who are uninsured may receive financial assistance for *qualifying services* as described below.

A qualifying uninsured patient is eligible for financial assistance for medically necessary services received at the Hospital. An "uninsured patient" is an individual who is a patient of Hospital and is not covered under a policy of health insurance and is not a beneficiary under a public or private health insurance, health benefit, or other health coverage program, including high deductible health insurance plans, workers' compensation, accident liability insurance or other third party liability. "Medically necessary services" as used in this policy means any inpatient or outpatient hospital service, including pharmaceuticals or supplies provided by Hospital to a patient, covered under Title XVIII of the federal Social Security Act ("Medicare") for beneficiaries with the same clinical presentation as the self-pay patient. A "medically necessary service" does not include any of the following: (1) non-medical services such as social and vocational services; and (2) elective cosmetic surgery, but not plastic surgery designed to correct disfigurement caused by injury, illness or congenital defect or deformity.

All other qualifying self-pay patients are eligible for financial assistance for *emergency and other non-elective hospital services* that without immediate attention: (1) places the health of the individual in serious jeopardy; or (2) causes serious impairment to bodily functions or serious dysfunction to a bodily organ.

ADVENTIST MIDWEST HEALTH REGIONAL POLICY PROFILE

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Cross Reference			

A. How We Make Patients and Prospective Patients Aware of This Policy

The Hospital's financial assistance policy is transparent and available to all, at all points in the continuum, in languages appropriate for Hospital's service area, in compliance with the Language Assistance Services Act. The Hospital's financial assistance policy, application form, signage and financial counselor contact information are available in English and Spanish. Signage is posted prominently at all points of admission and registration (including the emergency department). Written information about the Hospital's financial assistance policy and copies of the financial assistance form are available in admission and registration areas. The Hospital's financial assistance policy, application form, and financial counselor contact information are also posted on the Hospital's website.

Patient collections communications also inform patients of the availability of financial assistance. Each bill, invoice, or other summary of charges to an uninsured patient includes with it or on it a prominent statement (in both English and Spanish) that an uninsured patient who meets certain income requirements may qualify for financial assistance and information on how to apply for consideration under the Hospital's financial assistance policy. All third party agents who collect bills on behalf of Hospital are required to follow this policy.

Upon request, an estimated charges letter will be provided to patients who request a written description of estimated charges. Reference will be made in each letter to the availability of financial assistance for those who qualify.

B. Identification of Potentially Eligible Patients

Registration and pre-registration processes promote the identification of patients that are potentially eligible for financial assistance. The Hospital's financial counselors try to contact all registered, self-pay inpatients during their Hospital stay to assess financial needs. Interpreters will be used, as indicated, to allow for meaningful communication with individuals who have limited English proficiency.

Requests for financial assistance may be received from multiple sources, including the patient, a family member, a community organization, the church, a collection agency, caregiver, Hospital administration, and others. Requests received from a third party will be sent to a financial counselor who will secure proper clearance from the patient and then work with the third party on the patient's behalf. The financial counselor will work with the third party to provide resources available to assist the patient in the application process.

The Hospital may use internal staff or third party agents to assist patients in securing Medicaid or other coverage if eligible.

Identification of potentially eligible patients is an ongoing process. Eligibility for financial assistance will be re-assessed when a patient notifies the Hospital of a significant change in financial circumstances (e.g., loss of a job) that may impact a self-pay patient's eligibility for financial assistance under this policy or the amount of assistance to be provided.

C. Responsibilities of the Hospital and the Patient Regarding Financial Assistance

ADVENTIST MIDWEST HEALTH REGIONAL POLICY PROFILE

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Cross Reference			

Both the Hospital and the patient are accountable for their role in the financial assistance process.

Hospital Responsibilities

The Hospital is responsible for evaluating patient eligibility for financial assistance based on this policy as well as notifying the patient on payment options, while honoring the patient's right to appeal decisions. When determining patient eligibility for financial assistance, the Hospital strives to be fair, consistent and timely.

Hospital will periodically review and incorporate federal poverty guidelines for updates published by the United States Department of Health and Human Services.

Likewise, patients are responsible for providing accurate information and all documentation necessary to apply for financial assistance and establish eligibility under this policy.

Patient Responsibilities

To cooperate with the Hospital to provide the information and documentation necessary to apply for other existing financial resources that may be available to pay for healthcare, such as Medicare, Medicaid, third-party liability, etc.

To promptly provide the Hospital with financial and other information needed to determine eligibility. This includes completing the required application forms and cooperating fully with the information gathering and assessment process.

A patient who qualifies for a partial discount must cooperate with the Hospital in establishing a reasonable payment plan and make good-faith efforts to honor the payment plans for the discounted Hospital bills.

A patient who qualifies for a partial discount is responsible for promptly notifying the Hospital of any change in financial status so that the impact of this change may be evaluated under this financial assistance policy, the discounted Hospital bills or provisions of payment plans.

A patient who qualifies for a partial discount is responsible for informing the Hospital in subsequent inpatient admissions or outpatient encounters that the patient has previously received health care services from the Hospital and was determined to be eligible for discounted care.

D. Financial Assistance Application Form

Patients requesting financial assistance will be required to complete the Hospital's Financial Assistance Application Form in order to establish eligibility.

The completed Financial Assistance Application Form will be submitted to the Hospital Patient Financial Services (PFS) department for processing. PFS requires proof of income including employer pay stubs, employer attestation and/or IRS tax return summary. In addition, Medicare beneficiaries are subject to an additional asset test in accordance with Federal Law.

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Cross Reference			

E. Presumptive Eligibility

Patients who are uninsured and who fall into one or more of the following categories may be considered eligible for financial assistance in the absence of a completed Financial Assistance Application Form upon confirmation of the circumstance. Once it is established that the patient satisfies one of the following categories, a 100% discount should be applied to the patient's medically necessary services.

Patient is homeless.

Patient is deceased and has no known estate able to pay hospital debts.

Patient is in jail for a felony.

Patient is currently eligible for Medicaid but was not at the date of the healthcare service.

Patient is eligible by the State to receive assistance under the Violent Crime Victims Compensation Act or Sexual Assault Victims Compensation Act.

Patient is eligible for the Centers for Medicare and Medicaid funding for certain emergency health services provided to undocumented aliens in accordance with the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), Section 1011, regardless of whether Section 1011 funds for the applicable state are exhausted.

Patient has a payment risk score of "D" or "E" based on the Scorer[®] application.

F. Guidelines for Determining the Amount of Financial Assistance

Applications for financial assistance will be reviewed according to the guidelines set forth in this policy and the Financial Assistance Discount Worksheet. Patients who qualify for financial assistance will not be charged more than that generally billed to insured patients. The hospital will not use gross charges when billing patients who qualify for financial assistance. To be eligible for a 100% reduction from charges, patients must have a *family income* (as defined below) at or below 200% of the current Federal Poverty Guidelines. Patients with a family income (as defined below) exceeding 200% but less than or equal to 600% of the Federal Poverty Guidelines will be eligible for a sliding scale discount in accordance with the guidelines set forth in the Financial Assistance Discount Worksheet. The minimum discount for self-pay payments of non-elective services will be based on amounts generally billed to individuals who have insurance covering such care at this hospital with an additional discount opportunity for prompt payment.

"Family income" means the sum of a family's earnings and cash benefits from all sources before taxes, less payments made for child support. When determining the patient's family income, the household size and income includes all immediate family members and other dependents in the household. This includes an adult (and spouse if applicable), natural or adopted minor children of adult or spouse, students over 18 years of age dependent on the family for over 50% support, and any other persons dependent on the family income for over 50% support. (A current tax return of the responsible adult is required.) Income may be

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verified by submitting a personal financial statement, copies of W-2, 1040 forms, bank statements or any other form of documentation that supports reported income. A credit report may be obtained for the purpose of identifying additional expense, obligations and income to assist in developing a full understanding of the patient's financial circumstances. A third-party scoring tool may be used to justify charity classification.

An asset test is mandatory for Medicare beneficiaries. The Medicare beneficiary is responsible for the greater of: 1) seven percent (7%) of Available Assets (defined as cash, cash equivalent and non-retirement investments) or 2) payment determined per the guidelines of the Financial Assistance Discount Worksheet.

The maximum amount that may be collected in a 12-month period from an uninsured patient with family income of less than or equal to 600% of the Federal Poverty Guidelines for medically necessary services is 25% of that patient's family income. The Hospital will determine on a case-by-case basis whether to extend the same or similar 12-month maximum collectible amount (25% of that patient's family income) to any other self-pay patient with family income of less than or equal to 600% of the Federal Poverty Guidelines for eligible services. The Hospital reserves the right to exclude patients having assets with a value in excess of 600% of the Federal Poverty Guidelines from the application of this 12-month maximum collectible amount.

For purposes of determining the applicability of the 12-month maximum collectible amount, the following assets shall not be counted: the uninsured patient's primary residence; personal property exempt from judgment under Section 12-1001 of the Code of Civil Procedure; or any amounts held in a pension or retirement plan, provided, however, that distributions and payments from pension or retirement plans may be included as income. To be eligible to have this maximum amount applied to subsequent charges, a patient shall inform the Hospital in subsequent Hospital inpatient admissions or outpatient encounters that the patient has previously received medically necessary services from the Hospital and was determined to be entitled to discounted care under this policy.

Assets are not considered in determining a self-pay patient's eligibility for financial assistance under this policy except for purposes of (i) determining the applicability of the 12-month maximum collectible amount described above; and (ii) in the case of a Medicare beneficiary, applying the mandatory asset test for Medicare beneficiaries described above.

G. Process for Review of Applications and Determinations.

Requests for financial assistance will be accepted at any time up to six (6) months from the date the first statement is sent to the patient. A financial assistance application need not be repeated for dates of service incurred up to three (3) months after the last date of application approval.

A representative from PFS will review the completed financial assistance application form and supporting information, and make the initial recommendation regarding eligibility for financial assistance. PFS may approve financial assistance applications for the provision of up to \$10,000. A summary of all financial assistance applications and the resulting PFS actions or recommendations are reviewed by the Hospital's Charity Care Committee monthly. The Charity Care Committee reviews all significant PFS actions and

ADVENTIST MIDWEST HEALTH REGIONAL POLICY PROFILE

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recommendations, with a focus on borderline or non-routine requests that require case-by-case review. Provision of financial assistance that exceeds \$10,000 must be approved by the Charity Care Committee.

Following review and approval by the Charity Care Committee or PFS as the case may be, the approved financial assistance is applied to the patient account by PFS.

The patient will be notified in writing of financial assistance determinations, generally within 60 days of the Hospital's receipt of a completed application and all required supporting documentation. Notification of denial will include both a reason for the denial and a process and contact information for filing an appeal. If the patient disagrees with the decision, he or she may request an appeal in writing within 45 days of the denial and include any additional relevant information that may assist in the appeal evaluation. Requests for denial appeal will be reviewed on a monthly basis by the Charity Care Committee. Decisions reached will be communicated to the patient, generally within 60 days of the Committee review and will reflect the Committee's final decision.

H. Suspension of Collection Activity During Review

For those patients who have applied for financial assistance, collection activity will be suspended while the completed application is being considered for those patients who are Medicaid-pending. A note will be entered into the patient's account to suspend collection activity until the financial assistance application process is complete. If the account has been placed with a collection agency, the agency will be notified to suspend collection efforts until a determination is made. This notification will be documented in the account notes. Suspension of collection activity during the review of a financial assistance application is a courtesy and does not alleviate the financial obligation.

I. Review of Unusual/Extenuating Circumstances

PFS is authorized to approve timeframe and documentation exceptions to this policy on a case-by-case basis due to unusual or extenuating circumstances. The Charity Care Committee is authorized to approve other exceptions to this policy on a case-by-case basis due to unusual or extenuating circumstances. A record shall be kept of all such decisions on special exception requests.

J. Payment Plans; Collection Activity

Before undertaking extraordinary collection actions, the hospital will attempt to contact the patient and inform them about the hospital's financial assistance policy. The hospital will also determine whether the patient qualifies for financial assistance under this policy. For purposes of this policy, extraordinary collection actions is defined as lawsuits, liens on residences, arrests, body attachments, or other similar collection processes. Prior to an account being authorized by the Chief Financial Officer for filing suit, a final review of the account will be conducted and approved by the Director of PFS.

The remainder of the provisions of Section J of this policy apply to the Hospital's collection of any self-pay balance owed under a payment plan by a patient who receives partial financial assistance under this policy.

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Before pursuing collection against a self-pay patient receiving partial financial assistance under this policy, Hospital will give the patient the opportunity to (1) review the accuracy of the bill; (2) apply for financial assistance under this policy; and (3) avail him or herself of a reasonable payment plan. Patients receiving partial financial assistance, who are unable to pay the full amount of any self-pay balance in one payment, will be offered a reasonable payment plan. Payment plans for partial charity accounts will be individually developed with the patient. No interest will accrue to the account balance on any such account while payments are being made, unless the patient has voluntarily chosen to participate in a long-term payment arrangement that bears interest applied by a third party financing agent.

All collection activities will be conducted in conformance with the federal and state laws governing debt collection practices. The Hospital will not initiate legal action for non-payment of a Hospital bill against any uninsured patient, or other patient receiving financial assistance under this policy, without the written approval of an authorized Hospital employee who has confirmed that the conditions for pursuing collection under Section 30 of the Illinois Fair Patient Billing Act are satisfied.

The Hospital will not pursue legal action for non-payment of Hospital bills against uninsured patients, or patients receiving financial assistance under this policy, who clearly demonstrate that they have neither sufficient income nor assets to meet their financial obligations, provided the patient has provided the Hospital with all relevant information to determine financial eligibility under this policy and reasonable payment plan options, and has notified the Hospital of any material change that may affect such determinations.

If, in violation of the patient's payment plan, the patient does not make three consecutive monthly payments on any self-pay balance, and the Hospital may refer the patient to collection.

If, in violation of the patient's payment plan, the patient has two separate incidents of missed scheduled payments within one year on any self-pay balance, the Hospital may refer the patient to collection.

Liens attached to insurance (auto, liability, life and health) are permitted. No other personal judgments or liens will be filed against self-pay patients by the Hospital for those with an annual family income of less than or equal to 600% of Federal Poverty Guidelines.

K. Recordkeeping

Hospital (and billing contractors providing service on behalf of Hospital) will maintain a record, paper or electronic, for a period of ten (10) years reflecting PFS and Charity Care Committee determinations regarding financial assistance along with copies of all application and worksheet forms (including documentation supporting income verification and Available Assets).

Summary information regarding applications processed and financial assistance provided will be maintained for a period of seven years. Summary information includes the number of patients who applied for financial assistance at the Hospital, how many patients received financial assistance, the amount of financial assistance provided to each patient, and the total bill for each patient.

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The cost of financial assistance will be reported annually in the Community Benefit Report in accordance with Illinois law. Charity care will be reported as the cost of care provided (not charges) using the most recently available operating cost and the associated cost-to-charge ratio.

The provision of financial assistance may now or in the future be subject to change in accordance with federal, state or local law.

For further information, please call Pam Cassidy, Regional Director/Patient Financial Services

APPROVAL:

Regional Executive Council (Date): 11/30/09; 12/13/10

Adventist Hinsdale Hospital Board of Directors	12/03/09; 12/02/10
Adventist La Grange Memorial Hospital Board of Directors	12/03/09; 12/02/10
Adventist GlenOaks Hospital Board of Directors	12/03/09; 12/02/10
Adventist Bolingbrook Hospital Board of Directors	12/03/09; 12/02/10

Charity Care

Adventist Hinsdale Hospital and Adventist La Grange Memorial Hospital
FYE 2010 - 2012

Adventist Hinsdale	2010	2011	2012
Net Patient Revenue	290,614,562	298,983,115	292,798,786
Charity (charges)	12,297,039	10,593,074	10,594,116
Charity (cost)	2,779,131	2,377,086	2,795,788

Adventist La Grange	2010	2011	2012
Net Patient Revenue	152,850,818	167,322,133	168,561,843
Charity (charges)	11,037,467	7,466,349	9,823,520
Charity (cost)	2,450,318	1,694,861	2,387,116

Source: Annual Hospital Questionnaire

Annual Non Profit Hospital Community Benefits Plan Report

Hospital or Hospital System: Adventist Midwest Health

Mailing Address: 15 Spinning Wheel Rd., Suite 118, Hinsdale, IL 60521
(Street Address/P.O. Box) (City, State, Zip)

Physical Address (if different than mailing address):
(Street Address/P.O. Box) (City, State, Zip)

Reporting Period: 01/01/12 through 12/31/12 **Taxpayer Number:** 59-2170012
Month Day Year Month Day Year

If filing a consolidated financial report for a health system, list below the Illinois hospitals included in the consolidated report.

Hospital Name	Address	FEIN #
Adventist Hinsdale Hospital	120 N. Oak St. Hinsdale, IL 60521	36-2276984
Adventist Bolingbrook Hospital	500 Remington Blvd, Bolingbrook, IL 60440	65-1219504
Adventist Glen Oaks Hospital	701 Winthrop Ave, Glendale Heights, IL 60139	36-3208390
Adventist La Grange Memorial Hospital	5101 S. Willow Springs Rd., LaGrange, IL 60525	36-4257550

1. ATTACH Mission Statement:

The reporting entity must provide an organizational mission statement that identifies the hospital's commitment to serving the health care needs of the community and the date it was adopted.

2. ATTACH Community Benefits Plan:

The reporting entity must provide its most recent Community Benefits Plan and specify the date it was adopted. The plan should be an operational plan for serving health care needs of the community. The plan must:

1. Set out goals and objectives for providing community benefits including charity care and government-sponsored indigent health care.
2. Identify the populations and communities served by the hospital.
3. Disclose health care needs that were considered in developing the plan.

3. REPORT Charity Care:

Charity care is care for which the provider does not expect to receive payment from the patient or a third-party payer. Charity care does not include bad debt. In reporting charity care, the reporting entity must report the actual cost of services provided, based on the total cost to charge ratio derived from the hospital's Medicare cost report (CMS 2552-96 Worksheet C, Part 1, PPS Inpatient Ratios), not the charges for the services.

Charity Care \$ 13,192,987

ATTACH Charity Care Policy:

Reporting entity must attach a copy of its current charity care policy and specify the date it was adopted.

4. **REPORT Community Benefits actually provided other than charity care:**
 See instructions for completing Section 4 of the Annual Non Profit Hospital Community Benefits Plan Report.

Community Benefit Type

Language Assistant Services	\$ <u>331,117</u>
Government Sponsored Indigent Health Care	\$ <u>54,735,470</u>
Donations	\$ <u>877,647</u>
Volunteer Services	
a) Employee Volunteer Services	\$ <u>0</u>
b) Non-Employee Volunteer Services	\$ <u>486,627</u>
c) Total (add lines a and b)	\$ <u>486,627</u>
Education	\$ <u>11,285,002</u>
Government-sponsored program services	\$ <u>0</u>
Research	\$ <u>505,206</u>
Subsidized health services	\$ <u>786,945</u>
Bad debts	\$ <u>2,517,101</u>
Other Community Benefits	\$ <u>2,548,537</u>

Attach a schedule for any additional community benefits not detailed above.

5. **ATTACH Audited Financial Statements for the reporting period.**

Under penalty of perjury, I the undersigned declare and certify that I have examined this Annual Non Profit Hospital Community Benefits Plan Report and the documents attached thereto. I further declare and certify that the Plan and the Annual Non Profit Hospital Community Benefits Plan Report and the documents attached thereto are true and complete.

Anne Herman: Compliance Officer
 Name / Title (Please Print)

630. 856. 4572
 Phone: Area Code / Telephone No.

Anne Herman
 Signature

6/27/13
 Date.

Anne Herman
 Name of Person Completing Form

630. 856. 4572
 Phone: Area Code / Telephone No.

anne.herman@ahss.org
 Electronic / Internet Mail Address

630. 856. 4522
 FAX: Area Code / FAX No.



Marianjoy Rehabilitation Hospital

Wheaton Franciscan Healthcare

December 4, 2013

Michael Goebel
Chief Executive Officer
Adventist Hinsdale Hospital
120 North Oak Street
Hinsdale, IL 60521

Dear Mr. Goebel:

Thank you for the opportunity to provide a statement regarding the impact of the planned move of the inpatient rehabilitation unit from Adventist Hinsdale Hospital to Adventist LaGrange Memorial Hospital. As you know the relationship between the Adventist system and Marianjoy began in 2010, and has been built on a foundation of mutual respect for our shared organizational missions. Over the years we feel the partnership forged between our two institutions has met an important community need, and we have appreciated the opportunity to be included in your efforts to plan for the future of post-acute care services within your health system and the communities it serves.

Given the care and thought you and your team have put into the overall plan for the renovation of the inpatient rehabilitation unit as part of your larger improvement efforts, the leadership of Marianjoy is supportive of your intention to relocate the unit from its current location at Adventist Hinsdale Hospital to Adventist LaGrange Memorial Hospital. The case you have made to maintain the continuity of this level of care at the new location is compelling, and we are in agreement with your approach. Based on the historical referral patterns to the unit, we are confident the new location will not negatively impact access to this level of service in your community. We are also impressed with the time and due diligence you have taken to insure members of the medical staffs at both facilities are in agreement with your approach as well. The support of the attending and consulting physicians at both Adventist Hinsdale and LaGrange is crucial to the success of your long-term plans for the transition of these services. We are confident you have earned that support from these physicians.

As you make this change, we look forward to the opportunity to continue to support the rehabilitation services for patients of both Adventist facilities.

Thank you again for seeking our input on this issue.

Sincerely

Kathleen C. Yosko
President and CEO

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SUBHASH K. SHAH, M.D., S.C.
MERCY HOSPITAL AND MEDICAL CENTER
STEVENSON EXPRESSWAY AT KING DRIVE, CHICAGO
ILLINOIS 60616

November 21, 2013

Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

As a physician practicing Rehabilitative Medicine for over 38 years, I enthusiastically support the relocation of services from Adventist Hinsdale Hospital to Adventist La Grange Memorial Hospital.

Healthcare has become one of the most important topics in the United States today. New and efficient ways must be found to serve the public, providing the best treatments yet containing sky-rocketing healthcare costs. I am in favor and commend Adventist Hinsdale Hospital for their decision to transition patients to a state-of-the-art unit at their sister hospital located only 2.5 miles away.

This transition will allow the space necessary to create a fully built apartment, which will prepare patients to return home, a key to any Rehabilitative program. It is my desire as a physician to ensure that my patients have the best care possible and feel confident when it is time to go home.

Please help us in this effort by approving both the discontinuation of services at Adventist Hinsdale Hospital and the establishment of Rehabilitative services at Adventist La Grange Memorial Hospital.

Sincerely,



Subhash K. Shah, M.D.

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Marianjoy Oakbrook Terrace

Wheaton Franciscan Healthcare

17W682 Butterfield Road
Oakbrook Terrace, IL 60181

Tel 630.909.6500
Fax 630.268.1595
www.marianjoy.org

November 21, 2013

Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

I am writing in support of the projects proposed that will in effect moving the Rehabilitation program from Adventist Hinsdale Hospital to Adventist La Grange Memorial Hospital.

As the Medical Director of Rehabilitative Services at Adventist Hinsdale Hospital, it is very important that my patients have the best experience possible. The clinical care has always been stellar, however; the facility, which was originally constructed in 1951, is in need of major renovation. While Rehabilitative Medicine has undergone major innovation, our unit has not. Moving the program to Adventist LaGrange Memorial Hospital was the best option to provide state-of-the-art care in a cost effective manner.

This transition will give my staff the space necessary to provide not only the best, most innovative care possible, but also provide the type of experience for our patients that goes above and beyond their expectations.

I am proud to support this project. Thank you for your consideration.

Sincerely,

Megan Parkes, M.D.

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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:

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2	Site Ownership	2, 22
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	N/A
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8	Obligation Document if required	N/A
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	Service Specific:	
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25	Cardiac Catheterization	N/A
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28	Selected Organ Transplantation	N/A
29	Kidney Transplantation	N/A
30	Subacute Care Hospital Model	N/A
31	Children's Community-Based Health Care Center	N/A
32	Community-Based Residential Rehabilitation Center	N/A
33	Long Term Acute Care Hospital	N/A
34	Clinical Service Areas Other than Categories of Service	N/A
35	Freestanding Emergency Center Medical Services	N/A
	Financial and Economic Feasibility:	
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