

ORIGINAL

15-061

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

DEC 22 2015

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility/Project Identification

| | | | |
|--|---------------------|---|-----------------------|
| Facility Name: Southern Illinois Gastrointestinal Endoscopy Center | | | |
| Street Address: 1100 West Diann Lane | | | |
| City and Zip Code: Carbondale 62901 | | | |
| County: Jackson County | Health Service Area | 5 | Health Planning Area: |

Applicant /Co-Applicant Identification

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

| | |
|---|--|
| Exact Legal Name: Southern Illinois Gastrointestinal Endoscopy Center, LLC. | |
| Address: : 1100 West Diann Lane, Carbondale, Illinois 62901 | |
| Name of Registered Agent: Mark S. Schuver | |
| Name of Chief Executive Officer: Zahoor A. Makhdoom, M.D. | |
| CEO Address: 1100 West Diann Lane, Carbondale, Illinois 62901 | |
| Telephone Number: | |

Type of Ownership of Applicant/Co-Applicant

| | |
|---|--|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input checked="" 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: Kara M. Friedman |
| Title: Attorney |
| Company Name: Polsinelli P.C. |
| Address: 161 North Clark Street, Suite 4200, Chicago, Illinois 60601 |
| Telephone Number: 312-873-3639 |
| E-mail Address: KFriedman@polsinelli.com |
| Fax Number: |

Additional Contact

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

| |
|-------------------|
| Name: |
| Title: |
| Company Name: |
| Address: |
| Telephone Number: |
| E-mail Address: |
| Fax Number: |

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

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|--|---------------------|---|-----------------------|
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| Street Address: 1100 West Diann Lane | | | |
| City and Zip Code: Carbondale 62901 | | | |
| County: Jackson County | Health Service Area | 5 | Health Planning Area: |

Applicant /Co-Applicant Identification

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

| |
|---|
| Exact Legal Name: Southern Illinois G.I. Specialists, LLC. |
| Address: : 1100 West Diann Lane, Carbondale, Illinois 62901 |
| Name of Registered Agent: John S. Rendleman |
| Name of Chief Executive Officer: Zahoor A. Makhdoom, M.D. |
| CEO Address: 1100 West Diann Lane, Carbondale, Illinois 62901 |
| Telephone Number: |

Type of Ownership of Applicant/Co-Applicant

| | |
|---|--|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input checked="" 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.

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[Person to receive ALL correspondence or inquiries]

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| Name: Kara M. Friedman |
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| E-mail Address: KFriedman@polsinelli.com |
| Fax Number: |

Additional Contact

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

| |
|-------------------|
| Name: |
| Title: |
| Company Name: |
| Address: |
| Telephone Number: |
| E-mail Address: |
| Fax Number: |

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: Zahoor Makhdoom, M.D. |
| Title: Manager |
| Company Name: Southern Illinois Gastrointestinal Endoscopy Center, L.L.C. |
| Address: 1100 West Diann Lane, Carbondale, Illinois 62901 |
| Telephone Number: 618 549-8006 |
| E-mail Address: zahoomakhdoom@gmail.com |
| Fax Number: |

Site Ownership

[Provide this information for each applicable site]

| |
|--|
| Exact Legal Name of Site Owner: Southern Illinois GI Specialists, LLC |
| Address of Site Owner: 1100 West Diann Lane, Carbondale, Illinois 62901 |
| Street Address or Legal Description of Site: 1100 West Diann Lane, Carbondale, Illinois 62901 |
| 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: Southern Illinois Gastrointestinal Endoscopy Center, LLC. | | |
| Address: 1100 West Diann Lane, Carbondale, Illinois 62901 | | |
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership | |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental | |
| <input checked="" 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.

Southern Illinois Gastrointestinal Endoscopy Center, LLC (the "Applicant") seeks authority from the Illinois Health Facilities and Services Review Board to establish an ambulatory surgical treatment center limited to gastroenterology with 2 procedure rooms and 7 recovery stations in a medical building located at 1100 West Diann Lane, Carbondale, Illinois 62901 (the "Endoscopy Center"). The Endoscopy Center will consist of 1,085 gross square feet of clinical space and 2,137 gross square feet of non-clinical space for a total of 3,222 gross square feet of rentable space.

This project is classified as a substantive project because it proposes to establish a new health care facility.

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 | \$150,000 | \$545,000 | \$695,000 |
| Contingencies | \$15,000 | \$50,000 | \$65,000 |
| Architectural/Engineering Fees | | | |
| Consulting and Other Fees | \$0 | \$35,000 | \$35,000 |
| Movable or Other Equipment (not in construction contracts) | \$401,400 | \$0 | \$401,400 |
| Bond Issuance Expense (project related) | | | |
| Net Interest Expense During Construction (project related) | | | |
| Fair Market Value of Leased Space or Equipment | \$167,448 | \$329,803 | \$497,251 |
| Other Costs To Be Capitalized | | | |
| Acquisition of Building or Other Property (excluding land) | | | |
| TOTAL USES OF FUNDS | \$733,848 | \$959,803 | \$1,693,651 |
| SOURCE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Cash and Securities | | | |
| Pledges | | | |
| Gifts and Bequests | | | |
| Bond Issues (project related) | | | |
| Mortgages | \$566,400 | \$630,000 | \$1,196,400 |
| Leases (fair market value) | \$167,448 | \$329,803 | \$497,251 |
| Governmental Appropriations | | | |
| Grants | | | |
| Other Funds and Sources | | | |
| TOTAL SOURCES OF FUNDS | \$733,848 | \$959,803 | \$1,693,651 |
| 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>100,000</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>December 31, 2017</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 ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM |

State Agency Submittals - Not Applicable

| |
|---|
| Are the following submittals up to date as applicable: <input type="checkbox"/> Cancer Registry <input type="checkbox"/> APORS <input type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted <input 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 ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization Not Applicable

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**.

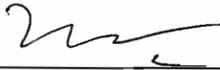
| FACILITY NAME: | | CITY: | | | |
|---------------------------------------|------------------------|-------------------|---------------------|--------------------|----------------------|
| REPORTING PERIOD DATES: | | From: | to: | | |
| Category of Service | Authorized Beds | Admissions | Patient Days | Bed Changes | Proposed Beds |
| Medical/Surgical | | | | | |
| Obstetrics | | | | | |
| Pediatrics | | | | | |
| Intensive Care | | | | | |
| Comprehensive Physical Rehabilitation | | | | | |
| Acute/Chronic Mental Illness | | | | | |
| Neonatal Intensive Care | | | | | |
| General Long Term Care | | | | | |
| Specialized Long Term Care | | | | | |
| Long Term Acute Care | | | | | |
| Other ((identify)) | | | | | |
| TOTALS: | | | | | |

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



SIGNATURE

Zahoor A. Makhdoom, M.D.

PRINTED NAME

Manager

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 15th day of December, 2015

Signature of Notary

Seal



SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

*Insert EXACT legal name of the applicant

CERTIFICATION

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

- 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 manager 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.

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[Handwritten Signature]

SIGNATURE

Zahoor A. Makhdoom, M.D.

PRINTED NAME

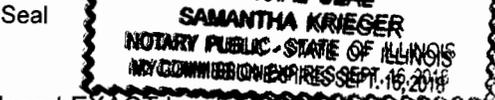
Manager

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15th day of December, 2015

[Handwritten Signature]

Signature of Notary



*Insert EXACT legal name of the applicant

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

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.

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

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

H. Non-Hospital Based Ambulatory Surgery

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

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

Read the criterion and complete the following:

a. Indicate which of the following types of surgery are being proposed:

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

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

2. Criterion 1110.1540(b), Target Population

Read the criterion and provide the following:

- On a map (8 1/2" x 11"), outline the intended geographic services area (GSA).
- Indicate the population within the GSA and how this number was obtained.
- Provide the travel time in all directions from the proposed location to the GSA borders and indicate how this travel time was determined.

3. Criterion 1110.1540(c), Projected Patient Volume

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

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

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

Read the criterion and provide:

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

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

Read the criterion and provide:

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

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

Read the criterion and provide:

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

7. Criterion 1110.1540(g), Charge Commitment

Read the criterion and provide:

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

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

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

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

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: |
| | 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; |
| <u>\$1,693,651</u> | d) | Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: |
| | 1) | For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; |
| | 2) | For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; |
| | 3) | For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; |
| | 4) | For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; |
| | 5) | For any option to lease, a copy of the option, including all terms and conditions. |
| _____ | 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. |
| \$1,693,651 | 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 | | | | 10.4 |
| Net Margin Percentage | | | | 56.7% |
| Percent Debt to Total Capitalization | | | | N/A |
| Projected Debt Service Coverage | | | | N/A |
| Days Cash on Hand | | | | 270 days |
| Cushion Ratio | | | | N/A |

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.

E. Total Effect of the Project on Capital Costs

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

APPEND DOCUMENTATION AS ATTACHMENT 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.

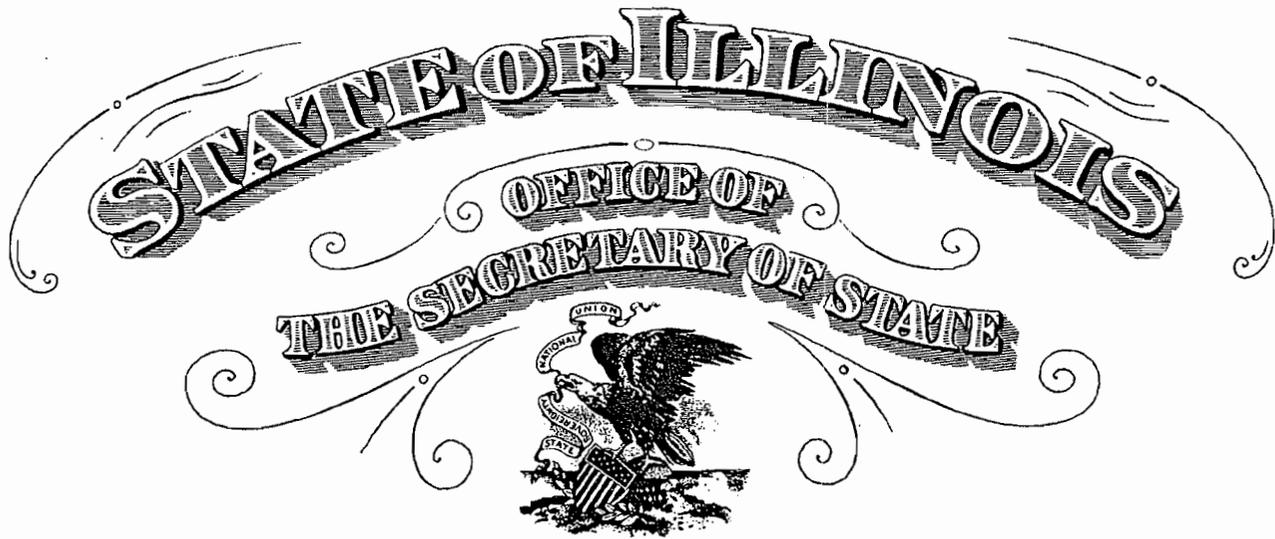
A table in the following format must be provided for all facilities as part of Attachment 44.

| 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.

Section I, Identification, General Information, and Certification
Applicant

The Illinois Certificates of Good Standing for Southern Illinois Gastrointestinal Endoscopy Center, LLC. and Southern Illinois G.I. Specialists, LLC are attached at Attachment – 1. Southern Illinois Gastrointestinal Endoscopy Center, LLC will be the operating entity of the Endoscopy Center. As a co-borrower on the working capital line of credit, Southern Illinois G.I. Specialists is named as an applicant for this certificate of need application.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

SOUTHERN ILLINOIS GASTROINTESTINAL ENDOSCOPY CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 19, 2015, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

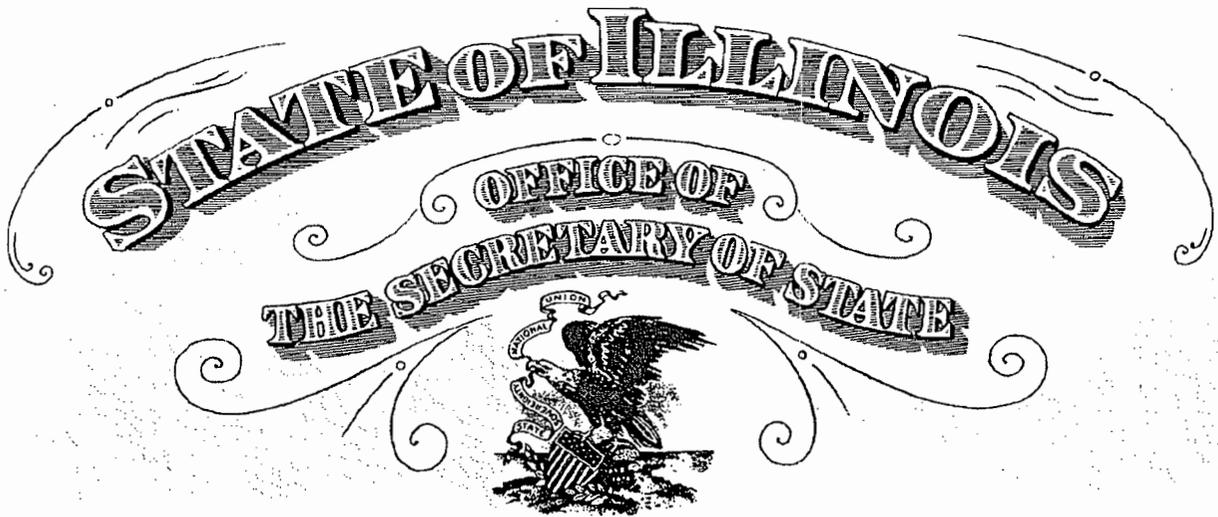
In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 10TH day of DECEMBER A.D. 2015 .



Authentication #: 1534401606 verifiable until 12/10/2016
Authenticate at: <http://www.cyberdriveillinois.com>

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

SOUTHERN ILLINOIS G.I. SPECIALISTS, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JANUARY 22, 2001, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1535200822 verifiable until 12/18/2016
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 18TH day of DECEMBER A.D. 2015 .*

Jesse White

SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Site Ownership

The letter of intent between Southern Illinois G.I. Specialists, L.L.C and Southern Illinois Gastrointestinal Endoscopy Center, LLC to lease the facility is attached at Attachment – 2.



SOUTHERN ILLINOIS GI SPECIALISTS, LLC
Zahoor A. Makhdoom, MD, MRCP, FACG, FASGE, AGAF
1100 West Diann Lane, Carbondale, Illinois 62901
(618)549-8006 SIGIS-carbondale.com Fax # (618) 549-8434
ICACTL (CT Unit) Accredited 2011, 2014
ASGE Approved Unit for Quality and Excellence

 **The Joint Commission**
Accreditation
Accredited 2011, 2014
Office Based Surgery

NON-BINDING REAL ESTATE LEASE LETTER OF INTENT

November 24, 2015

Zahoor Makhdoom, M.D.
Manager
SOUTHERN ILLINOIS GASTROINTESTINAL ENDOSCOPY CENTER
1100 West Diann Lane
Carbondale, Illinois 62901

**Re: Letter of Intent – SOUTHERN ILLINOIS GASTROINTESTINAL
ENDOSCOPY CENTER Lease**

Dear Dr. Makhdoom:

This Non-Binding Letter of Intent sets forth the material terms and conditions pursuant to which Southern Illinois G.I. Specialists, L.L.C. (“Lessor”) is prepared to lease space in the medical office building located at 1100 West Diann Lane, Carbondale, Illinois 62901 (“Subject Property”) to SOUTHERN ILLINOIS GASTROINTESTINAL ENDOSCOPY CENTER, L.L.C. (“Lessee”). This letter shall serve as a Non-Binding Letter of Intent to lease the Subject Property.

Proposed Terms and Conditions

Space: 1085 gross square feet of clinical space and 2137 gross square feet of non-clinical support space to be located adjacent to the Southern Illinois G.I. Specialists, L.L.C. office.

Lease Term: Initial term will be ten (10) years effective upon the later of the completion of construction or lessee occupancy. Lessor will grant Lessee two (2) renewal options each for a period of five (5) years.

Lease Rate: The lease rate will be based upon the full amortization of the capitalized tenant improvements to build out the space with a reasonable rate of return. The anticipated tenant improvements are projected to be \$23.00/sq ft.

Lease Contingency: The lease shall be contingent upon Lessee’s receipt of a certificate of need permit for the establishment of an ambulatory surgical treatment center from the Illinois Health Facilities and Services Review Board.

If the above terms and conditions are acceptable, please indicate your acceptance by executing a copy of this letter and returning it to me.

Sincerely,

SOUTHERN ILLINOIS G.I. SPECIALISTS, LLC

By:  _____

Its: Authorized Agent

AGREED TO AND ACCEPTED THIS 17 DAY OF December, 2015:

**SOUTHERN ILLINOIS
GASTROINTESTINAL ENDOSCOPY
CENTER, L.L.C.**

By:  _____

Zahoor Makhdoom, M.D.

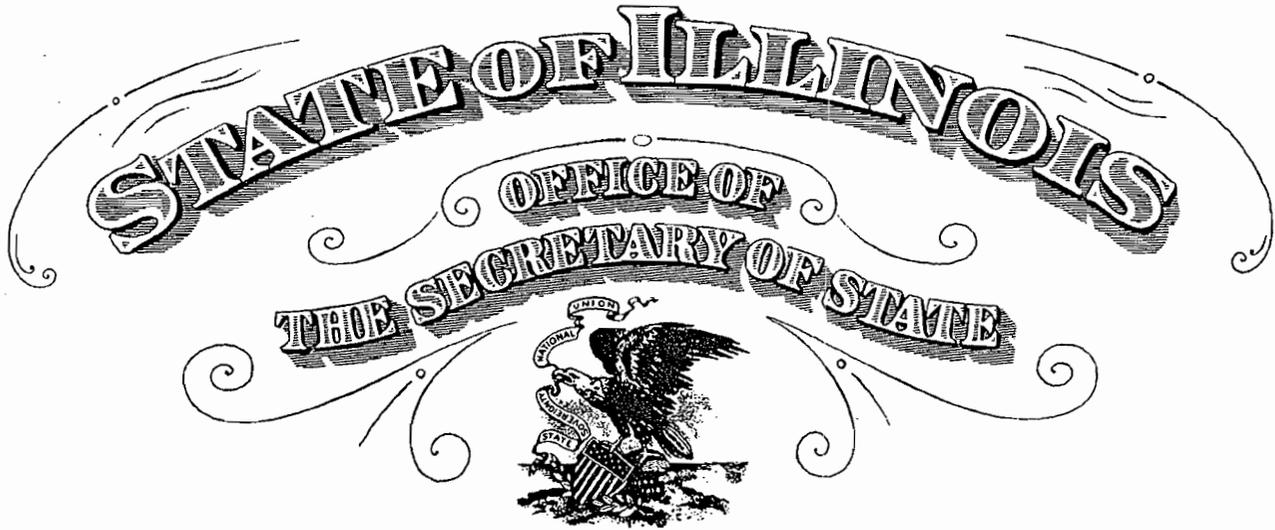
Manager

Section I, Identification, General Information, and Certification
Operating Entity/Licensee

The Illinois Certificate of Good Standing for Southern Illinois Gastrointestinal Endoscopy Center, LLC is attached at Attachment – 3.

The name and address of the sole member of Southern Illinois Gastrointestinal Endoscopy Center, LLC is listed below.

| Name | Address | Ownership Interest |
|--------------------------|--|---------------------------|
| Zahoor A. Makhdoom, M.D. | 1100 West Diann Lane Carbondale, Illinois 62901 | 100% |



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

SOUTHERN ILLINOIS GASTROINTESTINAL ENDOSCOPY CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 19, 2015, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 10TH day of DECEMBER A.D. 2015 .



Authentication #: 1534401606 verifiable until 12/10/2016
Authenticate at: <http://www.cyberdriveillinois.com>

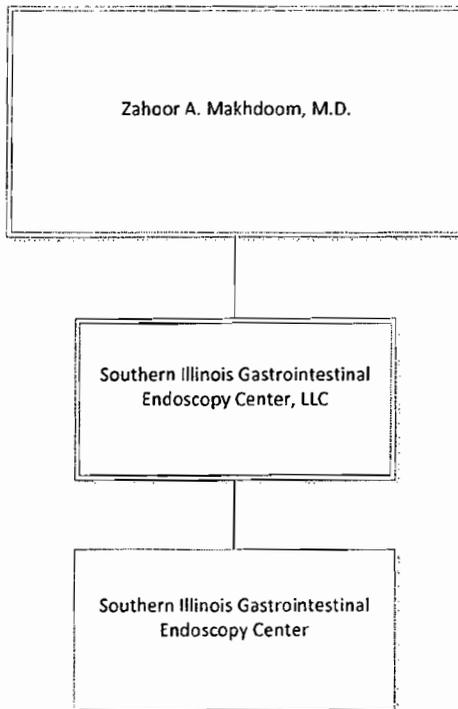
Jesse White

SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Organizational Relationships

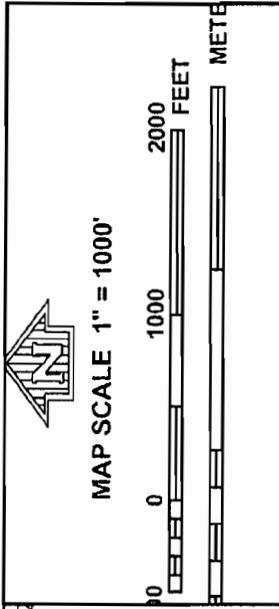
The organizational chart for Southern Illinois Gastrointestinal Endoscopy Center, LLC is attached at Attachment – 4.

Southern Illinois Gastrointestinal Endoscopy Center
Organization Chart



Section I, Identification, General Information, and Certification
Flood Plain Requirements

The site of the proposed Endoscopy Center complies with the requirements of Illinois Executive Order #2005-5. As shown on the FEMA flood plain map attached at Attachment – 5, the site of the proposed Endoscopy Center is located outside of a flood plain.



NFP

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

PANEL 0335D

PANEL 335 OF 475
 (SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

| COMMUNITY | NUMBER | PANEL | SUFFIX |
|---------------------|--------|-------|--------|
| CARBONDALE, CITY OF | 170256 | 0335 | D |
| JACKSON COUNTY | 170937 | 0335 | D |

NOTE 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.

MAP NUMBER
17077C0335D

EFFECTIVE DATE
MAY 2, 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

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The Applicant submitted a request to the Illinois Historic Preservation Agency for a determination that the proposed project complies with the Historic Resources Preservation Act. A copy of this letter is attached at Attachment – 6.



161 N. Clark Street, Suite 4200, Chicago, IL 60601-3316 • 312.819.1900

December 10, 2015

Anne M. Cooper
(312) 873-3606
(312) 276-4317 Direct Fax
acooper@polsinelli.com

Via Federal Express

Rachel Leibowitz, Ph.D.
Deputy State Historic Preservation Officer
Preservation Services Division
Illinois Historic Preservation Agency
1 Old State Capitol Plaza
Springfield, Illinois 62701

Re: Historic Preservation Act Determination – Southern Illinois Gastrointestinal Endoscopy Center

Dear Ms. Leibowitz:

This office represents Southern Illinois Gastrointestinal Endoscopy Center, LLC (the "Requestor"). Pursuant to Section 4 of the Illinois State Agency Historic Resources Preservation Act, Requestor seeks a formal determination from the Illinois Historic Preservation Agency as to whether Requestor's proposed project to establish an ambulatory surgical treatment center to be located at 1100 West Diann Lane, Carbondale, Illinois ("Proposed Project") affects historic resources.

1. Project Description and Address

The Requestor is seeking a certificate of need from the Illinois Health Facilities and Services Review Board to establish an ambulatory surgical treatment center to be located at 1100 West Diann Lane, Carbondale, Illinois. This project will involve the establishment of a new ambulatory surgical treatment center. No demolition or physical alteration of the exterior of any existing buildings will occur as a result of the Proposed Project.

2. Topographical or Metropolitan Map

A metropolitan map showing the location of the Proposed Project is attached at Attachment 1.

polsinelli.com

Atlanta Chicago Dallas Denver Kansas City Los Angeles New York Phoenix St. Louis San Francisco Washington, D.C. Wilmington
Polsinelli PC, Polsinelli LLP in California

51818017.1



Ms. Rachel Leibowitz
December 10, 2015
Page 2

3. Historic Architectural Resources Geographic Information System

A map from the Historic Architectural Resources Geographic Information System is attached at Attachment 2. The property is not listed on the (i) National Register, (ii) within a local historic district, or (iii) within a local landmark.

4. Photographs of Standing Buildings/Structure

Photograph of the site of the proposed facility is attached at Attachment 3.

5. Addresses for Buildings/Structures

The Proposed Project will be located at 1100 West Diann Lane, Carbondale, Illinois.

Thank you for your time and consideration of our request for Historic Preservation Determination. If you have any questions or need any additional information, please feel free to contact me at 312-873-3606 or acooper@polsinelli.com

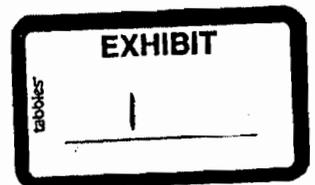
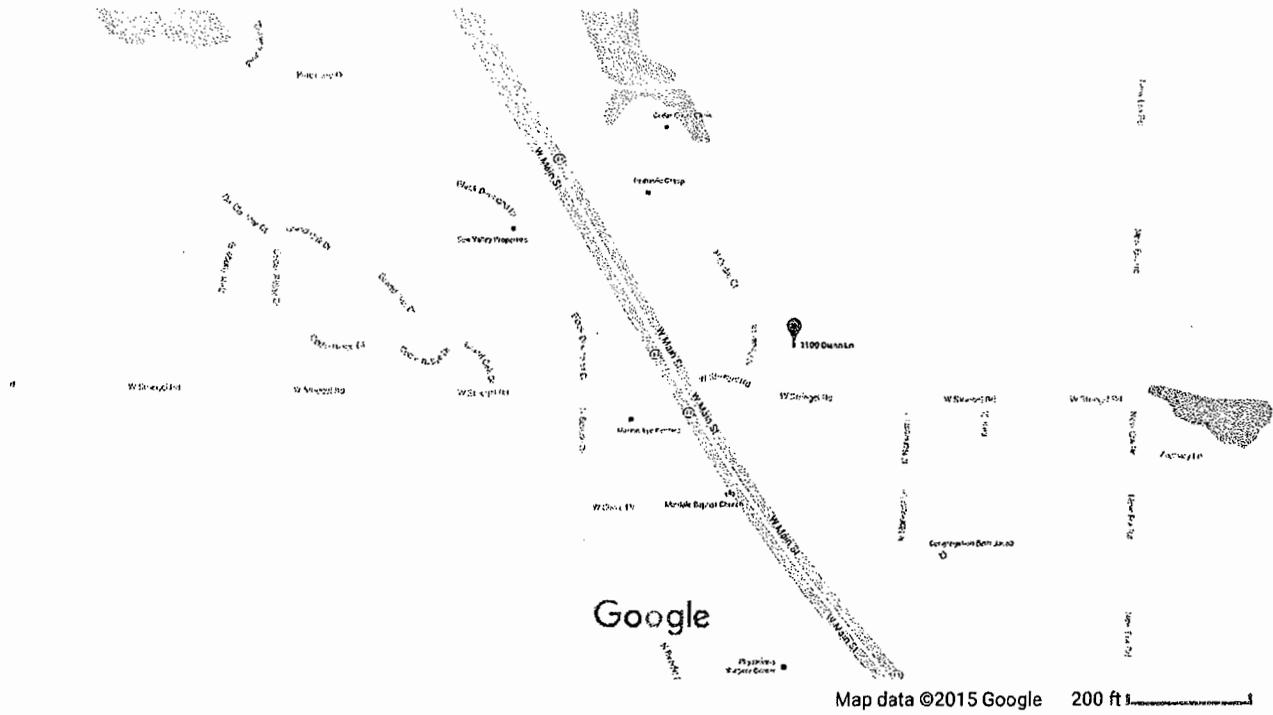
Sincerely,

A handwritten signature in cursive script that reads "Anne M. Cooper".

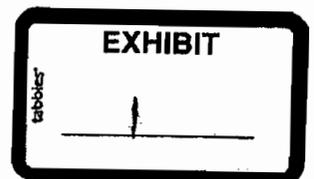
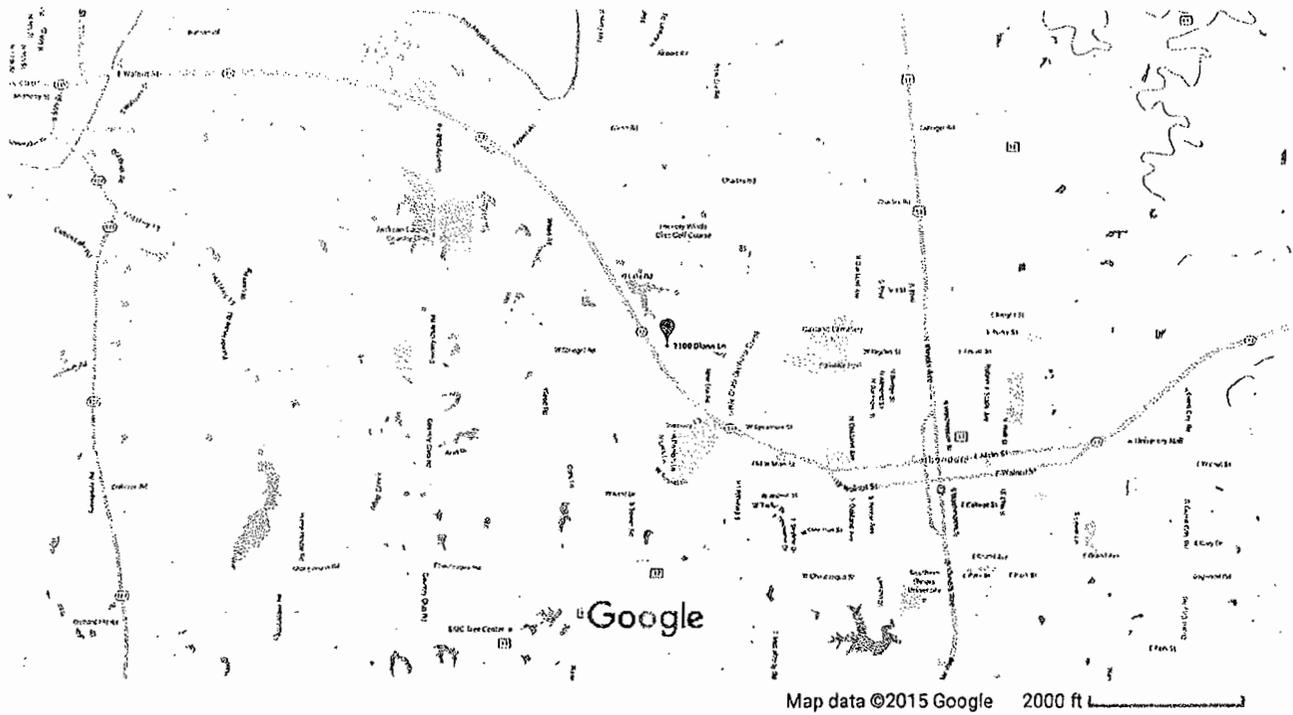
Anne M. Cooper

Attachments

Google Maps 1100 Diann Ln
Southern Illinois Gastrointestinal Endoscopy Center



Google Maps 1100 Diann Ln
Southern Illinois Gastrointestinal Endoscopy Center



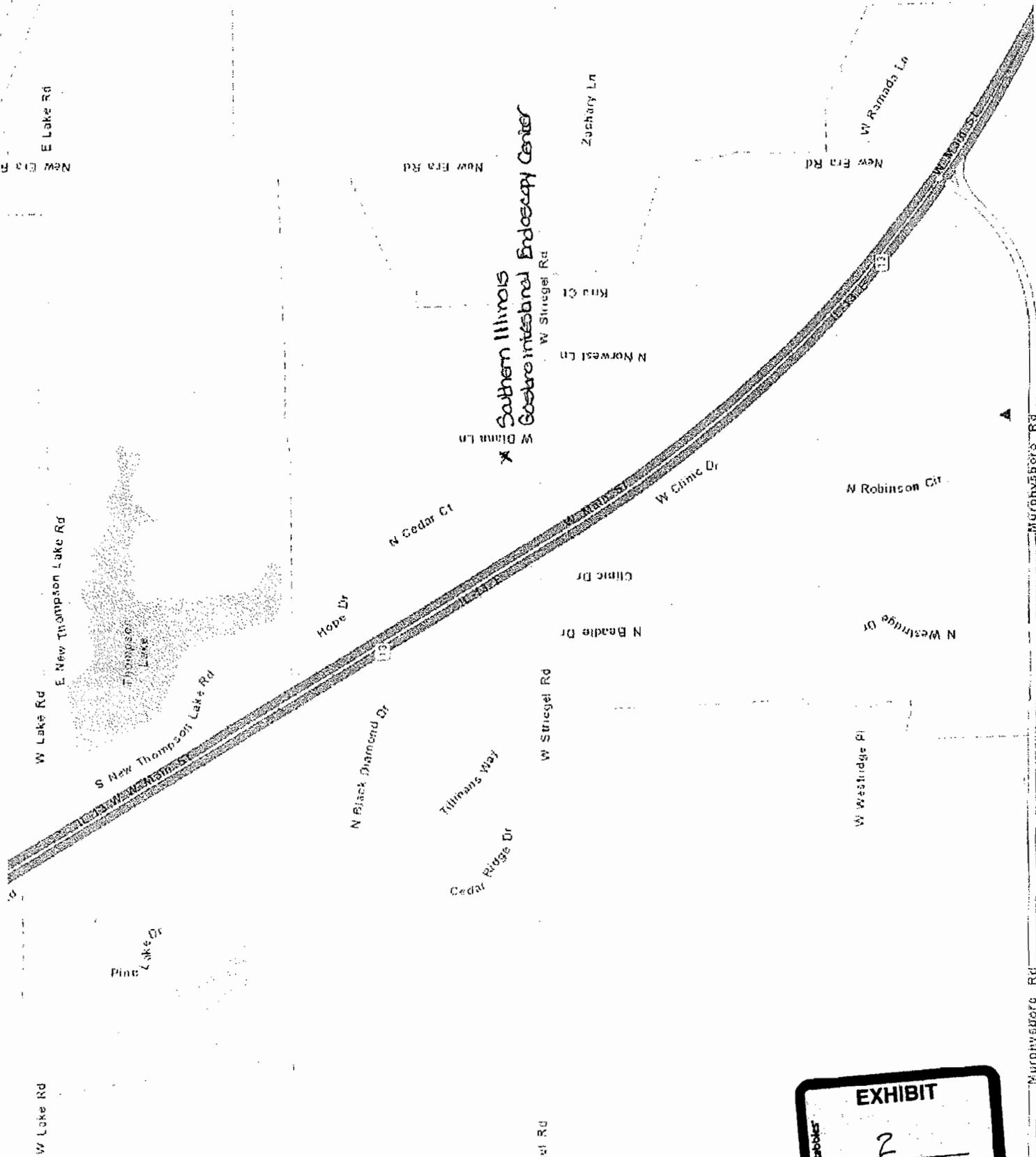


EXHIBIT
 2

Google Maps 1129 Diann Ln

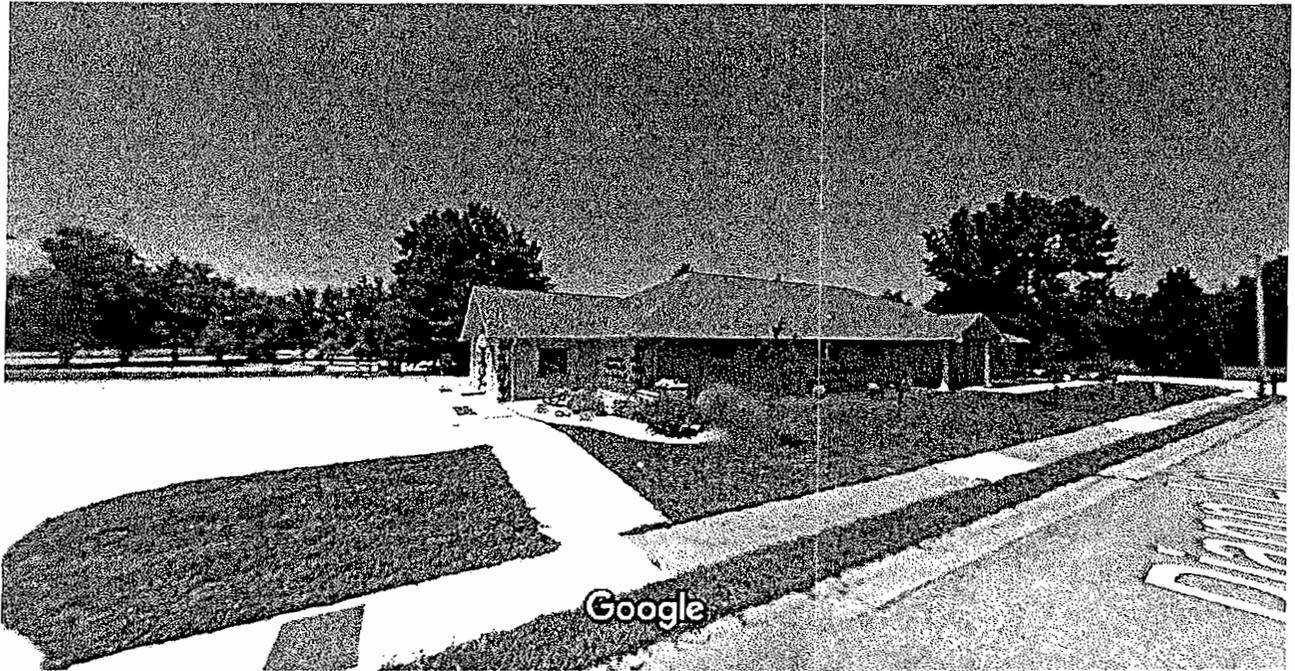
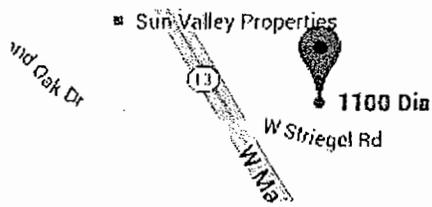


Image capture: Jul 2008 © 2015 Google

Carbondale, Illinois
Street View - Jul 2008



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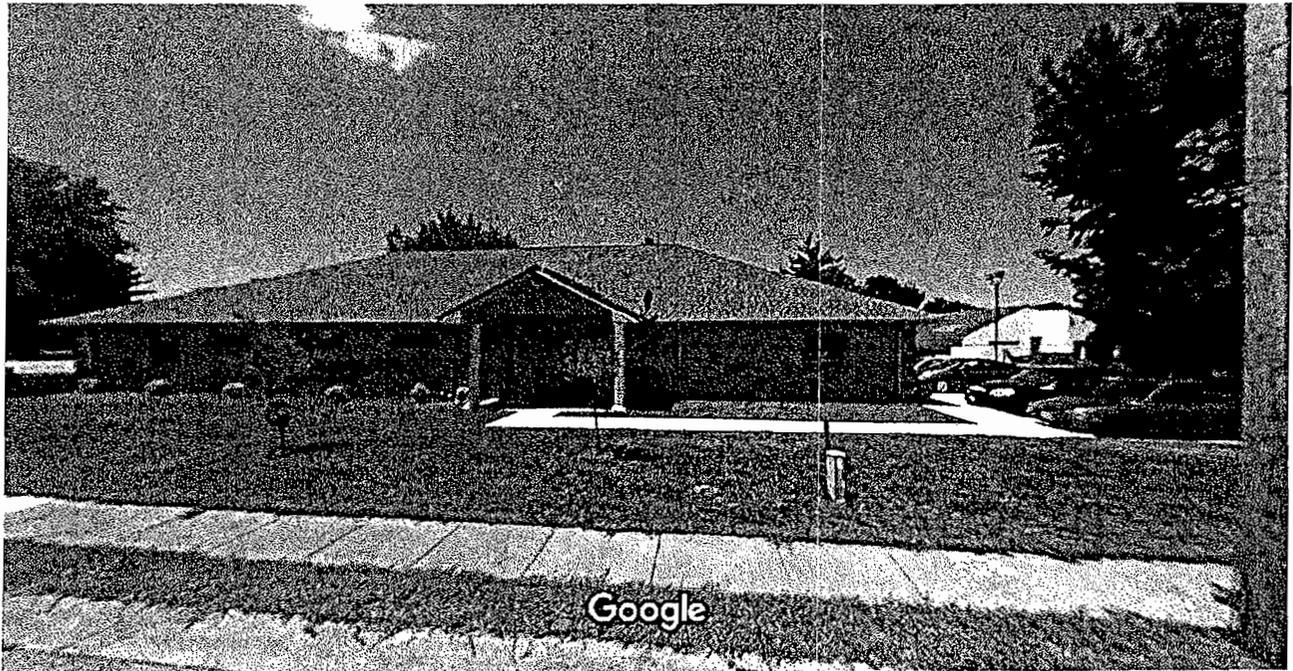
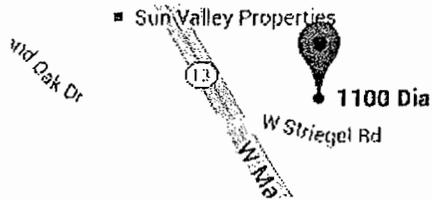


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Carbondale, Illinois
Street View - Jul 2008



EXHIBIT

3

Section I, Identification, General Information, and Certification
Project Costs

| Project Costs | | | |
|-----------------------------------|------------------|--------------------|--------------------|
| USE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Modernization Contracts | \$150,000 | \$545,000 | \$695,000 |
| Contingencies | \$15,000 | \$50,000 | \$65,000 |
| Consulting and Other Fees | | | |
| CON Fee | | \$5,000 | \$5,000 |
| Legal Fees | | \$25,000 | \$25,000 |
| Accounting Fees | | \$5,000 | \$5,000 |
| Total Consulting and Other Fees | | \$35,000 | \$35,000 |
| Moveable or Other Equipment | | | |
| Stretchers | \$30,000 | | \$30,000 |
| Vital Sign Monitors | \$15,000 | | \$15,000 |
| Chairs & Stools | \$6,500 | | \$6,500 |
| Blanket Warmer | \$3,000 | | \$3,000 |
| Suction Machine | \$900 | | \$900 |
| Colonoscopes | \$150,000 | | \$150,000 |
| EGD Scopes | \$48,000 | | \$48,000 |
| Olympus Trolley | \$80,000 | | \$80,000 |
| ERBE Generators | \$45,000 | | \$45,000 |
| Endo Monitors | \$3,000 | | \$3,000 |
| Artwork & Bubbler Fountain | \$20,000 | | \$20,000 |
| Total Moveable & Other Equipment | \$401,400 | | \$401,400 |
| Fair Market Value of Leased Space | \$167,448 | \$329,803 | \$497,251 |
| TOTAL USES OF FUNDS | \$733,848 | \$959,803 | \$1,693,651 |

**Section I, Identification, General Information, and Certification
Cost Space Requirements**

| 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 | | | | | | | |
| ASTC | \$733,848 | 1,085 | | | 1,085 | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Total Clinical | | | | | | | |
| NON REVIEWABLE | \$733,848 | 1,085 | | | 1,085 | | |
| Administration, Waiting Room, Reception, Medical Records | \$949,803 | 2,137 | | | 2,137 | | |
| | | | | | | | |
| | | | | | | | |
| Total Non-clinical | \$949,803 | 2,137 | | | 2,137 | | |
| TOTAL | \$1,693,651 | 3,222 | | | 3,222 | | |

Section III, Background, Purpose of the Project, and Alternatives – Information Requirements
Criterion 1110.230, Purpose of the Project and Alternatives

1. The Applicant seeks to convert its existing physician-office based endoscopy practice to a licensed endoscopy center. Southern Illinois G.I. Specialists operates a medical practice exclusively providing gastroenterology care. As part of that practice, one of the ancillary services the medical practice provides is endoscopy services. Due to changing referral patterns under its direct access program, Southern Illinois G.I. Specialists' ratio of surgical to non-surgical procedures will increase thereby requiring it to segregate the endoscopy care it provides into a separate clinic which is licensed by IDPH. This is required because Illinois Department of Public Health ("IDPH") rules place limits on offering ancillary surgical services in a medical practice setting and this application is required in order to conform with the requirements of the Illinois Ambulatory Surgical Treatment Center Act. The proposed Endoscopy Center will be limited to endoscopy (gastroenterology) services. As discussed below direct access improves patient screening for colorectal cancer, the Endoscopy Center is a lower cost alternative to hospital-based care and the Applicant will make, consistent with the practice's past practice of accepting low-income patients, its services available to patients regardless of ability to pay and in coordination with the County Health Department.

Early Detection of Colorectal Cancer

Colorectal cancer is the third leading cause of cancer-related death in the United States and the second leading cause of cancer-related deaths in Illinois. In Illinois, there are over 2,500 deaths per year across the state. Colorectal cancer mortality rates in the southern Illinois, including Jackson County, exceeded the state mortality rate from 2006 to 2010.¹ Cancer mortality can be reduced by 15 to 25% through recommended screening methods, but only 50% of adults have been properly screened because of a lack of awareness about screening. However, if detected early, it is highly treatable.

One of the core functions of an endoscopy service is to provide colonoscopies, which is the gold standard for screening for and detecting colorectal cancer. While there are other screening methods, such as fecal blood, they are a comparatively poor marker for colorectal neoplasia. Most cancers and the vast majority of polyps will be missed. For a colonoscopy, the physician uses a thin, flexible tube with a light and camera attached to examine the lining of the large intestine. Southern Illinois G.I. Specialists provides such screening to residents of Carbondale and surrounding communities. Beyond screening accuracy, unlike other forms of colorectal cancer screening such as fecal blood test, sigmoidoscopy or barium enema, if a colonoscopy reveals a problem, initial treatment can occur simultaneously with the removal of the suspicious polyps. More than 90 percent of colon cancers start as polyps. The great advantage of a colonoscopy over other testing methods is it makes it possible to remove a suspect polyp or cancer immediately. Finding and removing polyps or other areas of abnormal cell growth is one of the most effective ways to prevent colorectal cancer development. Also, colorectal cancer is generally more treatable when it is found early, before it has had a chance to spread. In fact, effective colorectal cancer (CRC) screening can drastically reduce the number of individuals that are diagnosed with advanced colorectal cancer each year. With timely screening and treatment, advanced stages of the disease can be avoided. In fact, there is a 90% chance for five-year survival in Stage 1 of colorectal cancer compared to only a 13% chance of survival in Stage 4.²

¹ SIU School of Medicine, *Cancer in Rural Illinois, 1990-2010: Incidence, Mortality, Staging and Access to Care*, Apr. 2014 available at http://www.siumed.edu/ccr/sites/default/files/u6/cancer_in_the_rural_illinois_final.pdf (last visited Sep. 30, 2015).

² American Cancer Society, *What are the Survival Rates for Colorectal Cancer by Stage?* Aug. 2015 available at <http://www.cancer.org/cancer/colonandrectumcancer/detailedguide/colorectal-cancer-survival-rates> (last visited Sep. 30, 2015).

The U.S. Preventative Services Task Force (USPSTF) recommends screening for colorectal cancer in adults, beginning at age 50 years and continuing until age 75.³ Colonoscopy, which offers visualization of the colon, is preferred to indirect CRC screening methods. In considering the magnitude of benefit from a CRC screening program, the USPSTF has noted with high certainty that there are substantial benefits to screening asymptomatic adults. Yet screening rates lag behind the target screening rate.

One of the reasons endoscopy services have increased is because of the payment policies of the Center for Medicare and Medicaid Services, which now cover colorectal cancer screening as a preventative service. There are several barriers to effectively screening the population as a whole, despite expanded coverage. While from a public health perspective, there is still a long way to go to reach a more optimal screening rate, enhancing the availability of colonoscopy services and providing a non-hospital based option for such care is progress toward an important public health care goal and saves the government money in the short term and long-term (by avoiding far more expensive cancer care treatment). Only 25% of Medicare beneficiaries were screened for CRC between 1998 and 2004. A recent Centers for Disease Control report found 65 percent of Americans reported being up-to-date on CRC screening — a rate significantly lower than the Healthy People 2020 target of 70.5 percent.⁴ Individuals who do not get CRC screened at all or as often as recommended include low-income individuals, those with a lack of education and those without health insurance.

Current levels of screening in this country lag behind those of other effective cancer screening tests; it has been estimated that attainment of goals for population colorectal cancer screening could save 18,800 lives per year. Colorectal cancer incidence and mortality show health disparities, with a disproportionate burden occurring in certain minority populations, including African Americans, Native Americans and Alaska Natives. The American Cancer Society estimates 136,830 people will be diagnosed and 50,310 will die from colorectal cancer in 2014.⁵ Colorectal cancer is second only to lung cancer as a cause of cancer deaths among American men and women.⁶ Studies show at least 60% of these deaths could be avoided if people 50 and older received regular screening tests.⁷ Screening helps reduce such deaths in two ways: by finding precancerous polyps that can be removed before they become cancer and by finding colorectal cancer early, when treatment is most effective. Colonoscopy is the “gold standard” for colorectal cancer screening, and can be completed in more than 95% of examinations with negligible risk and is cost-effective.

³ U.S. Preventative Services Task Force, Screening for Colorectal Cancer, Clinical Summary of U.S. Preventative Services Task Force Recommendation, Oct. 2008 available at <http://www.uspreventiveservicestaskforce.org/uspstf08/colocancer/colosum.htm> (last visited Sep. 30, 2015).

⁴ Centers for Disease Control and Prevention, *Colorectal Cancer Screening Test Save Lives*, VITAL SIGNS, Nov. 2013 available at <http://www.cdc.gov/mmwr/pdf/wk/mm6244.pdf> (last visited Sep. 30, 2015).

⁵ American Cancer Society, *Colorectal Cancer Facts & Figures 2014-2016* available at <http://www.cancer.org/acs/groups/content/documents/document/acspc-042280.pdf> (last visited Sep. 30, 2015).

⁶ American Cancer Society, *Colorectal Cancer Prevention and Early Detection 4* (2015) available at <http://www.cancer.org/acs/groups/cid/documents/webcontent/003170-pdf.pdf> (last visited Sep. 30, 2015).

⁷ Centers for Disease Control and Prevention, *Screen for Life, Colorectal Cancer Screening Basic Fact Sheet* (2014) available at http://www.cdc.gov/cancer/colorectal/pdf/Basic_FS_Eng_Color.pdf (last visited Sep. 30, 2015).

Direct Access to Colonoscopy Screening

Despite expanded coverage for CRC screening, rising health care costs still present barriers to effective screening of the population as a whole. To address patients' desire to save money on avoidable doctor visits, the Endoscopy Center will offer patients direct access program. The direct access program expedites and simplifies the process for patients receiving screening colonoscopies and other endoscopy services. Patients who are in good or stable health can arrange for a colonoscopy without first having a face-to-face consultation with a gastroenterologist. A patient's primary care physician can determine his/her suitability for the endoscopy procedure during a general physical exam where patients over 50 years of age are counseled on CRC screening. The Endoscopy Center will coordinate with the patient's primary care physician to determine whether a patient who elects to participate in the direct access program is medically appropriate to undergo the endoscopy procedure.

Role of Endoscopy Centers in CRC Screening

Endoscopy centers play a vital role in ensuring patient access to preventive measures, such as colonoscopies, in a convenient and affordable setting. Today, ASTCs perform more than 40 percent of Medicare colonoscopies.⁸ They have the capacity to do more. When these life-saving procedures are performed in endoscopy centers, both beneficiaries and the Medicare program save money because endoscopy centers perform the procedures at a lower cost than hospital outpatient departments (HOPDs). According to data from IDPH, the median cost of a colonoscopy performed in one of the local hospital outpatient departments ranged from a high of \$12,631 to a low of \$2,449;⁹ the median cost of a colonoscopy at the proposed Southern Illinois Gastrointestinal Endoscopy Center is \$1,210, which is less than half the cost of a colonoscopy at the hospital with the lowest charges. As set forth in the letter from the ASC Advocacy Committee to former Secretary Sebelius regarding implementation of a value-based purchasing system for ambulatory surgery centers, ambulatory surgery centers are efficient providers of surgical services. See Attachment – 12A. Ambulatory surgery centers provide high quality surgical care, excellent outcomes, and high level of patient satisfaction at a lower cost than HOPDs. Surgical procedures performed in an ambulatory surgery centers are reimbursed at lower rates than HOPDs and result in lower out-of-pocket expenses for patients. Furthermore, patients often report an enhanced experience at ambulatory surgery centers compared to HOPDs due, in part, to easier access to parking, shorter waiting times, and ease of access into and out of the operating rooms. Finally, surgeons are more efficient due to faster turnover of operating rooms, designated surgical times without risk of delay due to more urgent procedures, and specialized nursing staff. As a result of these efficiencies, more time can be spent with patients thereby improving the quality of care. Given the benefits of ambulatory surgery centers, this facility will benefit area residents. According to the 2010 U.S. Census, there are over 200,000 residents in the GSA and only 2 ambulatory surgery centers performing gastroenterology surgical procedures, the proposed Endoscopy Center will serve a large number of patients.

Improving Access to Colonoscopy to Low Income Patients

Southern Illinois GI Specialists firmly believes in giving back to the community and the Endoscopy Center will do the same. The Endoscopy Center will enroll in the Medicare and Medicaid programs. Typical of its affiliated medical practice, the Endoscopy Center projects 7%-8% of its endoscopy patients will be Medicaid beneficiaries. To improve CRC screening rates, the Endoscopy Center will

⁸ Ambulatory Surgical Center Association, *Medicare Cost Savings Tied to Ambulatory Endoscopy Centers* 6 (2013) available at <http://www.ascaconnect.org/communities/community-home/librarydocuments/view?DocumentKey=866fa139-09d2-4cad-b1f1-a97a65b5169d&tab=librarydocuments> (last visited Oct. 1, 2015).

⁹ Illinois Department of Public Health, *Illinois Hospital Report Card and Consumer Guide to Health Care* available at <http://www.healthcarereportcard.illinois.gov/> (last visited Oct. 1, 2015).

offer its Colonoscopy Assist Program to uninsured patients. Patients who qualify for this program will receive a colonoscopy for a flat fee, which includes the physician's fee; facility fee, including nursing costs; sedation/anesthesia; pathology (lab) fees, and polyp removal. Finally, the Endoscopy Center will coordinate with the Jackson County Health Department to provide colonoscopies to low income patients.

2. The Applicant expects the service area of the planned endoscopy center to be identical to the service area of Southern Illinois G.I. Specialists. A map of that service area is attached at Attachment – 12B. The service area consists of those Illinois areas within 45 minutes normal travel time of Southern Illinois Gastrointestinal Endoscopy Center. Travel times to and from Southern Illinois Gastrointestinal Endoscopy Center to the market area borders are as follows:
 - East: Approximately 45 minutes normal travel time to Galatia
 - Southeast: Approximately 45 minutes normal travel time to Ozark
 - South: Approximately 45 minutes normal travel time to Dongola
 - Southwest: Approximately 45 minutes normal travel time to Jonesboro
 - West: Approximately 35 minutes normal travel time to Mississippi River
 - Northwest: Approximately 45 minutes normal travel time to Steeleville
 - North: Approximately 25 minutes normal travel time to Tamaroa
 - Northeast Approximately 37 minutes normal travel time to Benton
 -
3. This project is needed to ensure Southern Illinois G.I. Specialists complies with IDPH requirements relating to the scope of care permitted for a gastroenterologist's medical practice and to improve access to colorectal cancer screening and other gastroenterology procedures to patients residing in Carbondale and the surrounding area. People and communities are unlikely to follow medically sound advice unless they have a trusting relationship with the provider giving it. Dr. Makhdoom nurtures strong relationships with his patients and believes they are most comfortable with the continuity of care provided when he is able to meet their colonoscopy and other endoscopy requirements on site at his Carbondale location.
4. Sources.

SIU School of Medicine, Cancer in Rural Illinois, 1990-2010: Incidence, Mortality, Staging and Access to Care, Apr. 2014 *available at* http://www.siumed.edu/ccr/sites/default/files/u6/cancer_in_the_rural_illinois_final.pdf (last visited Sep. 30, 2015).

American Cancer Society, *What are the Survival Rates for Colorectal Cancer by Stage?* Aug. 2015 *available at* <http://www.cancer.org/cancer/colonandrectumcancer/detailedguide/colorectal-cancer-survival-rates> (last visited Sep. 30, 2015).

U.S. Preventative Services Task Force, Screening for Colorectal Cancer, Clinical Summary of U.S. Preventative Services Task Force Recommendation, Oct. 2008 *available at* <http://www.uspreventiveservicestaskforce.org/uspstf08/colocancer/colosum.htm> (last visited Sep. 30, 2015).

Centers for Disease Control and Prevention, *Colorectal Cancer Screening Test Save Lives*, VITAL SIGNS, Nov. 2013 *available at* <http://www.cdc.gov/mmwr/pdf/wk/mm6244.pdf> (last visited Sep. 30, 2015).

American Cancer Society, Colorectal Cancer Facts & Figures 2014-2016 *available at* <http://www.cancer.org/acs/groups/content/documents/document/acspc-042280.pdf> (last visited Sep. 30, 2015).

American Cancer Society, *Colorectal Cancer Prevention and Early Detection 4* (2015) available at <http://www.cancer.org/acs/groups/cid/documents/webcontent/003170-pdf.pdf> (last visited Sep. 30, 2015).

Centers for Disease Control and Prevention, Screen for Life, Colorectal Cancer Screening Basic Fact Sheet (2014) available at http://www.cdc.gov/cancer/colorectal/pdf/Basic_FS_Eng_Color.pdf (last visited Sep. 30, 2015).

Ambulatory Surgical Center Association, *Medicare Cost Savings Tied to Ambulatory Endoscopy Centers 6* (2013) available at <http://www.ascaconnect.org/communities/community-home/librarydocuments/viewdocument?DocumentKey=866fa139-09d2-4cad-b1f1-a97a65b5169d&tab=librarydocuments> (last visited Oct. 1, 2015).

5. The goal of this project is to ensure the Southern Illinois G.I. Specialists does not exceed the scope of the surgical services it is permitted to provide under Section 205.110 of the Ambulatory Surgical Treatment Center Act (77 IAC 204.110) and to increase access to colonoscopy and other endoscopy services in a cost effective, high quality endoscopy center to patients residing in Carbondale and surrounding areas.

August 3, 2010

VIA HAND DELIVERY

Secretary Sebelius
The U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Re: Report on a Value-Based Purchasing System for Ambulatory Surgical Centers

Dear Secretary Sebelius:

Please accept the following comments regarding the report on a value-based purchasing (VBP) program for ASCs, as outlined in the Patient Protection and Affordable Care Act (PL 111-148, PPACA) §3006(f). These comments are submitted by the ASC Advocacy Committee, a joint effort of the ASC Coalition and the ASC Association, representing all types of ASCs; and the ASC Quality Collaboration, a cooperative effort of organizations and companies interested in ensuring ASC quality data is appropriately developed and reported. Together, these organizations include single- and multi-specialty ASCs; physician-owned ASCs, joint ventures between hospitals and physicians, and joint ventures between physicians and management companies; professional societies; and accrediting bodies. Participating ASCs range from the very small to the very large and are located in all 50 states.

Progress towards a Medicare VBP program for ASCs should be incremental: beginning with building a reliable, voluntary quality reporting infrastructure for ASCs, and then measuring performance within the ASC setting. Indicators of quality should include measures such as efficiency, outcomes, patient experience of care, adherence to evidence-based processes. As the culmination of VBP, CMS should develop and implement comparisons of the quality and costs for outpatient surgery in ASCs and hospital outpatient departments (HOPDs). A VBP system for outpatient surgery in these settings could create competition based on quality and efficiency, drive improvement, recognize the highest quality and most efficient providers, and improve transparency.

Some patients in hospital outpatient departments are not comparable to patients who are treated in ASCs. For example, the current HOPD measures include a hospital's emergency room patients. Designing a VBP for ASCs which enables cross-setting comparisons should focus on patients who can be treated appropriately in both ASCs and HOPDs.

Value-based purchasing includes financial and other incentives

One tool of VBP is public disclosure of data on the quality of care and costs to payers. We strongly support increasing the transparency of Medicare rates, patients' out-of-pocket costs, and quality of surgeries and procedures. Confidential feedback to ASCs from quality measurement systems should be used in the first year of VBP. Data should not be publicly reported while a reliable reporting infrastructure is being created and implemented. Building quality measurement on a solid foundation with a high level of reliability may help increase participation and the value of the data for all stakeholders. The following principles should guide public reporting of the VBP measure set:

- Consumers should be able to directly compare providers of outpatient surgical services.
- ASCs should be given the opportunity to review, validate, and appeal measurements and scores prior to publishing.
- There should be a provider narrative section for each provider-specific item to allow the provider to advise the consumer of any concerns the provider has regarding the reliability or accuracy of the information presented.
- In addition to reporting quality measures, other useful information such as facility accreditation status, state licensure and Medicare certification should be made available.

Many private payers incentivize their enrollees to use higher value services by charging lower co-pays or coinsurance for them. The Medicare program already incorporates this VBP tool: because Medicare payments for the same service are lower in ASCs than HOPDs, the copayments for services provided in ASCs are generally lower than in an HOPD. This differential can function as a value incentive for beneficiaries. For example, a patient needing cataract surgery would be responsible for \$193 if it were performed in the ASC; the patient would owe \$496 if the service were provided in the hospital outpatient department, a difference of 61%. Table 1 below illustrates the payment differentials for some common surgeries and procedures for beneficiaries in 2010. VBP could help to build an awareness of these differences and help the Medicare program leverage the choices of its beneficiaries to increase value.

Table 1. Co-payment savings for Medicare beneficiaries in ASCs for some typical procedures

| Comparison of 2010 ASC and HOPD beneficiary copayments | | | | |
|---|------------------------------|------------------|-------------------|-------------------|
| HCPCS | Description | ASC Copay | HOPD Copay | Difference |
| 66984 | Cataract surg w/IOL, 1 stage | \$192.49 | \$495.96 | 61% |
| 43239 | Upper GI endoscopy, biopsy | \$73.89 | \$143.38 | 48% |
| 45378 | Diagnostic colonoscopy | \$76.05 | \$186.06 | 59% |
| 45380 | Colonoscopy and biopsy | \$76.05 | \$186.06 | 59% |
| 45385 | Lesion removal colonoscopy | \$76.05 | \$186.06 | 59% |
| 66821 | After cataract laser surgery | \$46.81 | \$104.31 | 55% |
| 64483 | Inj foramen epidural l/s | \$59.20 | \$97.09 | 39% |
| 66982 | Cataract surgery, complex | \$192.49 | \$495.96 | 61% |
| 45384 | Lesion remove colonoscopy | \$76.05 | \$186.06 | 59% |

| | | | | |
|-------|------------------------------|----------|----------|-----|
| 29881 | Knee arthroscopy | \$209.92 | \$403.36 | 48% |
| 63650 | Implant neuroelectrodes | \$699.19 | \$885.85 | 21% |
| 29827 | Arthroscop rotator cuff repr | \$327.64 | \$804.74 | 59% |

The chief tool of VBP is payment differentials for providers: paying more to high-performing providers and to those who have made significant improvements to the quality of care. Provider payment differentials are key pieces of CMS's Premier Hospital Quality Incentive Demonstration, Home Health Pay for Performance Demonstration, and Nursing Home Value Based Purchasing Demonstration. The ASC industry supports payment differentials in VBP for outpatient surgery.

Another VBP tool is shared savings which allows providers to recoup some of the efficiencies they create through lowering cost and improving quality. This VBP tool is used in the private sector and most recently by CMS in its design of the Home Health Pay for Performance Demonstration and the Medicare Physician Group Practice Demonstration. CMS has allowed high quality agencies and group practices to share the savings generated by decreasing hospital admissions and readmissions, and decreasing skilled nursing facility use and the use of other healthcare resources. We support the shared savings model for later phases of VBP for ASCs.

Medicare's VBP for ASCs should encourage widespread participation through incremental implementation. VBP should begin with voluntary data collection, followed by public disclosure of quality information. Improved transparency regarding Medicare's rates and patient co-payments at ASCs and HOPDs should be supplemented with comparable quality data as it becomes available. CMS should provide patients and physicians with a tool to enable apples-to-apples comparisons of outpatient surgery settings. Payment differentials for providers should be built upon a solid foundation of quality measurement. Shared savings should be the final stage of an incremental VBP implementation.

Rewarding ambulatory surgery centers

A VBP for ASCs should acknowledge the role that the facility plays in providing high quality surgical care to patients. ASCs range in size and scope from small, single-specialty facilities focused on endoscopic procedures to large facilities offering a range of surgical sub-specialties in multiple operating rooms. The ASC VBP program will have the greatest impact when it is implemented incrementally and is designed to reach the full spectrum of ASCs in the industry. The Secretary should consider exemptions for ASCs with very low Medicare volume.

ASCs that attain high quality or make substantial improvements should be rewarded. It is important to acknowledge centers that have already applied evidence-based guidelines in their care, implemented structures of care that enhance quality, ensured patient safety, achieved good outcomes, and provided a valuable patient experience. It is also important to acknowledge that some centers may be continuing to progress toward the highest level of quality. VBP should reward ASCs that achieve a high rank or exceed a national threshold as well as ASCs that close the gap between their past performance and the national threshold.

ASC quality measurement

The VBP system for ASCs should be based on quality measurements which capture many aspects of ASC patient services. These measures include processes, efficiency, outcomes, and patient experience.

Process measures can indicate that the ASC follows guidelines and uses evidence-based practices. The ASC Quality Collaboration has already developed two process measures for ASCs which have been endorsed for outpatient surgery by the National Quality Forum. These capture whether antibiotics given for prevention of surgical site infection were administered on time and the number of patients who have appropriate surgical site hair removal. We support the development of additional process measures which are similarly applicable across a wide range of surgical facilities, such as medication reconciliation.

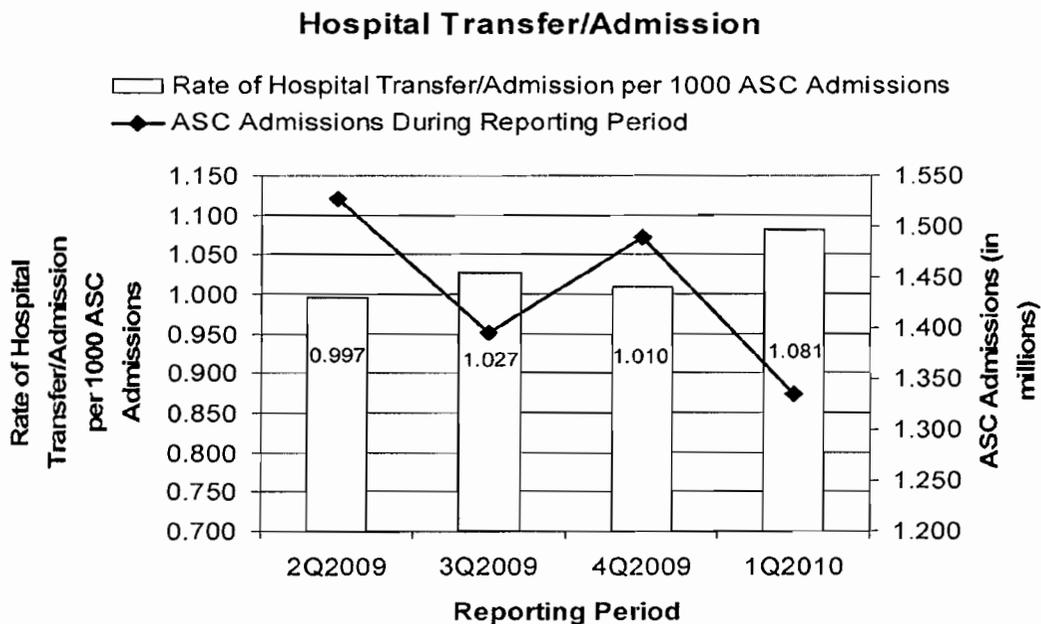
ASCs are efficient providers. Assessing the value of ASCs should include measures of the ways in which ASCs maximize health care resources and provide high quality surgical care and procedures in lean, well-managed facilities.

ASCs achieve excellent outcomes for patients and high levels of patient satisfaction. The ASC Quality Collaboration has already developed four measures of patient outcomes which have been endorsed by the National Quality Forum. These include patient safety indicators—patient burn; patient fall; and wrong site, side, patient, procedure or implant—and hospital transfers. Figure 1 below is an example of the voluntary outcome measure reporting in which many ASCs currently participate. A variety of patient satisfaction surveys are used throughout the industry to capture some aspects of patient experience.

Figure 1. Example of data available through ASC Quality Collaboration voluntary reporting

Data Summary: Hospital Transfer/Admission

| Reporting Period | 2Q2009 | 3Q2009 | 4Q2009 | 1Q2010 |
|--|-----------|-----------|-----------|-----------|
| Number of Participating ASCs | 1,294 | 1,177 | 1,266 | 1,185 |
| Number of ASC Admissions Represented | 1,528,402 | 1,396,179 | 1,490,427 | 1,334,614 |
| Hospital Transfer/Admission Rate per 1000 ASC Admissions | 0.997 | 1.027 | 1.010 | 1.081 |



Both outcome measures and patient experience measurement for ASCs deserve a greater investment by CMS, the Agency for Healthcare Research and Quality, and other entities. A tool such as the Consumer Assessment of Healthcare Providers and Systems (CAHPS) would be a useful way to measure patient experience and satisfaction and would give patients relevant and easy-to-understand information.

Additionally, new research is needed to support the development of measures that enable fair, valid, and reliable comparison for similar patients in ASCs and HOPDs. In some cases, HOPD patients are not comparable to patients treated in ASCs. Designing a VBP for ASCs which enables cross-setting comparisons is an opportunity to improve transparency. Developing sound, useful comparisons across settings will require an investment in understanding the patient populations which can be compared and identifying and measuring factors that influence

outpatient surgical risks for patients. Improvements are also needed in post-surgical surveillance and case finding to support reliable outcome and patient safety measures.

The ASC Quality Collaboration should be included as a critical stakeholder in quality measurement for outpatient surgery. A role for the ASC Quality Collaboration similar to the role of the Hospital Quality Alliance would improve the VBP development process for all stakeholders. The following principles should guide measure development for VBP:

- Measure collection should minimize burden on ASCs and CMS. ASCs should be given more than one way to report quality data. For example, claims-based reporting should be an option, especially in the initial phases of VBP implementation. ASCs should be able to authorize an agent (e.g. a parent company or a registry) to report on their behalf.
- Where possible, measures should enable comparisons between ASCs and HOPDs. Patients who require care that could be provided in either ASCs or HOPDs should be enabled to identify and choose the setting with the best value through VBP.
- New measures must be credible: they must be based on evidence, broadly understood, and collected reliably across the variety of ASCs that serve Medicare beneficiaries.

We welcome opportunities to explore partnerships with agencies that can assist the industry in growing and enhancing the quality measurement tools for outpatient surgery in ASCs and HOPDs. New quality measurement infrastructure will be a key to evolving the most effective VBP and achieving the best value for Medicare and other payers.

Design a funding mechanism which strengthens VBP

Linking a portion of Medicare's payments to quality will be a significant change in Medicare ASC payment policy. To ensure that all Medicare beneficiaries continue to have access to care, VBP incentives should begin as a small portion of total Medicare spending for ASC services.

Funding should progress in increments, consistent with the phases in other aspects of the program. Full updates should be given to all of the ASCs that make the investment of time and resources to participate in the initial phase of pay for reporting and report valid and reliable data to CMS. The Secretary should consider a bonus for the use of health information technology to gather and report quality data, similar to the bonus for physicians' EHR use in Medicare.

The structure of incentive payments linked to performance should recognize that Medicare's payments to ASCs have been under a payment freeze for many years, and in addition, some payments have been dropping due to transition from the previous grouper payment system. The VBP system may lose acceptance if it is applied as a cost-cutting measure.

In the final phase of VBP, the VBP bonuses should be funded through a shared-savings mechanism. ASCs have already saved the Medicare program billions of dollars by providing a lower-priced setting for outpatient surgeries which can be appropriately performed in an ASC rather than an HOPD. VBP can help to demonstrate the quality and value of ASC services and encourage the continued, appropriate migration of services to the lower-priced setting. We

propose that later phases of the VBP for ASCs allow high-quality ASCs to share some of the savings they have produced for the Medicare program. A pool of ASC VBP bonus dollars could be generated from Medicare program's savings on the total amount spent for outpatient surgical services for Medicare beneficiaries that can be supplied in both HOPDs and ASCs. The shared-savings structure aligns the incentives of ASCs and the Medicare program to increase value.

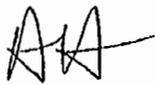
- Building incentives across silos of care was a goal set by the Medicare Payment Advisory Commission in their recommendations for developing VBP.
- Decreasing the growth of Medicare spending on outpatient surgeries by encouraging continued migration to lower-priced settings could generate substantial savings for the Medicare program.
- A shared pool could create competition based on value between settings

* * *

In summary, the report on value based purchasing required by PL 111-148, §3006(f), should map out a VBP system for ASCs which increases transparency and enables patients and physicians to choose the best surgical setting. We look forward to conversations with CMS as they consider the development of VBP. Thank you for providing this opportunity to comment. We appreciate the dialogue and look forward to continued participation in the development process.

Sincerely,


David Shapiro, M.D.
Chairman
ASC Association


Andrew Hayek
Chairman
ASC Advocacy Committee

Section III, Background, Purpose of the Project, and Alternatives – Information Requirements
Criterion 1110.230, Background, Purpose of the Project and Alternatives

Alternatives

The Applicant explored three options prior to determining to establish the Endoscopy Center. The options considered are as follows:

- Continue to Perform Endoscopies as part of Southern Illinois G.I. Specialists Medical Practice
- Utilize Existing ASTCs and Hospital Outpatient Facilities; and
- Establish an ASTC.

After exploring these options, which are discussed in more detail below, the Applicant decided to establish the proposed Endoscopy Center. A review of each of the options considered and the reasons they were rejected follows.

Continue to Perform Endoscopies as Part of the Southern Illinois G.I. Specialists Medical Practice

As discussed at Attachment – 12, Southern Illinois G.I. Specialists operates a medical practice providing exclusively gastroenterology care. As part of that practice, one of the ancillary services the medical practice provides is endoscopy services. Due to its endoscopy volumes, Southern Illinois G.I. Specialists has determined that it must segregate the endoscopy care that it provides into a separate clinic which is licensed as an ASTC. This is required because IDPH rules place limits on offering ancillary surgical services in a medical practice setting and this application is required in order to conform with the requirements of the Illinois Ambulatory Surgical Treatment Center Act. The proposed Endoscopy Center will be a limited to endoscopy services.

Utilize Existing ASTCs and Hospitals

The Applicant considered utilizing existing ASTCs and Hospitals. This is not a viable option for several reasons. These facilities cannot accommodate the volume of colonoscopies that Dr. Makhdoom can perform. As such, he would be forced to travel to several facilities using small scheduling blocks, which poses an inconvenience for both him and his patients. By establishing an endoscopy center in the same building as Southern Illinois G.I. Specialists, the Applicant's medical practice, the Endoscopy Center will achieve operational efficiencies that cannot be created at other hospitals and ambulatory surgery centers due to limited scheduling slots and anesthesia services. While Dr. Makhdoom intends to continue providing the same level of care at the existing hospitals where he performs procedures, he cannot increase services at this location without access to a dedicated anesthesiologist or nurse anesthetist. By having dedicated personnel to perform anesthesia, patients can be treated with reduced wait times, and Dr. Makhdoom can also consult with patients at the practice in between surgical procedures, which allows for more efficient use of his time. As the gastroenterologist shortage worsens, it is important to ensure the efficient use of existing gastroenterologists in order to also ensure adequate access to CRC screening.

Establish an ASTC

To better serve the needs of the residents of Carbondale and the surrounding area, the Applicant decided to establish a single-specialty ASTC. The estimated cost of this alternative is \$1,693,651.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234, Project Scope, Utilization, and Unfinished/Shell Space

Size of the Project

The Project proposes to establish an ASTC with two procedure rooms and seven recovery stations. Pursuant to Section 1110, Appendix B of the HFSRB's rules, the State standard is 1,660 to 2,200 gross square feet per procedure room and 180 gross square feet per recovery station for a total of 4,580 to 5,660 gross square feet for two procedure rooms and seven recovery stations. The gross square footage of clinical space will be 1,085 gross square feet. Accordingly, the size of the Endoscopy Center is below the State standard.

| Table 1110.234(a) SIZE OF PROJECT | | | | |
|--------------------------------------|-----------------------|-------------------|------------|------------------|
| DEPARTMENT/SERVICE | PROPOSED BGSF/DGSF | STATE STANDARD | DIFFERENCE | MET STANDARD? |
| ASTC | 1,085 | 4,580-5,660 | -3,495 | Below |

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234, Project Scope, Utilization, and Unfinished/Shell Space

Project Services Utilization

By the second year after project completion, the Endoscopy Center's annual utilization shall meet or exceed HFSRB's utilization standards. Pursuant to Section 1110, Appendix B of the HFSRB's rules, utilization for ASTCs is based upon 1,500 hours per operating/procedure room. Based upon historical utilization and projected procedures documented in the physician referral letter attached at Appendix - 1, approximately 6,153 procedures will be performed at the Endoscopy Center within the two years after project completion. Based upon current experience, the estimated procedure time, including prep and cleanup, is approximately 43 minutes. As a result, 2,184 surgical hours are projected for the first year after project completion, which is sufficient to support the need for two procedure rooms.

| Table 1110.234(b) | | | | | |
|--------------------------|---------------------------|--|----------------------------------|---------------------------|--------------------------|
| UTILIZATION | | | | | |
| | DEPT./ SERVICE | HISTORICAL UTILIZATION (SURGICAL HOURS) | PROJECTED UTILIZATION | STATE STANDARD | MET STANDARD? |
| YEAR 1 | ASTC | 2,348 hours | 2,184 hours | 1,500+ hours | Yes |
| YEAR 2 | ASTC | 2,349 hours | 2,185 hours | 1,500+ hours | Yes |

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(c), Unfinished or Shell Space

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(d), Assurances

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.1540(b), Background of the Applicant

1. The Applicant does not currently own or operate any health care facilities. Accordingly, this criterion is not applicable.
2. No LLC manager, members or owners of at least 5% of the proposed endoscopy center own or operate any health care facilities in Illinois. Accordingly, this criterion is not applicable.
3. The Applicant has not previously owned or operated any health care facilities. Accordingly, this criterion is not applicable.
4. Attached at Attachment – 27A is a certification that no LLC manager, members or owner of at least 5% of the proposed Endoscopy Center:
 - a. have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to:
 - i. the commission of any felony or misdemeanor or violation of law, except for minor parking violations; or
 - ii. has been the subject of any juvenile delinquency or youthful offender proceeding;
 - b. has been charged with fraudulent conduct or any act involving moral turpitude;
 - c. has any unsatisfied judgments against him or her; or
 - d. is in default in the performance or discharge of any duty or obligation imposed by a judgment decree, order or directive of any court or governmental agency.
5. An authorization permitting the State Board and IDPH access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations is attached at Attachment – 27A.
6. The Applicant has not previously submitted an application for permit during this calendar year. Accordingly, this criterion is not applicable.

December 15, 2015

Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by Southern Illinois GI Specialists, LLC during the three years prior to filing this application.

Neither Southern Illinois GI Specialists, LLC nor any LLC member or owner of at least 5% of Southern Illinois GI Specialists, LLC:

- has been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of (1) any felony or misdemeanor or violation of the law, except for minor parking violations or (2) the subject of any juvenile delinquency or youthful offender proceeding; or
- has been charged with fraudulent conduct or any act involving moral turpitude; or
- has any unsatisfied judgments against him or her; or
- is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order, or directive of any court or governmental agency.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.1540(b)(3)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,



Zahoor A. Makhdoom, M.D.
Manager
Southern Illinois GI Specialists, LLC

Subscribed and sworn to me
This 15th day of December, 2015



Notary Public



December 15, 2015

Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by Southern Illinois Gastrointestinal Endoscopy Center, LLC during the three years prior to filing this application.

Neither Southern Illinois Gastrointestinal Endoscopy Center, LLC nor any LLC member or owner of at least 5% of Southern Illinois Gastrointestinal Endoscopy Center, LLC:

- has been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of (1) any felony or misdemeanor or violation of the law, except for minor parking violations or (2) the subject of any juvenile delinquency or youthful offender proceeding; or
- has been charged with fraudulent conduct or any act involving moral turpitude; or
- has any unsatisfied judgments against him or her; or
- is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order, or directive of any court or governmental agency.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.1540(b)(3)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,



Zahoor A. Makhdoom, M.D.
Manager
Southern Illinois Gastrointestinal Endoscopy Center, LLC

Subscribed and sworn to me
This 15th day of December, 2015



Notary Public



Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.1540(c), Service to Geographic Area Residents

1. Attached as Attachment – 27B is a map outlining Southern Illinois Gastrointestinal Endoscopy Center's intended geographic service area ("GSA"). The GSA consists of those Illinois areas within 45 minutes normal travel time of Southern Illinois Gastrointestinal Endoscopy Center, or approximately 35 miles.
2. As set forth in Criterion 1110.230, Southern Illinois Gastrointestinal Endoscopy Center will serve residents of Carbondale and surrounding communities within 45 minutes normal travel time of the proposed Endoscopy Center. Accordingly, the intended GSA consists of those areas within 45 minutes normal travel time of the proposed Endoscopy Center.

| Table 1110.1540(c)(2)(A) | | |
|---------------------------------|----------------|-------------------|
| Zip Code | City | Population |
| 62238 | Cutler | 696 |
| 62272 | Percy | 1,674 |
| 62274 | Pinckneyville | 8,410 |
| 62280 | Rockwood | 444 |
| 62812 | Benton | 11,265 |
| 62819 | Buckner | 448 |
| 62822 | Christopher | 2,574 |
| 62825 | Coello | 203 |
| 62832 | Du Quoin | 9,208 |
| 62841 | Freeman Spur | 98 |
| 62865 | Mulkeytown | 2,018 |
| 62874 | Orient | 372 |
| 62891 | Valier | 652 |
| 62896 | West Frankfort | 12,626 |
| 62901 | Carbondale | 27,182 |
| 62902 | Carbondale | 4,531 |
| 62903 | Carbondale | 2,962 |
| 62905 | Alto Pass | 677 |
| 62906 | Anna | 7,276 |
| 62907 | Ava | 2,164 |
| 62912 | Buncombe | 1,179 |
| 62915 | Cambria | 321 |
| 62916 | Campbell Hill | 995 |
| 62918 | Cartersville | 9,793 |
| 62920 | Cobden | 3,265 |
| 62921 | Colp | 375 |
| 62922 | Cereal Springs | 3,119 |
| 62924 | De Soto | 2,809 |
| 62926 | Dongola | 2,263 |
| 62927 | Dowell | 367 |
| 62932 | Elkfilie | 1,592 |
| 62933 | Energy | 1,230 |
| 62939 | Goreville | 3,119 |

| Table 1110.1540(c)(2)(A) | | |
|---------------------------------|---------------|-------------------|
| Zip Code | City | Population |
| 62940 | Gorham | 445 |
| 62942 | Grand Tower | 707 |
| 62948 | Herrin | 12,865 |
| 62949 | Hurst | 810 |
| 62950 | Jacob | 193 |
| 62951 | Johnston City | 5,352 |
| 62952 | Jonesboro | 3,372 |
| 62958 | Makanda | 2,262 |
| 62959 | Marion | 26,948 |
| 62961 | Millcreek | 65 |
| 62966 | Murphysboro | 15,607 |
| 62974 | Pittsburg | 1,401 |
| 62975 | Pomona | 279 |
| 62983 | Royalton | 1,504 |
| 62997 | Willisville | 599 |
| 62998 | Wolf Lake | 419 |
| 62999 | Zeigler | 1,829 |
| Total | | 200,564 |

Source: U.S. Census Bureau, Census 2010, American Factfinder available at <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> (last visited Oct. 1, 2015).

- Table 1110.1540(c)(2)(B) lists the patient origin by zip code for all patients treated Dr. Makhdoom for the last 12-month period. As documented in in Table 1110.1540(c)(2)(B) below 6,013 (or 91%) percent of cases were from patients residing in the GSA.

| Table 1110.1540(c)(2)(B) | |
|-----------------------------------|--------------|
| Patient Origin by Zip Code | |
| Zip Code | Cases |
| 15102 | 1 |
| 29407 | 1 |
| 29621 | 1 |
| 30020 | 1 |
| 32459 | 1 |
| 42025 | 1 |
| 42051 | 1 |
| 43718 | 1 |
| 47025 | 1 |
| 52601 | 1 |
| 54451 | 1 |
| 60004 | 1 |
| 60177 | 1 |

| Table 1110.1540(c)(2)(B) Patient Origin by Zip Code | |
|--|-----|
| 60506 | 1 |
| 60970 | 1 |
| 61101 | 2 |
| 61254 | 1 |
| 62056 | 1 |
| 62218 | 1 |
| 62223 | 1 |
| 62233 | 13 |
| 62238 | 9 |
| 62241 | 3 |
| 62263 | 3 |
| 62268 | 1 |
| 62272 | 19 |
| 62274 | 105 |
| 62276 | 1 |
| 62278 | 3 |
| 62280 | 4 |
| 62286 | 9 |
| 62288 | 22 |
| 62292 | 1 |
| 62454 | 1 |
| 62567 | 1 |
| 62801 | 2 |
| 62806 | 1 |
| 62812 | 93 |
| 62814 | 1 |
| 62817 | 3 |
| 62819 | 14 |
| 62821 | 7 |
| 62822 | 65 |
| 62825 | 10 |
| 62831 | 4 |
| 62832 | 393 |
| 62836 | 6 |
| 62841 | 9 |
| 62846 | 5 |
| 62848 | 2 |
| 62851 | 3 |

| Table 1110.1540(c)(2)(B) Patient Origin by Zip Code | |
|--|-----|
| 62853 | 1 |
| 62856 | 2 |
| 62859 | 13 |
| 62860 | 5 |
| 62863 | 1 |
| 62864 | 16 |
| 62865 | 74 |
| 62866 | 3 |
| 62867 | 1 |
| 62869 | 4 |
| 62874 | 10 |
| 62881 | 1 |
| 62883 | 4 |
| 62884 | 60 |
| 62888 | 51 |
| 62890 | 44 |
| 62891 | 15 |
| 62892 | 1 |
| 62896 | 273 |
| 62897 | 4 |
| 62901 | 953 |
| 62902 | 148 |
| 62903 | 87 |
| 62904 | 1 |
| 62905 | 34 |
| 62906 | 154 |
| 62907 | 53 |
| 62910 | 1 |
| 62912 | 35 |
| 62914 | 7 |
| 62915 | 30 |
| 62916 | 19 |
| 62917 | 29 |
| 62918 | 275 |
| 62920 | 89 |
| 62921 | 8 |
| 62922 | 47 |
| 62923 | 9 |

| Table 1110.1540(c)(2)(B) Patient Origin by Zip Code | |
|--|------|
| 62924 | 137 |
| 62926 | 37 |
| 62927 | 13 |
| 62930 | 7 |
| 62931 | 2 |
| 62932 | 26 |
| 62933 | 33 |
| 62934 | 5 |
| 62939 | 28 |
| 62940 | 12 |
| 62942 | 13 |
| 62946 | 58 |
| 62947 | 3 |
| 62948 | 703 |
| 62949 | 15 |
| 62951 | 39 |
| 62952 | 73 |
| 62958 | 41 |
| 62959 | 615 |
| 62960 | 3 |
| 62963 | 4 |
| 62964 | 4 |
| 62966 | 1048 |
| 62967 | 2 |
| 62969 | 1 |
| 62970 | 9 |
| 62971 | 1 |
| 62972 | 19 |
| 62974 | 18 |
| 62975 | 18 |
| 62976 | 5 |
| 62976 | 2 |
| 62977 | 2 |
| 62981 | 1 |
| 62982 | 4 |
| 62983 | 49 |
| 62984 | 3 |
| 62985 | 3 |

| Table 1110.1540(c)(2)(B) | |
|-----------------------------------|-------------|
| Patient Origin by Zip Code | |
| 62986 | 5 |
| 62987 | 11 |
| 62988 | 11 |
| 62992 | 11 |
| 62994 | 21 |
| 62995 | 17 |
| 62996 | 2 |
| 62997 | 6 |
| 62998 | 6 |
| 62999 | 58 |
| 63011 | 2 |
| 63119 | 1 |
| 63141 | 1 |
| 63301 | 1 |
| 63627 | 1 |
| 63701 | 1 |
| 63841 | 1 |
| 66224 | 1 |
| 67966 | 1 |
| 70065 | 1 |
| 78840 | 1 |
| 85233 | 1 |
| 94595 | 1 |
| 96555 | 1 |
| Total | 6615 |

**Section VII, Service Specific Review Criteria
 Non-Hospital Based Ambulatory Surgery
 Criterion 1110.1540(d), Service Demand**

A physician referral letter providing the name and number of patients referred to health care facilities within the past 24 months and the projected number of referrals to the Endoscopy Center is attached at Appendix - 1. A summary of the physician referral letter is provided in Table 1110.1540(d) below.

| Table 1110.1540(d) | | |
|--|-----------------------|--|
| Current Provider | Current Volume | Projected Referrals to Southern Illinois Gastrointestinal Endoscopy Center after Project Completion |
| Southern Illinois G.I. Specialists | 6,153 | 6,153 |
| St. Joseph Memorial Hospital - Murphysboro | 373 | 0 |
| Memorial Hospital of Carbondale | 67 | 0 |
| Union County Hospital - Anna | 22 | 0 |
| Total | 6,615 | 6,153 |

Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.1540(f), Treatment Room Need Assessment

- a. As stated throughout this application, the Applicant proposes to establish an ASTC providing gastroenterology services with two procedure rooms. The State Board standard is 1,500 per procedure room, or 3,000 hours for two procedure rooms. As documented in Appendix – 1, Dr. Makhdoom projects to perform 3,076 surgical procedures in the first year after project completion. The Applicant estimates the average length of time per procedure will be 43 minutes, or 2,184 surgical hours. Accordingly, the proposed number of procedure rooms is necessary to serve the projected patient volume.
- b. As documented in Appendix – 1, Dr. Makhdoom projects to perform 3,076 surgical procedures in the first year after project completion. Based upon historical caseload data, the Applicant estimates the average length of time per procedure will be 43 minutes. This estimate includes 17 minutes for prep and clean up.

Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.1540(g), Service Accessibility

As previously discussed in Criterion 1110.230, the Applicant proposes to establish an endoscopy center with two procedure rooms. By establishing an endoscopy center in the same building as Southern Illinois G.I. Specialists, the Applicant's medical practice, the Endoscopy Center will achieve operational efficiencies that cannot be created at other hospitals and ASTCs due to limited scheduling slots and anesthesia services. While Dr. Makhdoom intends to continue providing the same level of care at the existing hospitals where he performs procedures, he cannot increase services at this location without access to a dedicated anesthesiologist or nurse anesthetist. By having dedicated personnel to perform anesthesia, patients can be treated with reduced wait times, and Dr. Makhdoom can also consult with patients at the practice in between surgical procedures.

Improved efficiency will result in increased access to much needed endoscopy services in this community. Notably, this community has seen significant growth, increasing 25.2% from 2000 to 2010.¹⁰ Increased population and screening rates were the basis for a 2009 report by the Lewin Group projecting the U.S. will face a shortage of at least 1,050 gastroenterologists by 2020. As the gastroenterologist shortage worsens, it is important to ensure the efficient use of existing gastroenterologists in order to also ensure adequate access to CRC screening.

One of the reasons that endoscopy services have increased is because of the payment policies of the Center for Medicare and Medicaid Services which now cover many preventative services including colorectal cancer screening. Despite expanded coverage, a lack of access is one barrier to effectively screening the population as a whole. From a public health perspective, there is still a long way to go to reach a more optimal screening rate. Only 25% of Medicare beneficiaries were screened for colorectal cancer between 1998 and 2004. A recent Center for Disease Control report found 58.6 percent of Americans reported being up-to-date on colorectal cancer screening — a rate significantly lower than the Healthy People 2020 target of 70.5 percent. Individuals who do not get CRC screened at all or as often as recommended include low-income individuals, those with a lack of education and those without health insurance.

Further, HOPDs are more costly, less efficient and less convenient than ambulatory surgery centers. The Endoscopy Center will allow physicians to schedule their surgeries to maximize efficiency. Ambulatory surgery centers provide high quality surgical care, excellent outcomes, and high level of patient satisfaction at a lower cost than HOPDs. Surgical procedures performed in an ambulatory surgery centers are reimbursed at lower rates than HOPDs and result in lower out-of-pocket expenses for patients. Additionally, patients often report an enhanced experience at ambulatory surgery centers compared to HOPDs due, in part, to easier access to parking, shorter waiting times, and ease of access into and out of the operating rooms. Finally, surgeons are more efficient due to faster turnover of operating rooms, designated surgical times without risk of delay due to more urgent procedures, and specialized nursing staff. As a result of these efficiencies, more time can be spent with patients thereby improving the quality of care.

The Centers for Medicare and Medicaid Services recognizes the importance of colorectal cancer screening, and has even included a specific measure as part of its Shared Savings Program which will reward Accountable Care Organizations that lower growth in health care costs while meeting performance standards on quality of care. As such, the proposed project will not only benefit the community, but could also reduce health care costs through participation in an Accountable Care Organization.

¹⁰ U.S. Census Bureau, American FactFinder, Fact Sheet, available at http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml (last visited Oct. 27, 2015).

Lastly, the Southern Illinois GI Specialists operates a medical practice providing exclusively gastroenterology care. As part of that practice, one of the ancillary services the medical practice provides is endoscopy services. Due to its endoscopy volumes, Southern Illinois GI Specialists has determined that it must segregate the endoscopy care that it provides into a separate clinic which is licensed as an ASTC. This is required because IDPH rules place limits on offering ancillary surgical services in a medical practice setting and this application is required in order to conform with the requirements of the Illinois Ambulatory Surgical Treatment Center Act. The proposed Endoscopy Center will be limited to endoscopy services.

**Section VII, Service Specific Review Criteria
 Non-Hospital Based Ambulatory Surgery
 Criterion 1110.1540(h), Unnecessary Duplication/Maldistribution**

1. Unnecessary Duplication of Services

- a. Southern Illinois Gastrointestinal Endoscopy Center will be located at 1100 West Diann Lane, Carbondale, Illinois. A map of the proposed facility's market area is attached at Attachment – 27B. A list of all zip codes located, in total or in part, within 45 minutes normal travel time of the site of the proposed facility as well as 2010 census figures for each zip code is provided in Table 1110.1540(h)(1).

| Table 1110.1540(h)(1) | | |
|------------------------------|---------------|-------------------|
| Zip Code | City | Population |
| 62952 | Jonesboro | 3,372 |
| 62998 | Wolf Lake | 419 |
| 62905 | Alto Pass | 677 |
| 62950 | Jacob | 193 |
| 62280 | Rockwood | 444 |
| 62916 | Campbell Hill | 995 |
| 62907 | Ava | 2,164 |
| 62942 | Grand Tower | 707 |
| 62940 | Gorham | 445 |
| 62975 | Pomona | 279 |
| 62966 | Murphysboro | 15,607 |
| 62961 | Millcreek | 65 |
| 62920 | Cobden | 3,265 |
| 62906 | Anna | 7,276 |
| 62926 | Dongola | 2,263 |
| 62958 | Makanda | 2,262 |
| 62912 | Buncombe | 1,179 |
| 62939 | Goreville | 3,119 |
| 62903 | Carbondale | 2,962 |
| 62901 | Carbondale | 27,182 |
| 62924 | De Soto | 2,809 |
| 62927 | Dowell | 367 |
| 62949 | Hurst | 810 |
| 62932 | Elkfilie | 1,592 |
| 62902 | Carbondale | 4,531 |
| 62915 | Cambria | 321 |
| 62918 | Cartersville | 9,793 |
| 62933 | Energy | 1,230 |
| 62983 | Royalton | 1,504 |
| 62999 | Zeigler | 1,829 |
| 62841 | Freeman Spur | 98 |
| 62921 | Colp | 375 |
| 62948 | Herrin | 12,865 |
| 62874 | Orient | 372 |

| Zip Code | City | Population |
|-----------------|----------------|-------------------|
| 62959 | Marion | 26,948 |
| 62922 | Cereal Springs | 3,119 |
| 62974 | Pittsburg | 1,401 |
| 62951 | Johnston City | 5,352 |
| 62896 | West Frankfort | 12,626 |
| 62272 | Percy | 1,674 |
| 62997 | Willisville | 599 |
| 62238 | Cutler | 696 |
| 62274 | Pinckneyville | 8,410 |
| 62832 | Du Quoin | 9,208 |
| 62865 | Mulkeytown | 2,018 |
| 62822 | Christopher | 2,574 |
| 62825 | Coello | 203 |
| 62891 | Valier | 652 |
| 62819 | Buckner | 448 |
| 62812 | Benton | 11,265 |
| Total | | 200,564 |

Source: U.S. Census Bureau, Census 2010, American Factfinder available at <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> (last visited Oct. 1, 2015).

- b. A list of all existing and approved health care facilities located within the Southern Illinois Gastrointestinal Endoscopy Center GSA that provide the surgical services proposed by the project is attached at Attachment – 27C.

2. Maldistribution of Services

- a. Ratio of Stations to Population

As shown in Table 1110.1540(h)(2)(A), the ratio of operating and procedure rooms to population is 58% of the State Average.

| | Population | Operating & Procedures Rooms | Operating & Procedure Rooms to Population |
|-------------------------|-------------------|---|--|
| Geographic Service Area | 200,564 | 28 | 1:7,163 |
| State | 12,830,632 | 3,054 | 1:4,201 |

- b. Sufficient Population to Achieve Target Utilization

The Applicants propose to establish an endoscopy center with two procedure rooms. To achieve the State Board standard of 1,500 hours per operating room within the first two years after project completion, the Applicants would need over 2,112 patient referrals. As set forth above in Table 1110.1540(d), Dr. Makhdoom historically performs 3,307 procedures

annually. Once the Endoscopy Center is operational, Dr. Makhdoom anticipates performing an adequate volume of procedures at the facility to reach target utilization after the second year of project completion.

3. Impact to Other Providers

- a. The Endoscopy Center will not have an adverse impact on existing facilities in the GSA. As discussed throughout this application, the procedures proposed to be performed at the Endoscopy Center are primarily performed by Dr. Makhdoom in an office-based setting.
- b. The proposed facility will not lower the utilization of other area providers that are operating below the occupancy standards.

| Facility Name | Facility Type | Address | City | Distance | Time | Operating Rooms | Procedure Rooms |
|-----------------------------------|--------------------------|-----------------------------|---------------|----------|------|-----------------|-----------------|
| Physicians Surgery Center, LLC | Surgery Center | 2601 West Main Street | Carbondale | 0.34 | 1 | 2 | 1 |
| Memorial Hospital of Carbondale | General Hospital | 404 West Jackson | Carbondale | 2.83 | 5 | 7 | 1 |
| St. Joseph Memorial Hospital | Critical Access Hospital | 2 S Hospital Drive | Murphysboro | 6.00 | 8 | 2 | 2 |
| Heartland Regional Medical Center | General Hospital | 3333 West De Young Street | Marion | 15.59 | 20 | 5 | 3 |
| Marion Healthcare Surgery Center | Surgery Center | 3003 Civic Circle Boulevard | Marion | 16.09 | 22 | 3 | 1 |
| Herrin Hospital | General Hospital | 201 S. 14th Street | Herrin | 17.62 | 25 | 4 | 2 |
| Marshall Browning Hospital | Critical Access Hospital | 900 N Washington St | Du Quoin | 22.18 | 32 | 2 | 3 |
| Pinckneyville Community Hospital | Critical Access Hospital | 101 North Walnut Street | Pinckneyville | 28.48 | 33 | 1 | 0 |
| Franklin Hospital | Critical Access Hospital | 201 Bailey Lane | Benton | 36.75 | 45 | 8 | 0 |

*Union Hospital, Southern Illinois Orthopedic Center, Pain Care Surgery, and Surgery Center of Southern Illinois are located within the GSA but do not perform gastro-intestinal surgeries.

Section VIII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.1540(i), Staffing

Southern Illinois Gastrointestinal Endoscopy Center will be staffed in accordance with all State and Medicare staffing requirements. Southern Illinois Gastrointestinal Endoscopy Center will be staffed as follows:

- Registered Nurse (3 FTEs)
- Licensed Practical Nurse (1 FTE)
- Technician (2 FTEs)
- Nurse Anesthesiologist (1 FTE)
- Scope Washer (1 FTE)

**Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.1540(g), Charge Commitment**

- a. A list of the procedures to be performed at Southern Illinois G.I. Specialists with the proposed charges is provided in Table 1110.1540(g) below.

| Table 1110.1540(g) Southern Illinois G.I. Specialists Fee Schedule¹ | | |
|---|---|---------------|
| CPT Code | Description | Charge |
| 43235 | EGD without biopsy | \$787.50 |
| 43239 | EGD with biopsy | \$945.00 |
| 43247 | EGD with foreign body removal | \$1210.00 |
| 43249 | EGD with dilation | \$1210.00 |
| 43250 | EGD with polypectomy | \$945.00 |
| 43252 | EGD with lesion removal | \$945.00 |
| 43255 | EGD with control of bleeding | \$1260.00 |
| 91035 | Bravo 48 hr pH | \$1575.00 |
| 43244 | Banding Esophageal varices | \$1025.00 |
| 45378 | Colonoscopy without biopsy | \$1105.00 |
| 45380 | Colonoscopy with biopsy | \$1105.00 |
| 45382 | Control of bleeding endo clips | \$1365.00 |
| 45381 | Colonoscopy with injection (saline, tattoo) | \$1210.00 |
| 45383 | Colonoscopy with lesion removal (ablation) | \$1210.00 |
| 45384 | Colonoscopy with polypectomy hot biopsy forceps | \$1210.00 |
| 45385 | Colonoscopy with polypectomy snare | \$1210.00 |
| 45330 | Flexible Sigmoidoscopy | \$370.00 |
| 45331 | Flexible Sigmoidoscopy with biopsy | \$475.00 |
| 45333 | Flexible Sigmoidoscopy with polypectomy | \$525.00 |
| 45335 | Flexible Sigmoidoscopy with tattoo | \$685.00 |
| 45338 | Flexible Sigmoidoscopy with snare | \$630.00 |
| 43260 | ERCP Diagnostic | \$1470.00 |
| 43261 | ERCP with biopsy | \$1575.00 |
| 43262 | ERCP with sphincterotomy/papillotomy | \$1785.00 |
| 43271 | ERCP with balloon dilation | \$2625.00 |
| 43273 | ERCP with spyglass | \$2625.00 |
| 43274 | ERCP with stent placement | \$1890.00 |
| 43275 | ERCP with stent removal | \$1890.00 |
| 43276 | ERCP with stent removal/exchange | \$1890.00 |
| 43277 | ERCP with balloon | \$1890.00 |
| 43278 | ERCP with ablation | \$1890.00 |
| 91035 | Bravo pH capsule | \$1575.00 |

¹ Southern Illinois Gastrointestinal Endoscopy Center anticipates adding additional procedure codes in the future that will cover various specialties.

- b. A letter from Southern Illinois Gastrointestinal Endoscopy Center committing to maintain the above charges for the first two years of operation is attached at Attachment – 27D.

December __15, 2015

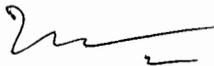
Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Charge Commitment

Dear Chair Olson:

Pursuant to 77 Ill. Admin. Code § 1110.1540(j), I hereby commit the charge schedule submitted as part of the Southern Illinois Gastrointestinal Endoscopy Center, LLC certificate of need application will not be increased, at a minimum, for the first two years of operation unless a permit is first obtained pursuant to 77 Ill. Admin. Code § 1130.310(a).

Sincerely,



Zahoor A. Makhdoom, M.D.
Manager
Southern Illinois Gastrointestinal Endoscopy Center, LLC

Section VIII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.1540(k), Assurances

Attached at Attachment – 27E is a letter from Southern Illinois Gastrointestinal Endoscopy Center certifying that the proposed facility will achieve target utilization by the end of the second year of operation.

December 15, 2015

Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Non-Hospital Based Ambulatory Surgical Treatment Center Assurances

Dear Chair Olson:

Pursuant to 77 Ill. Admin. Code § 1110.1540(k), I hereby certify the following:

- A peer review program will be implemented at Southern Illinois Gastrointestinal Endoscopy Center that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the surgical services, and if outcomes do not meet or exceed those standards, a quality improvement plan will be initiated; and
- By the second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms at Southern Illinois Gastrointestinal Endoscopy Center will meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100.

Sincerely,



Zahoor A. Makhdoom, M.D.
Manager
Southern Illinois Gastrointestinal Endoscopy Center, LLC

Subscribed and sworn to me
This 15th day of December, 2015



Notary Public

Section VIII

Criterion 1120.120, Availability of Funds

1. Attached at Attachment – 36A is a pre-qualification letter from Regions Bank for a working capital line of credit to finance the establishment of the Endoscopy Center.
2. Attached at Attachment – 36B is the letter of intent for the lease between Southern Illinois G.I. Specialists, L.L.C. and Southern Illinois Gastrointestinal Endoscopy Center, LLC.



November 24th, 2015

Southern Illinois Gastrointestinal Endoscopy Center, LLC
1100 West Diann Ln
Carbondale, IL 62901
Attn: Dr Zahoor Makhdoom

Pre-Qualification Letter

Dear Dr Makhdoom:

This letter evidences the pre-qualification of Regions Bank (“**Bank**”) to extend financing to Southern Illinois Gastrointestinal Endoscopy Center LLC (“**Borrower**”, with Southern IL GI Specialists as co-borrower) and Borrower’s commitment to accept such financing, subject to the terms and conditions of this letter. This letter does not set forth all the terms and conditions of the credit facility offered herein. Rather, it is only an outline, in summary format, of the major points of understanding, which will be the basis of the final facility documents (collectively referred to as the “**Loan Documents**”).

The Loan Documents will have many terms and conditions not set forth herein, including, but not limited to, conditions precedent, representations and warranties, affirmative covenants, negative covenants, events of default, definition of terms, and other provisions customary to financing (1) by the Bank generally and (2) of the type contemplated by this letter.

I. FACILITY (whether one or more facilities is described below):

1. Facility 1

- A. Amount:** \$1,500,000.00
- B. Type:** Working Capital Line of Credit
- C. Term:** Annual(12 month)
- D. Purpose:** working capital
- E. Collateral:** All business assets including Accounts Receivable and Inventory

II. **ADDITIONAL CONDITIONS:**

A. **Guarantor(s):**

- Dr Zahoor Makhdoom
- Sumera Makhdoom
- Southern IL GI Specialists

B. **Collateral:** Bank must receive a first priority lien on the Collateral identified in Section I. above.

C. **Documentation:** This pre-qualification letter is only a limited summary of certain points of the transaction. The Loan Documents will contain other of Bank's customary provisions, including, but not limited to, representations and warranties, affirmative covenants, negative covenants, cross-collateralization and cross-default, all of which must be satisfactory to Bank in all respects. Certain due diligence items will also be required by Bank. The obligations of Borrower and Guarantor hereunder may be evidenced by one or more promissory note, loan agreement, guaranty agreement, mortgage, deed of trust, security deed, deed to secure debt, security agreement, assignment of rents, leases and income, and UCC financing statement, as applicable, and such other documents and assurances as Bank may request in order to make the facility in form and content satisfactory to Bank and its counsel.

- D. Insurance:** Evidence of insurance will be required on any and all Collateral in such amounts, with such companies and against such risks (including, without limitation, general liability and business interruption) as may be satisfactory to Bank. All such policies shall name Bank as an insured mortgagee or an additional loss payee, as appropriate and as acceptable to Bank, and shall contain an agreement by the insurer that the policy shall not be canceled without at least thirty (30) calendar days prior written notice to Bank.
- E. Non-Exclusive List of Conditions Precedent to Funding:** The credit facility is subject to Bank's receipt of and satisfaction, in its sole discretion, with, at a minimum, the following which shall be provided at Borrower's sole cost and expense:
1. All conditions precedent that will be listed in the Loan Documents.
 2. No material adverse change (as discussed below) in the condition or operations, financial or otherwise, of Borrower or Guarantor will have occurred.
 3. No misrepresentation or material omission shall have been made by Borrower to Bank with respect to its business operations, financial condition, or character, or with respect to the credit facility as contemplated by this letter.
 4. The Loan Documents are satisfactory in form and substance to Bank and have been agreed to and executed by Borrower and required third parties.
 5. Borrower has provided Bank with acceptable opinions of its counsel as shall have been required by Bank.
 6. All mortgages, deeds of trust, security deeds, deeds to secure debt, security agreements, assignments of rents, leases and income, UCC-1 forms and other documents will have been filed so that Bank holds the required lien priority in the Collateral.
 7. The organizational documents (including authorizing resolutions) and ownership structure of Borrower and any constituent entities which are members of Borrower have been submitted to and approved by Bank.
 8. Borrower, its constituent entities, and any Guarantor have provided to Bank prior to closing their tax identification numbers or social security numbers, as applicable, and satisfactory proof, if applicable, that it (1) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (2) has the power and authority to own its properties and to carry on its business as now being conducted; and (3) is duly qualified or registered to do business in every jurisdiction where the character of its properties or the nature of its activities makes such qualification or registration necessary.

F. Non-Exclusive List of Terms and Conditions To Be Included in Loan Documents: The following terms and conditions, among others, will be included in the Loan Documents, unless otherwise approved in advance by Bank in writing:

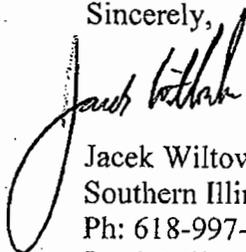
1. Borrower will not be permitted to merge into, consolidate with, or acquire the capital stock of any entity without prior consent of Bank.
2. Borrower will not be permitted to make any material changes in its business. Any material changes in the management, ownership or control of Borrower shall require notice to, and the prior consent of, Bank.
3. A default under any credit facility described above will constitute a default under any other indebtedness of Borrower to Bank, and a default under any other indebtedness of Borrower to Bank will constitute a default under any credit facility described above.
4. The Collateral identified above will also secure all other indebtedness of Borrower to Bank.
5. Borrower will maintain its primary deposit and operating accounts with Bank.
6. Lender currently provides the following products and services: Online Banking and Information Reporting; Payables Services, including Wire Transfers, ACH transfers and Payment Fraud Deterrence; Receivables Services, including Remote Deposit Capture, Lockbox and Concentration Services; Trade Services, including Letters of Credit, Trade/Document Collections, EXIM Bank Financing, Post-Export Financing, and Foreign Exchange Services. To the extent Borrower has need of or desires such services and to the extent such services continue to be offered by Lender from time to time, Borrower agrees to obtain such services from Lender.
7. Borrower will provide Annual Financial Statements, as soon as available, but no later than 60 days after the end of each fiscal year, Borrower shall deliver to Bank Borrower's financial statements for the year ended, reviewed.
8. Borrower will provide Interim Statements, as soon as available, but in no event later than 60 days after the end of each quarter, Borrower shall deliver to Bank Borrower's financial statements for the period ended, compiled.
9. Borrower will provide Tax Returns, as soon as available, but in no event later than 60 days after the applicable filing date for the tax reporting period ended, Borrower shall deliver to Bank copies of its filed Federal and other governmental tax returns.

10. Guarantor will provide Tax Returns, as soon as available, but in no event later than 60 days after the applicable filing date for the tax reporting period ended, Guarantor shall deliver to Bank copies of its filed Federal and other governmental tax returns.

G. Costs, Expenses, Survival of Obligations:

1. All costs and expenses whatsoever in connection with, arising out of or relating to the credit facility, including, without limitation, attorneys' fees, appraisal fees, inspection fees, survey fees, title search or insurance fees, license and permit fees, corporate search fees, lien search fees, filing and recording fees and taxes, duplicating costs, and the like (collectively, the "**Expenses**") shall be payable by the Borrower on demand, whether the transaction contemplated herein closes or not, and, when paid, shall be non-refundable in whole or in part.
2. The obligations described in this section are independent of all other obligations of the Borrower hereunder and shall survive the expiration or termination of this commitment and shall be payable whether or not the financing transactions contemplated by this letter shall close.

Sincerely,



Jacek Wiltowski
Southern Illinois Business Banker
Ph: 618-997-4323 ext 213
Jacek.Wiltowski@Regions.Com
1706 W DeYoung
Marion, IL 62966



SOUTHERN ILLINOIS GI SPECIALISTS, LLC
Zahoor A. Makhdoom, MD, MRCP, FACG, FASGE, AGAF
1100 West Diann Lane, Carbondale, Illinois 62901
(618)549-8006 SIGIS-carbondale.com Fax # (618) 549-8434
ICACTL (CT Unit) Accredited 2011, 2014
ASGE Approved Unit for Quality and Excellence

The Joint Commission
Accreditation
Accredited 2011, 2014
Office Based Surgery

NON-BINDING REAL ESTATE LEASE LETTER OF INTENT

November 24, 2015

Zahoor Makhdoom, M.D.
Manager
SOUTHERN ILLINOIS GASTROINTESTINAL ENDOSCOPY CENTER
1100 West Diann Lane
Carbondale, Illinois 62901

**Re: Letter of Intent – SOUTHERN ILLINOIS GASTROINTESTINAL
ENDOSCOPY CENTER Lease**

Dear Dr. Makhdoom:

This Non-Binding Letter of Intent sets forth the material terms and conditions pursuant to which Southern Illinois G.I. Specialists, L.L.C. (“Lessor”) is prepared to lease space in the medical office building located at 1100 West Diann Lane, Carbondale, Illinois 62901 (“Subject Property”) to SOUTHERN ILLINOIS GASTROINTESTINAL ENDOSCOPY CENTER, L.L.C. (“Lessee”). This letter shall serve as a Non-Binding Letter of Intent to lease the Subject Property.

Proposed Terms and Conditions

Space: 1085 gross square feet of clinical space and 2137 gross square feet of non-clinical support space to be located adjacent to the Southern Illinois G.I. Specialists, L.L.C. office.

Lease Term: Initial term will be ten (10) years effective upon the later of the completion of construction or lessee occupancy. Lessor will grant Lessee two (2) renewal options each for a period of five (5) years.

Lease Rate: The lease rate will be based upon the full amortization of the capitalized tenant improvements to build out the space with a reasonable rate of return. The anticipated tenant improvements are projected to be \$23.00/sq ft.

Lease Contingency: The lease shall be contingent upon Lessee’s receipt of a certificate of need permit for the establishment of an ambulatory surgical treatment center from the Illinois Health Facilities and Services Review Board.

If the above terms and conditions are acceptable, please indicate your acceptance by executing a copy of this letter and returning it to me.

Sincerely,

SOUTHERN ILLINOIS G.I. SPECIALISTS, LLC

By: 

Its: Authorized Agent

AGREED TO AND ACCEPTED THIS 17 DAY OF December, 2015:

**SOUTHERN ILLINOIS
GASTROINTESTINAL ENDOSCOPY
CENTER, L.L.C.**

By: 

Zahoor Makhdoom, M.D.

Manager

Section IX

Criterion 1120.130, Financial Viability

1. Pro forma financial statements for the first full fiscal year after the project achieves target utilization are attached at Attachment – 38.
2. Financial viability worksheets for the first full fiscal year after the project achieves target utilization are attached at Attachment – 38.

**Southern Illinois GI Southern Illinois Gastrointestinal Endoscopy Center, LLC
Proforma Profit Loss**

| | <u>Year 1</u> |
|--------------------------------|----------------------|
| Ordinary Income/Expense | |
| Income | |
| Patient Receipts | 10,109,748.87 |
| Patient Refunds | -16,003.28 |
| Total Income | <u>10,093,745.59</u> |
| Expense | |
| Advertisement | 29,201.62 |
| Amortization Expense | 5,749.87 |
| Bank Analysis Charge | 684.43 |
| Billing Service | 408,632.04 |
| Business Promotion | 32,783.63 |
| Cleaning | 3,266.56 |
| Computer Softwares | 19,950.65 |
| Computer Support | 6,703.30 |
| Copier Expense | 2,986.30 |
| Credit Card processing fee | 3,412.73 |
| Depreciation | 95,455.86 |
| Disposal Service | 1,721.38 |
| Dues & Journals | 3,493.00 |
| Education- Continuing Medical | 10,309.08 |
| Education - Patient | 300.00 |
| Fees- 401 K administration | 775.00 |
| Fees- Counseling | 6,000.00 |
| Fees- Insurance Administration | 11,433.24 |
| Fees- Pathology | 439,275.22 |
| Fees- Radiology | 55,380.00 |
| Fees-Accounting | 31,850.26 |
| Fees-Consulting | 10,000.00 |
| Fees-Contract Labor | 37,200.00 |
| Fees-Legal | 5,379.56 |
| Fees-License | 14,706.06 |
| Fees-Payroll | 1,487.90 |
| Gifts | 6,549.29 |
| Insurance-Employees' WC | 10,240.00 |
| Insurance-Malpractice | 12,057.25 |
| Insurance-Property | 6,866.80 |
| Internet Access & ADSL | 12,359.34 |
| Meals | 13,290.72 |
| Medical Supplies | 576,486.77 |
| Medical Waste Disposal | 3,023.24 |
| Miscellaneous | 50.00 |
| Office Expenses | 3,737.26 |
| Office Supplies | 39,009.18 |
| PA-Nursing - contractual | 1,872.50 |

Southern Illinois GI Southern Illinois Gastrointestinal Endoscopy Center, LLC
Proforma Profit Loss

| | Year 1 |
|------------------------------------|-------------------------|
| Patient Medicine - Capsule | 169,343.46 |
| Patient Medicine - Remicade | 313,997.01 |
| Postage | 3,017.84 |
| Real estate tax | 35,475.38 |
| Rent | 195,000.00 |
| Repairs & Maintenance | 32,301.81 |
| SEP IRA Contribution | 56,432.40 |
| Shredding Service | 540.00 |
| Software | 265.57 |
| Storage fees | 2,436.91 |
| Telephone, Pagers & Cells | 9,748.24 |
| Travel | 7,020.15 |
| Uniforms | 826.82 |
| Utilities | 17,120.24 |
| 5000 · Salaries-Staff | 1,253,593.46 |
| 5100 · Payroll Taxes | 98,328.98 |
| 5280 · Insurance-Employees' Health | 33,829.74 |
| 5300 · Auto Expense | 5,168.08 |
| 5400 · 401K Deferral/Owner | 23,000.00 |
| 5401 · 401K Match - Owner | 10,400.00 |
| 5402 · 401K/Pension/Profit Sharing | 24,100.00 |
| 6560 · Payroll Expenses | 0.00 |
| Total Expense | 4,215,626.13 |
| Net Ordinary Income | 5,878,119.46 |
| Other Income/Expense | |
| Other Income | |
| Interest income | 17,539.45 |
| Personal Use of Auto | 13,137.05 |
| Total Other Income | 30,676.50 |
| Other Expense | |
| Donations | 170,437.74 |
| Political contributions Non-Ded | 13,150.00 |
| Total Other Expense | 183,587.74 |
| Net Other Income | -152,911.24 |
| Net Income | 5,725,208.22 |

Southern Illinois Gastrointestinal Endoscopy Center, LLC
Proforma Balance Sheet

| | Year 1 |
|-----------------------------------|---------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1200 · checking - Regions | 2,850,072.43 |
| 1300 · So IL Merchant Acct | 196,248.56 |
| Total Checking/Savings | 3,046,320.99 |
| Other Current Assets | |
| Petty Cash | 200.00 |
| 1500 · Employee Advance | 4,050.00 |
| Total Other Current Assets | 4,250.00 |
| Total Current Assets | 3,050,570.99 |
| Fixed Assets | |
| A/D-Automobile | -20,301.73 |
| A/D-Equipment & Furniture | -911,054.23 |
| Auto (fixed asset account) | 133,558.00 |
| Equipment & Furniture | 925,133.03 |
| Total Fixed Assets | 127,335.07 |
| Other Assets | |
| Accum. Amort. - Contract Term. | -63,249.48 |
| Contract Termination | 86,248.00 |
| Total Other Assets | 22,998.52 |
| TOTAL ASSETS | 3,200,904.58 |

**Southern Illinois Gastrointestinal Endoscopy Center, LLC
Proforma Balance Sheet**

| | <u>Year 1</u> |
|--|----------------------------|
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| Due to American Express | 224,561.55 |
| 2200 · Federal WH & FICA WH | 9,907.39 |
| 2300 · Illinois WH | 2,300.81 |
| 2800 · 401K and Pension Plan Payable | <u>56,412.92</u> |
| Total Other Current Liabilities | <u>293,182.67</u> |
| Total Current Liabilities | <u>293,182.67</u> |
| Total Liabilities | 293,182.67 |
| Equity | |
| Drawing | |
| Bayshore | -28,950.62 |
| Fed & State estimated tax | -2,653,237.00 |
| Drawing - Other | <u>-2,181,276.13</u> |
| Total Drawing | <u>-4,863,463.75</u> |
| 3900 · Retained Earnings | 2,045,977.44 |
| Net Income | <u>5,725,208.22</u> |
| Total Equity | <u>2,907,721.91</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>3,200,904.58</u></u> |

Southern Illinois Gastrointestinal Endoscopy Center
Financial Viability Ratios

| | Standard | Projected |
|---|-----------------|------------------|
| Current Ratio | | |
| Current Assets | | \$3,050,571 |
| Current Liabilities | | \$293,183 |
| Current Ratio | 1.5 | 10.4 |
| Net Margin Percentage | | |
| Net Income | | \$ 5,725,208 |
| Net Operating Revenues | | \$ 10,093,746 |
| Net Margin Percentage | 2.5% | 56.7% |
| Long-Term Debt to Capitalization | | |
| Long-Term Debt | | - |
| Equity | \$ | - |
| Long-Term Debt to Capitalization | 50% | N/A |
| Projected Debt Service Coverage | | |
| Net Income | \$ | 5,725,208 |
| Depreciation/Amortization | | 101,206 |
| Interest Expense | | - |
| Interest Expense and Principal Payments | \$ | - |
| Projected Debt Service Coverage | 1.5 | N/A |
| Days Cash on Hand | | |
| Cash | \$ | 3,046,321 |
| Investments | | \$0 |
| Board Designated Funds | | \$0 |
| Operating Expense | \$ | 4,215,626 |
| Depreciation | | 95,456 |
| Days Cash on Hand | 45 days | 270 |
| Cushion Ratio | | |
| Cash | \$ | 3,046,321 |
| Investments | | \$0 |
| Board Designated Funds | | \$0 |
| Interest Expense and Principal Payments | \$ | - |
| Cushion Ratio | 3.0 | N/A |

Section X, Economic Feasibility

Criterion 1120.140(a), Reasonableness of Financing Arrangements

Attached at Attachment – 39A is a letter from the Applicant attesting that 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 1.5 times.

December 15, 2015

Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

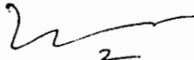
Re: Reasonableness of Financing Arrangements

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that 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 1.5 times.

I further certify pursuant to 77 Ill. Admin. Code § 1120.140(b) that the selected form of debt financing for the project will be at the lowest net cost available.

Sincerely,



Zahoor A. Makhdoom, M.D.
Manager
Southern Illinois Gastrointestinal Endoscopy Center, LLC
Southern Illinois GI Specialists, LLC

Subscribed and sworn to me
This 15th day of December, 2015



Notary Public

Section X, Economic Feasibility

Criterion 1120.140(a), Reasonableness of Financing Arrangements

Attached at Attachment – 39A is a letter from the Applicant attesting that the selected form of debt financing for the project will be at the lowest net cost available.

Section X Economic Feasibility

Criterion 1120.140(c), Reasonableness of Project and Related Costs

1. The Cost and Gross Square Feet by Department or Service table below sets forth the modernization cost and square footage allocated to each department of the proposed Endoscopy Center.

| 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) | |
| Clinical | | | | | | | | | |
| ASTC | \$138.25 | | | | 1,085 | | | \$150,000 | \$150,000 |
| Contingency – Clinical | \$13.82 | | | | 1,085 | | | \$15,000 | \$15,000 |
| Total Clinical | \$152.07 | | | | 1,085 | | | \$165,000 | \$165,000 |
| Non-Clinical | | | | | | | | | |
| Administration, Waiting Room, Reception, Medical Records | \$255.03 | | | | 2,137 | | | \$545,000 | \$545,000 |
| Contingency – Non-Clinical | \$23.40 | | | | 2,137 | | | \$50,000 | \$50,000 |
| Total Non- Clinical | \$278.43 | | | | 2,137 | | | \$595,000 | \$595,000 |
| TOTALS | \$235.88 | | | | 3,222 | | | \$760,000 | \$760,000 |

* Include the percentage (%) of space for circulation

2. As shown in Table 1120.310(c) below, the project costs are below the State Standard.

| Table 1120.310(c) | | | |
|--------------------------------------|---------------|--|-------------------------------|
| | Proposed ASTC | State Standard | Above/Below State Standard |
| Modernization & Contingency Costs | \$165,000 | \$264.87 x 1,085 GSF \$287,384 | Below State Standard |
| Contingencies | \$15,000 | 10% to 15% x Construction Costs = (10% x \$150,000) to (15% x \$150,000) = \$15,000 - \$22,500 | Meets State Standard |
| Consulting & Other Fees | \$0 | No State Standard | N/A |

| Table 1120.310(c) | | | |
|--|---------------|---|----------------------------|
| | Proposed ASTC | State Standard | Above/Below State Standard |
| Equipment | \$401,400 | \$461,631.36 per procedure room = \$461,631.36 x 2 procedure rooms = \$923,262.72 | Below State Standard |
| Fair Market Value of Leased Space or Equipment | \$167,448 | No State Standard | N/A |

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(d), Projected Operating Costs

Operating Expenses: \$2,601,169

Procedures: 3,077

Operating Expense per Procedure: \$845.36

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(e), Total Effect of Project on Capital Costs

Capital Costs: \$101,206

Procedures: 3,077

Capital Costs per Procedure: \$32.89

Section XI, Safety Net Impact Statement

1. The Endoscopy Center will improve access to safety net services to the residents of Carbondale and surrounding areas. The Endoscopy Center will enroll in the Medicare and Medicaid programs. Typical of its affiliated medical practice, the Endoscopy Center projects 7%-8% of its endoscopy patients will be Medicaid beneficiaries. To improve CRC screening rates, the Endoscopy Center will offer its Colonoscopy Assist Program to uninsured patients. Patients who qualify for this program will receive a colonoscopy for a flat fee, which will include the physician's fee; facility fee, including nursing costs; sedation/anesthesia; pathology (lab) fees; and polyp removal. Finally, the Endoscopy Center will coordinate with the Jackson County Health Department to provide colonoscopies to low income patients.
2. The establishment of the Endoscopy Center will not impact the ability of other providers or other health care facilities to cross-subsidize safety net services. By establishing an endoscopy center in the same building as Southern Illinois G.I. Specialists, the Applicant's medical practice, the Endoscopy Center will achieve operational efficiencies that cannot be created at other hospitals and ASTCs due to limited scheduling slots and anesthesia services. While Dr. Makhdoom intends to continue providing the same level of care at the existing hospitals where he performs procedures, he recognizes that he can alleviate some of the burdens of the hospital by offering care to uninsured and indigent patients. The plan moving forward to enroll in Medicaid is consistent with the number of Medicaid patients the existing practice already serves. Additionally, the Southern Illinois Gastrointestinal Endoscopy Center intends to enroll in the Medicaid program and to work with various providers to facilitate referrals of Medicaid patients to the Endoscopy Center, so they may also experience the advantages of having surgical procedures performed in a high quality ASTC setting.
3. The Applicant is proposing to establish an ASTC. Thus this criterion does not apply.

Section XII, Charity Care Information

The Applicant is not an existing facility, thus it cannot report charity care data and has no historical payor mix experience.

Appendix 1
Physician Referral Letters

Attached as Appendix 1 is the physician referral letter projecting 6,153 procedures will be performed at Southern Illinois Gastrointestinal Endoscopy Center by the second year after project completion.

December 17, 2015

Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Ms. Olson:

I am a physician specializing in gastroenterology. I am writing in support of the establishment of Southern Illinois Gastrointestinal Endoscopy Center. Over the past 24 months, I performed a total of 6,615 gastroenterology procedures. Outpatient gastroenterology procedures will constitute the majority of my work in the future.

During the past 24 months, I referred cases to the following hospitals and surgery centers. With the opening of the proposed Southern Illinois Gastrointestinal Endoscopy Center, I expect to refer my cases as noted below. A list of the zip codes for patients treated within the last 24 months is attached at Attachment – 1. Projected patient volume shall come from the proposed geographic service area of Southern Illinois Endoscopy Center.

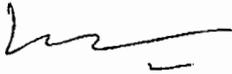
| Provider | Historical Referrals | Projected Referrals to Endoscopy Center |
|--|-----------------------------|--|
| Southern Illinois GI Specialists | 6,153 | 6,153 |
| St. Joseph Memorial Hospital – Murphysboro | 373 | 0 |
| Memorial Hospital of Carbondale | 67 | 0 |
| Union County Hospital – Anna | 22 | 0 |
| Total | 6,615 | 6,153 |

These referrals have not been used to support another pending or approved certificate of need application.

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

I support the proposed establishment of Southern Illinois Gastrointestinal Endoscopy Center.

Sincerely,



Zahoor Makhdoom, M.D.
Gastroenterologist

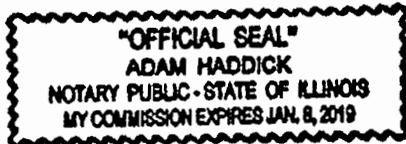
Southern Illinois G.I. Specialists, L.L.C.
1100 West Diann Lane
Carbondale, Illinois 62901

Subscribed and sworn to me
This 18 day of December, 2015



Notary Public

51714343.1



ATTACHMENT - 1

| Zip Code | Cases |
|-----------------|--------------|
| 15102 | 1 |
| 29407 | 1 |
| 29621 | 1 |
| 30020 | 1 |
| 32459 | 1 |
| 42025 | 1 |
| 42051 | 1 |
| 43718 | 1 |
| 47025 | 1 |
| 52601 | 1 |
| 54451 | 1 |
| 60004 | 1 |
| 60177 | 1 |
| 60506 | 1 |
| 60970 | 1 |
| 61101 | 2 |
| 61254 | 1 |
| 62056 | 1 |
| 62218 | 1 |
| 62223 | 1 |
| 62233 | 13 |
| 62238 | 9 |
| 62241 | 3 |
| 62263 | 3 |
| 62268 | 1 |
| 62272 | 19 |
| 62274 | 105 |
| 62276 | 1 |
| 62278 | 3 |
| 62280 | 4 |
| 62286 | 9 |
| 62288 | 22 |
| 62292 | 1 |
| 62454 | 1 |
| 62567 | 1 |
| 62801 | 2 |
| 62806 | 1 |
| 62812 | 93 |
| 62814 | 1 |

| Zip Code | Cases |
|----------|-------|
| 62817 | 3 |
| 62819 | 14 |
| 62821 | 7 |
| 62822 | 65 |
| 62825 | 10 |
| 62831 | 4 |
| 62832 | 393 |
| 62836 | 6 |
| 62841 | 9 |
| 62846 | 5 |
| 62848 | 2 |
| 62851 | 3 |
| 62853 | 1 |
| 62856 | 2 |
| 62859 | 13 |
| 62860 | 5 |
| 62863 | 1 |
| 62864 | 16 |
| 62865 | 74 |
| 62866 | 3 |
| 62867 | 1 |
| 62869 | 4 |
| 62874 | 10 |
| 62881 | 1 |
| 62883 | 4 |
| 62884 | 60 |
| 62888 | 51 |
| 62890 | 44 |
| 62891 | 15 |
| 62892 | 1 |
| 62896 | 273 |
| 62897 | 4 |
| 62901 | 953 |
| 62902 | 148 |
| 62903 | 87 |
| 62904 | 1 |
| 62905 | 34 |
| 62906 | 154 |
| 62907 | 53 |
| 62910 | 1 |

| Zip Code | Cases |
|----------|-------|
| 62912 | 35 |
| 62914 | 7 |
| 62915 | 30 |
| 62916 | 19 |
| 62917 | 29 |
| 62918 | 275 |
| 62920 | 89 |
| 62921 | 8 |
| 62922 | 47 |
| 62923 | 9 |
| 62924 | 137 |
| 62926 | 37 |
| 62927 | 13 |
| 62930 | 7 |
| 62931 | 2 |
| 62932 | 26 |
| 62933 | 33 |
| 62934 | 5 |
| 62939 | 28 |
| 62940 | 12 |
| 62942 | 13 |
| 62946 | 58 |
| 62947 | 3 |
| 62948 | 703 |
| 62949 | 15 |
| 62951 | 39 |
| 62952 | 73 |
| 62958 | 41 |
| 62959 | 615 |
| 62960 | 3 |
| 62963 | 4 |
| 62964 | 4 |
| 62966 | 1048 |
| 62967 | 2 |
| 62969 | 1 |
| 62970 | 9 |
| 62971 | 1 |
| 62972 | 19 |
| 62974 | 18 |
| 62975 | 18 |

| Zip Code | Cases |
|--------------|--------------|
| 62976 | 5 |
| 62976 | 2 |
| 62977 | 2 |
| 62981 | 1 |
| 62982 | 4 |
| 62983 | 49 |
| 62984 | 3 |
| 62985 | 3 |
| 62986 | 5 |
| 62987 | 11 |
| 62988 | 11 |
| 62992 | 11 |
| 62994 | 21 |
| 62995 | 17 |
| 62996 | 2 |
| 62997 | 6 |
| 62998 | 6 |
| 62999 | 58 |
| 63011 | 2 |
| 63119 | 1 |
| 63141 | 1 |
| 63301 | 1 |
| 63627 | 1 |
| 63701 | 1 |
| 63841 | 1 |
| 66224 | 1 |
| 67966 | 1 |
| 70065 | 1 |
| 78840 | 1 |
| 85233 | 1 |
| 94595 | 1 |
| 96555 | 1 |
| Total | 6,615 |

Appendix 2
Time and Distance

Attached as Appendix 2 are MapQuest printouts with the time and distance to each facility within 45 minutes normal travel time of Southern Illinois Gastrointestinal Endoscopy Center.



Trip to:
2601 W Main St
Carbondale, IL 62901-1000
0.34 miles /

Notes

Physicians Surgery Center, LLC



1100 W Diann Ln, Carbondale, IL 62901-5339

Download
Free App



1. Start out going **south** on **W Diann Ln** toward **E Striegel Rd.** [Map](#)

0.01 Mi
0.01 Mi Total



2. Turn **right** onto **E Striegel Rd.** [Map](#)

0.1 Mi
0.1 Mi Total



13

3. Take the **1st left** onto **W Main St / IL-13.** [Map](#)
W Main St is just past Cedar Ct
If you reach N Beadle Dr you've gone a little too far

0.2 Mi
0.3 Mi Total



4. **2601 W MAIN ST** is on the **right.** [Map](#)
If you reach W Murphysboro Rd you've gone about 0.3 miles too far



2601 W Main St, Carbondale, IL 62901-1000

Total Travel Estimate: 0.34 miles - about

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Notes



Trip to:

Memorial Hospital of Carbondale

Carbondale, IL 62901

2.83 miles / 5 minutes

- | | | |
|--|---|---------------------------------|
| | 1100 W Diann Ln, Carbondale, IL 62901-5339 | Download Free App |
| | 1. Start out going south on W Diann Ln toward E Striegel Rd. Map | 0.01 Mi 0.01 Mi Total |
| | 2. Turn right onto E Striegel Rd. Map | 0.1 Mi 0.1 Mi Total |
| | 3. Take the 1st left onto W Main St / IL-13 . Continue to follow IL-13 . Map <i>IL-13 is just past Cedar Ct</i> <i>If you reach N Beadle Dr you've gone a little too far</i> | 2.4 Mi 2.5 Mi Total |
| | 4. Turn left onto S Illinois Ave / US-51 N . Map <i>S Illinois Ave is just past S University Ave</i> <i>PK's is on the corner</i> <i>If you are on E Walnut St and reach S Washington St you've gone a little too far</i> | 0.1 Mi 2.6 Mi Total |
| | 5. Take the 2nd left onto W Main St / IL-13 . Map <i>W Main St is just past W Monroe St</i> <i>Thai Taste is on the right</i> <i>If you are on N Illinois Ave and reach W Jackson St you've gone a little too far</i> | 0.2 Mi 2.8 Mi Total |
| | 6. Welcome to CARBONDALE, IL 62901 . Map <i>Your destination is 0.1 miles past N University Ave</i> <i>If you reach N Poplar St you've gone a little too far</i> | |
| | Memorial Hospital of Carbondale Carbondale, IL 62901 | |

Total Travel Estimate: **2.83 miles - about 5 minutes**

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Notes

Trip to:

Saint Joseph Memorial Hospital

Murphysboro, IL 62966

6.00 miles / 8 minutes

- | | | Download
Free App |
|---|--|--|
|  | A 1100 W Diann Ln, Carbondale, IL 62901-5339 | 0.01 Mi <i>0.01 Mi Total</i> |
|  | 1. Start out going south on W Diann Ln toward E Striegel Rd. Map | 0.1 Mi <i>0.1 Mi Total</i> |
|  | 13 3. Take the 2nd right onto W Main St / IL-13. Continue to follow IL-13. Map <i>IL-13 is just past Cedar Ct</i> <i>If you are on W Striegel Rd and reach N Beadle Dr you've gone a little too far</i> | 4.8 Mi <i>4.9 Mi Total</i> |
|  | 127 4. Turn right onto N 2nd St / IL-127 / IL-13 / IL-149. Map <i>N 2nd St is 0.2 miles past Amusement Park Rd</i> <i>CIRCLE K is on the corner</i> | 0.9 Mi <i>5.8 Mi Total</i> |
|  | 149 5. Turn right onto Highway 149 / IL-149. Map <i>Highway 149 is 0.3 miles past S Hospital Dr</i> <i>If you reach E Industrial Park Rd you've gone about 0.7 miles too far</i> | 0.09 Mi <i>5.9 Mi Total</i> |
|  | 6. Take the 1st right onto Ruble Dr. Map <i>If you reach Ajamr Ct you've gone a little too far</i> | 0.1 Mi <i>6.0 Mi Total</i> |
|  | 7. Welcome to MURPHYSBORO, IL 62966 . Map <i>Your destination is at the end of Ruble Dr</i> | |
|  | B Saint Joseph Memorial Hospital Murphysboro, IL 62966 | |

Total Travel Estimate: **6.00 miles - about 8 minutes**

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Notes

Trip to:

Heartland Regional Medical Center
3333 W Deyoung St

Marion, IL 62959
 (618) 998-7000
 15.59 miles / 20 minutes

- | | | |
|---|--|---|
|  | <p>1100 W Diann Ln, Carbondale, IL 62901-5339</p> | <p>Download Free App</p> |
|  | <p>1. Start out going south on W Diann Ln toward E Striegel Rd. Map</p> | <p>0.01 Mi 0.01 Mi Total</p> |
|  | <p>2. Turn right onto E Striegel Rd. Map</p> | <p>0.1 Mi 0.1 Mi Total</p> |
|  | <p>3. Take the 1st left onto W Main St / IL-13. Continue to follow IL-13. Map <i>IL-13 is just past Cedar Ct</i> <i>If you reach N Beadle Dr you've gone a little too far</i></p> | <p>3.2 Mi 3.3 Mi Total</p> |
|  | <p>4. Stay straight to go onto E Main St. Map</p> | <p>3.2 Mi 6.6 Mi Total</p> |
|  | <p>5. E Main St becomes IL-13. Map</p> | <p>9.0 Mi 15.6 Mi Total</p> |
|  | <p>6. 3333 W DEYOUNG ST is on the right. Map <i>Your destination is just past Skyline Dr</i> <i>If you reach Marathon Dr you've gone about 0.2 miles too far</i></p> <p>Heartland Regional Medical Center 3333 W Deyoung St, Marion, IL 62959 (618) 998-7000</p> | |

Total Travel Estimate: **15.59 miles - about 20 minutes**

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Trip to:

3003 Civic Circle Blvd

Marion, IL 62959-5259

16.09 miles / 22 minutes

Notes

Marion Healthcare Surgery Center



1100 W Diann Ln, Carbondale, IL 62901-5339

Download
Free App



1. Start out going south on **W Diann Ln** toward **E Striegel Rd.** [Map](#)

0.01 Mi

0.01 Mi Total



2. Turn **right** onto **E Striegel Rd.** [Map](#)

0.1 Mi

0.1 Mi Total



3. Take the 1st **left** onto **W Main St / IL-13**. Continue to follow **IL-13**. [Map](#)

3.2 Mi

IL-13 is just past Cedar Ct

If you reach N Beadle Dr you've gone a little too far

3.3 Mi Total



4. Stay **straight** to go onto **E Main St.** [Map](#)

3.2 Mi

6.6 Mi Total



5. **E Main St** becomes **IL-13**. [Map](#)

9.0 Mi

15.6 Mi Total



6. Turn **left** onto **Skyline Dr.** [Map](#)

0.3 Mi

Skyline Dr is 0.5 miles past Old Bainbridge Trl

If you reach Marathon Dr you've gone about 0.3 miles too far

15.9 Mi Total



7. Turn **right** onto **Williamson County Pkwy.** [Map](#)

0.09 Mi

Williamson County Pkwy is 0.1 miles past Banterra Dr

16.0 Mi Total



8. Take the 1st **right** onto **Outer Dr.** [Map](#)

0.1 Mi

If you reach Apache Dr you've gone a little too far

16.1 Mi Total



9. Turn **right** onto **Civic Circle Blvd.** [Map](#)

0.01 Mi

16.1 Mi Total



10. **3003 CIVIC CIRCLE BLVD** is on the right. [Map](#)



3003 Civic Circle Blvd, Marion, IL 62959-5259

Total Travel Estimate: 16.09 miles - about 22 minutes

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Notes

Trip to:

Herrin Hospital
201 S 14th St

Herrin, IL 62948
 (618) 942-2171
 17.62 miles / 25 minutes



1100 W Diann Ln, Carbondale, IL 62901-5339

Download
Free App



1. Start out going south on **W Diann Ln** toward **E Striegel Rd.** [Map](#)

0.01 Mi
0.01 Mi Total



2. Turn right onto **E Striegel Rd.** [Map](#)

0.1 Mi
0.1 Mi Total



3. Take the 1st left onto **W Main St / IL-13**. Continue to follow **IL-13**. [Map](#)
IL-13 is just past Cedar Ct
If you reach N Beadle Dr you've gone a little too far

3.2 Mi
3.3 Mi Total



4. Stay straight to go onto **E Main St.** [Map](#)

3.2 Mi
6.6 Mi Total



5. **E Main St** becomes **IL-13**. [Map](#)

7.0 Mi
13.5 Mi Total



6. Turn left onto **S Park Ave / IL-148**. Continue to follow **IL-148**. [Map](#)
IL-148 is 0.7 miles past Briggs Rd
If you are on W DeYoung St and reach Terminal Dr you've gone about 0.6 miles too far

4.0 Mi
17.6 Mi Total



7. Turn right onto **E Walnut St.** [Map](#)
E Walnut St is just past E Harrison St
Sheffer Insurance is on the right
If you are on N Park Ave and reach E Cherry St you've gone a little too far

0.06 Mi
17.6 Mi Total



8. Turn right onto **S 14th St.** [Map](#)



9. **201 S 14TH ST** is on the right. [Map](#)
If you reach E Harrison St you've gone a little too far



Herrin Hospital
 Souheil Khoukaz MD
 201 S 14th St, Herrin, IL 62948
 (618) 942-2171

Total Travel Estimate: **17.62 miles - about 25 minutes**

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Appendix - 2



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Notes

Trip to:

Marshall Browning Hospital
900 N Washington St

Du Quoin, IL 62832
 (618) 542-2146
 22.18 miles / 32 minutes



1100 W Diann Ln, Carbondale, IL 62901-5339

Download
Free App



1. Start out going south on W Diann Ln toward E Striegel Rd. [Map](#)

0.01 Mi
0.01 Mi Total



2. Turn left onto E Striegel Rd. [Map](#)

0.3 Mi
0.3 Mi Total



3. Turn left onto New Era Rd. [Map](#)

1.2 Mi
1.5 Mi Total



4. Turn right onto Charles Rd. [Map](#)
If you reach Glenn Rd you've gone about 0.3 miles too far

1.6 Mi
3.0 Mi Total



5. Turn left onto N Illinois Ave / US-51 N. Continue to follow US-51 N. [Map](#)

18.2 Mi
21.2 Mi Total



6. Stay straight to go onto S Washington St / County Hwy-7. Continue to follow S Washington St. [Map](#)

1.0 Mi
22.2 Mi Total



7. 900 N WASHINGTON ST is on the left. [Map](#)
Your destination is just past E Grant Ave
If you reach the end of N Washington St you've gone a little too far



Marshall Browning Hospital
 Mark K Rotich MD
 900 N Washington St, Du Quoin, IL 62832
 (618) 542-2146

Total Travel Estimate: **22.18 miles - about 32 minutes**

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Notes



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Trip to:

Pinckneyville Community Hospital

101 N Walnut St

Pinckneyville, IL 62274

(618) 357-2187

28.48 miles / 33 minutes

- | | | Download
Free App |
|--|---|--|
| | A 1100 W Diann Ln, Carbondale, IL 62901-5339 | |
| | 1. Start out going south on W Diann Ln toward E Striegel Rd. Map | 0.01 Mi <i>0.01 Mi Total</i> |
| | 2. Turn right onto E Striegel Rd. Map | 0.1 Mi <i>0.1 Mi Total</i> |
| | 3. Take the 2nd right onto W Main St / IL-13 . Continue to follow IL-13 . Map <i>IL-13 is just past Cedar Ct</i> <i>If you are on W Striegel Rd and reach N Beadle Dr you've gone a little too far</i> | 4.8 Mi <i>4.9 Mi Total</i> |
| | 4. Turn right onto N 2nd St / IL-127 / IL-13 / IL-149 . Continue to follow IL-127 / IL-13 . Map <i>IL-127 is 0.2 miles past Amusement Park Rd</i> <i>CIRCLE K is on the corner</i> | 23.5 Mi <i>28.4 Mi Total</i> |
| | 5. Turn left onto W Water St / IL-127 / IL-13 / IL-154 . Continue to follow W Water St / IL-13 / IL-154 . Map <i>McDonald's is on the left</i> | 0.05 Mi <i>28.4 Mi Total</i> |
| | 6. Turn right onto N Walnut St . Map <i>N Walnut St is just past N Main St</i> <i>McDonald's is on the corner</i> <i>If you reach S Perry St you've gone a little too far</i> | 0.05 Mi <i>28.5 Mi Total</i> |
| | 7. 101 N WALNUT ST is on the left . Map <i>If you reach W Laurel St you've gone a little too far</i> | |
| | B Pinckneyville Community Hospital 101 N Walnut St, Pinckneyville, IL 62274 (618) 357-2187 | |

Total Travel Estimate: **28.48 miles - about 33 minutes**

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Notes



Trip to:

Franklin Hospital

Benton, IL 62812

36.75 miles / 45 minutes

- | | | Download
Free App |
|--|--|--|
| | 1100 W Diann Ln, Carbondale, IL 62901-5339 | 0.01 Mi <i>0.01 Mi Total</i> |
| | 1. Start out going south on W Diann Ln toward E Striegel Rd. Map | 0.1 Mi <i>0.1 Mi Total</i> |
| | 2. Turn right onto E Striegel Rd. Map | 3.2 Mi <i>3.3 Mi Total</i> |
| | 3. Take the 1st left onto W Main St / IL-13. Continue to follow IL-13. Map <i>IL-13 is just past Cedar Ct If you reach N Beadle Dr you've gone a little too far</i> | 3.2 Mi <i>6.6 Mi Total</i> |
| | 4. Stay straight to go onto E Main St. Map | 10.4 Mi <i>17.0 Mi Total</i> |
| | 5. E Main St becomes IL-13. Map | 17.7 Mi <i>34.7 Mi Total</i> |
| | 6. Merge onto I-57 N via the ramp on the left. Map | 0.3 Mi <i>35.1 Mi Total</i> |
| | 7. Take the IL-14 exit, EXIT 71 , toward Benton / Christopher. Map | 0.6 Mi <i>35.7 Mi Total</i> |
| | 8. Merge onto W Main St / IL-14 toward Benton. Map | 0.9 Mi <i>36.6 Mi Total</i> |
| | 9. Enter next roundabout and take the 3rd exit onto N Main St / IL-14 / IL-37. Map | 0.05 Mi <i>36.7 Mi Total</i> |
| | 10. Turn right onto Bailey Ln / IL-14. Map <i>If you reach W Parrish St you've gone a little too far</i> | 0.03 Mi <i>36.7 Mi Total</i> |
| | 11. Take the 1st left onto Mark Franklin St. Map <i>If you reach N Franklin Dr you've gone about 0.1 miles too far</i> | 0.05 Mi <i>36.8 Mi Total</i> |
| | 12. Take the 1st right onto E Parrish St. Map <i>If you reach E Park St you've gone a little too far</i> | 0.05 Mi <i>36.8 Mi Total</i> |
| | 13. Welcome to BENTON, IL 62812. Map <i>If you reach N Franklin Dr you've gone about 0.1 miles too far</i> | |
| | Franklin Hospital Benton, IL 62812 | |

Total Travel Estimate: **36.75 miles - about 45 minutes**

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