



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO: G-08	BOARD MEETING: March 29, 2016	PROJECT NO: 16-003	PROJECT COST: Original: \$2,829,568
FACILITY NAME: Northwest Endo Center		CITY: Arlington Heights	
TYPE OF PROJECT: Substantive			HSA: VII

PROJECT DESCRIPTION: The applicants (Northwest Endo Center, LLC, NWG Investments, LLC, NWG Partners, LLC, Northwest Community Healthcare, and Northwest Community Hospital) are proposing to establish a limited specialty ambulatory surgical treatment facility in leased space at a cost of \$2,829,568. The anticipated project completion date is February 28, 2017.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- **The applicants** (Northwest Endo Center, LLC, NWG Investments, LLC, NWG Partners, LLC, Northwest Community Healthcare, and Northwest Community Hospital) are proposing to establish a limited specialty ambulatory surgical treatment facility at a cost of \$2,829,568 located in the existing Northwest Gastroenterologists Endoscopy Center (physician practice), at 1415 South Arlington Heights Road, in Arlington Heights. The project proposes to construct a 1,663 GSF addition to the existing facility, and modernize 1,937 GSF of existing space.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because the project establishes a health care facility (ASTC) as defined by the Illinois Health Facilities Planning Act. (20 ILCS 3960/3)

PURPOSE OF THE PROJECT:

- The applicants stated the proposed project will improve healthcare services for the population residing in northern Cook/southern Lake counties in the following ways:
 - **Enhance access to colonoscopies:** The applicants note that regularly scheduled colonoscopies were responsible for reducing the occurrence of colorectal cancer by 30% between 2001 and 2010.
 - **Accommodate increasing utilization at the GI Lab at Northwest Community Hospital:** The applicants reported utilization in excess of 15,000 hours at the 9 procedure rooms (1,666 hrs per room), currently in operation at Northwest Community Hospital. This current volume, combined with an annual growth rate of 13.1% over the past 5 years, supports a need for 2 additional Endoscopy suites in the next 2-3 years.
 - **Lower Cost Endoscopy Services:** In comparison to the cost for services at the Northwest Community Hospital GI Lab, the proposed GI facility will respond to the demands for patients with high-cost deductibles, by providing lower cost settings to expand access for Medicaid patients and Illinois Exchange patients enabled through the Affordable Care Act.

PUBLIC HEARING/COMMENT:

- A public hearing was offered in regard to the proposed project, but none was requested. No letters of support or opposition were received by the State Board Staff.

NEED FOR PROJECT:

- To establish an ASTC an applicant must document that the proposed facility will improve access, will not result in unnecessary duplication of service, not cause a mal-distribution of service (surplus of facilities) or have a negative impact on other hospitals and ASTC facilities within the 45 minute geographic service area (“GSA”). There are a number of hospitals and ASTCs within this 45 minute GSA that provides gastroenterology services and there is unused capacity at these facilities. *See Tables at the end of this report.*
- There are 70 ambulatory surgical facilities within 45 minutes (adjusted) of the proposed facility. Of those 70 facilities 3 of the facilities did not report data in CY 2015. Of

remaining 67 ASTCs identified, 31 currently provide gastroenterology services. There are 50 hospitals within 45 minutes (adjusted) that provide gastroenterology service. Of the 50 hospitals identified in Table Eight, 45 provide endoscopic surgical services.

- Of the 67 ASTCs that provided data in 2015 (See Table Seven), 22 are operating in excess of the State Board standard of 1,500 hours per room. There are 50 hospitals (See Table Eight), within 45 minutes (adjusted) with 45 currently providing gastroenterology service. Given the number of facilities within the 45 minute (adjusted) GSA it would appear that an unnecessary duplication of service will result with the establishment of this facility. In addition a mal-distribution of service or a surplus of ASTC's in this GSA will result. (See Application for Permit pages 94-98)

CONCLUSIONS:

- The applicants addressed a total of 22 criteria and have not met the following:

State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criterion 77 IAC 1110.1540 (h) (1) (2) (3) – Unnecessary Duplication/Mal-distribution/ Impact on Other Facilities	There are underutilized facilities in the service area, suggesting unnecessary duplication/mal-distribution of service.
Criterion 77 IAC 1120.140 (c) – Reasonableness of Project and Related Costs	The applicants report modernization/contingencies costs that exceed the State Board Standard by \$24.96 per GSF.

STATE BOARD STAFF REPORT
Project #16-003
Northwest Endo Center

APPLICATION/SUMMARY/ CHRONOLOGY	
Applicants(s)	Northwest Endo Center, LLC NWG Investments, LLC NWG Partners, LLC Northwest Community Healthcare Northwest Community Hospital
Facility Name	Northwest Endo Center
Location	1415 S. Arlington Heights Road, Arlington Heights, Illinois
Permit Holder	Northwest Endo Center, LLC
Operating Entity/Licensee	Northwest Endo Center LLC
Owner of Site	NWG Partners, LLC
Application Received	January 7, 2016
Application Deemed Complete	January 14, 2016
Review Period Ends	May, 13, 2016
Financial Commitment Date	February 28, 2017
Anticipated Completion Date	February 28, 2017
Review Period Ends	May 13, 2016
Review Period Extended by the State Board Staff?	No
Can the applicants request a deferral?	Yes

I. Project Description

The applicants (Northwest Endo Center, LLC, NWG Investments, LLC, NWG Partners, LLC, Northwest Community Healthcare, and Northwest Community Hospital) are proposing to establish a limited specialty ambulatory surgical treatment facility in leased space at a cost of \$2,829,568. The anticipated project completion date is February 28, 2017.

II. Summary of Findings

- A. The State Board Staff finds the proposed project does **not** appear to be in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project does **not** appear to be in conformance with the provisions of Part 1120.

III. General Information

The applicants are Northwest Endo Center, LLC, NWG Investments, LLC, NWG Partners, LLC, Northwest Community Healthcare, and Northwest Community Hospital. The proposed ASTC will be located at 1415 South Arlington Heights Road, in Arlington Heights, Illinois in the HSA VII Health Service Area. HSA VII includes Suburban Cook and Dupage Counties. Northwest Community Healthcare will hold 51% ownership

interest in the proposed project, and NWG Investments will hold the remaining 49%. NWG Partners, LLC is owner of the building and property. The Operating Entity /licensee is Northwest Endo Center, LLC. Forty nine percent (49%) of the interest in Northwest Endo Center is held by NWG Investments, LLC. At the present time, Mitchell Bernsen, MD is the only member of NWG Investments. The following physicians will become members of NWG Investments in the next months: Dr Bruce Greenberg, Dr Mitchell Kaplan, Dr David Kim, Dr Joel Lattin, Dr David Sales, Dr Patricia Sun and Dr Loren White. Each will own more than a 5% interest in the licensee.

IV. Project Description

The applicants are proposing to establish a limited specialty ambulatory surgical treatment facility at a cost of \$2,829,568 located in a combination of newly constructed and modernized leased space in an existing physician practice in Arlington Heights. The proposed ASTC will be classified as limited-specialty, offering gastroenterology services exclusively. The limited specialty ASTC will house two (2) newly constructed GI procedure suites, 8 prep/recovery stations, and associated support space. The proposed project entails 1,663 GSF of newly constructed space, and 1,937 GSF of modernized space, resulting in a 3,600 GSF facility.

V. Project Costs

The applicants are funding this project with cash of \$1,959,368 and a line of credit totaling \$800,000 (construction line of credit) and the FMV of leased space of \$70,200. The anticipated start-up costs and estimated deficit is \$1,695,045.

TABLE ONE			
Project Costs and Sources of Funds			
Use of Funds	Reviewable	Non Reviewable	Total
Preplanning Costs	\$14,000	\$17,000	\$31,000
Site Survey/Soil Investigation	\$0	\$17,000	\$17,000
Site Preparation	\$21,000	\$277,204	\$298,204
Off Site Work	\$7,000	\$67,350	\$74,350
New Construction Contracts	\$370,202	\$254,820	\$625,022
Modernization Contracts	\$510,264	\$0	\$510,264
Contingencies	\$88,046	\$25,482	\$113,528
Architectural & Engineering Fees	\$116,400	\$33,600	\$150,000
Consulting & Other Fees	\$55,000	\$20,000	\$75,000
Movable or Other Equipment	\$665,000	\$125,000	\$790,000
Fair Market Value of Leased Space	\$70,200	\$0	\$70,200
Other Costs to be Capitalized (IT Integration)	\$35,000	\$40,000	\$75,000
Total Uses of Funds	\$1,952,112	\$877,456	\$2,829,568
Source of Funds	Reviewable	Non Reviewable	Total
Cash and Securities	\$1,330,202	\$629,166	\$1,959,368

TABLE ONE			
Project Costs and Sources of Funds			
FMV of Lease Space	\$70,200	\$0	\$70,200
Other Funds/Sources (Line of Credit)	\$551,710	\$248,290	\$800,000

VI. Section 1110.230 –Purpose of the Project, Safety Net Impact, Alternatives

The applicants are required to provide responses to these criteria; the State Board Staff reaches no conclusion regarding these criteria.

A) Criterion 1110.230 (a) - Purpose of the Project

The applicants stated that the establishment of two Endoscopic surgical suites in an existing ASTC will improve health care services for the residents of northern Cook and southern Lake counties in three ways:

- 1) Enhance Access to Colonoscopies:** Research has shown that colonoscopies and endoscopic procedures are responsible for a 30% reduction in the incidence of colorectal cancer nationally between 2001 and 2010.
- 2) Accommodate Increasing Utilization at the GI Lab at Northwest Community Hospital:** The applicants note that utilization of the GI lab at Northwest Community Hospital is at capacity, due to an average utilization growth of 13.1% over the last 5 years. The applicants also projected that utilization of the 9 procedure rooms will exceed 15,000 hours in CY 2015. The applicants project this growth in utilization to continue, justifying the need for two additional endoscopic procedure rooms in the next 2-3 years. The applicants determined the establishment of two additional endoscopy suites at an existing ASTC to be the most practical alternative.
- 3) Provide a Setting for Delivery of Lower Cost Endoscopy Services:** The applicants have determined that the provision of endoscopic services in an outpatient setting costs significantly less than identical services offered through Northwest Community Hospital. Lower cost for the delivery of services is critical to patients with high deductibles and Medicaid patients. Providing quality endoscopic care in a lower cost setting is a critical strategy to expand access for Medicaid patients and Illinois Exchange patients insured through the Affordable Care Act. *(See Application for Permit pages 59-63)*

B) Criterion 1110.234 (b) - Safety Net Impact

To the applicants knowledge the impact on safety net services will be positive in that this project will maintain them. The applicants supplied Safety Net Information for Northwest Community Hospital. The applicants attest the proposed project will not have negative impact on safety net services in the community. *(See Application for Permit pages 135-139 for complete discussion)*

TABLE TWO			
Northwest Community Hospital			
Safety Net Impact			
	2012	2013	2014

TABLE TWO			
Northwest Community Hospital			
Safety Net Impact			
	2012	2013	2014
Net Patient Revenue	\$423,717,615	\$412,703,149	\$422,423,790
Charity Care Number of Patients			
Inpatient	590	743	561
Outpatient	3,654	8,574	9,563
Total	4,244	9,317	10,124
Charity Care Cost in Dollars			
Inpatient	\$4,087,027	\$6,634,958	\$5,765,857
Outpatient	\$4,270,902	\$6,847,951	\$7,132,391
Total	\$8,357,929	\$13,482,909	\$12,898,248
% of Net Patient Revenue	1.97%	3.2%	3.05%
Medicaid Number of Patients			
Inpatient	2,287	1,950	2,149
Outpatient	23,339	22,658	27,045
Total	25,626	24,608	29,194
Medicaid Revenue			
Inpatient	\$15,395,725	\$12,660,607	\$22,264,956
Outpatient	\$10,282,089	\$9,840,592	\$14,298,369
Total	\$25,677,814	\$22,501,199	\$36,563,325
% of Net Patient Revenue	6.0%	5.4%	8.6%

C) Criterion 1110.234 (c) –Alternatives to Project

The applicants considered the following six alternatives:

- 1) **Expand the Existing GI Lab at Northwest Community Hospital:** The existing GI Lab at Northwest Community Hospital (NCH), contains 9 procedure rooms, and is located in the Busse Outpatient Center on the campus of NCH. The GI Lab is in its own building, surrounded by the Breast Center and the MRI Lab. The addition of two Endoscopy suites would call for new construction/addition to the existing building, as well as relocation of one of the earlier-mentioned services. The applicants estimate this option to cost over \$5,000,000, and take 3 years to complete. These identified costs do not account for the costs associated with any relocated services or modernization of any vacated space. The applicants rejected this alternative, due to cost, and time schedule.
- 2) **Convert Existing ORs in the Main Surgery Department at NCH, for Endoscopy:** The applicants note there are 14 ORs in the main hospital, and most are dedicated to inpatient surgical service. Over the past five years, the annual hours of utilization for

these 14 suites has averaged 22,755 hours per year, which by the State Board standard, justifies the need for 16 surgical suites. The conversion of surgical suites to GI labs would only exacerbate an existing issue with over-utilized surgery suites. Based on these findings, this option was rejected.

- 3) **Convert the Existing Endoscopy Center to an ASTC as a Project by NWG Investments Alone, Without the Participation of Northwest Community Hospital (NCH):** The applicants identified several benefits of a joint venture, as opposed to having NWG Investments establish an ASTC on their own. First, the applicants acknowledge the imminent need to introduce additional capacity to the GI Lab at Northwest Community Hospital (NCH), due to historic and present utilization that surpasses the State standard. While the additional suites will not be physically co-located, it is acknowledged that many of the projected procedures performed in the proposed GI Suites will be an extension of procedures conducted in the lab on the hospital campus. Second, NCH has the financial resources to cover a majority of the capital costs to be incurred with the proposed project. Third: The hospital's involvement will provide ample opportunity for gastroenterologists on hospital staff to perform services in the newly established GI Lab, whereas access to the original ASTC was limited to members of Northwest Gastroenterologists, or NWG Investments. Based on the three observations, the applicants rejected this alternative.
- 4) **Utilize Capacity at Other Area Hospitals and ASTCs:** The applicants note that NCH's 9-room GI Lab is the largest dedicated facility in northern Cook and southern Lake counties, and its operational efficiencies have served as a model of operations as US health care transitions to affordable care models. The applicants rejected this alternative, based on the projected inability to provide the same level of care in compliance with the level of efficiencies already achieved at NCH. The applicants predict that productivity would be greatly compromised due to physicians having to schedule procedures at multiple sites, in restricted time frames, requiring travel from site to site. The applicants also note the projected need for additional capacity is estimated at 3,000 hours, which none of the existing GI labs have the capacity to absorb.
- 5) **Construct a New Building to House the ASTC:** The applicants considered this option with the benefit of having a new facility with new building systems/components to meet patient needs, but the estimated cost (**\$3.6 to \$4.0 million**), proved infeasible in comparison to the estimated cost to remodel and expand. The applicants also cited the benefit of building ownership, as opposed to purchasing real estate to build on. Based on these considerations, this option was rejected.
- 6) **Project as Proposed:** The applicants identified several benefits with pursuing the option as proposed. The fact that this is an existing facility weighs beneficial over the requirements and expenses of a start-up operation. The fact that there are existing staff in place, existing physician/patient relationships, and provisions to accommodate future growth, made this option as being the most feasible. **Identified cost of this option: \$2,829,568.** (See Application for Permit pages 64-68)

VII. Section 1110.234 - Project Scope and Size, Utilization and Unfinished/Shell Space

- A) Criterion 1110.234 (a) - Size of Project**
The applicant shall document that the physical space proposed for the project is necessary and appropriate.

The applicants are proposing to modernize 1,937 GSF of clinical space, construct 985 GSF of clinical space, and construct 678 GSF of nonclinical space, resulting in a 3,600 GSF facility containing two procedure rooms, and eight recovery stations. The State Board Standard for procedure rooms is 1,660-2,200 DGSF per Treatment Room and the recovery stations is 180-400 GSF per station or a total of 7,600 GSF. The applicants have met this requirement. *(See Application for Permit pages 69-70)*

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION SIZE OF PROJECT (77 IAC 1110.234 (a))

- B) Criterion 1110.234 (b) - Project Services Utilization**
The applicant shall document that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment shall meet or exceed the utilization standards specified in Appendix B.

The applicants are projecting 2,935 hours of utilization by the second year after project completion. If the hours materialize the applicants can justify the two procedure rooms. *(See Application for Permit pages 71-72)*

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION PROJECTED SERVICES UTILIZATION (77 IAC 1110.234(b))

- C) Criterion 1110.234 (e) - Assurances**
The applicants must attest that they will reach target utilization within 24 months of operation and maintain that utilization.

Stephen O. Scogna, President/CEO of Northwest Community Healthcare attested that the proposed ASTC will meet the occupancy standards, and will not increase its capacity until it operates above the State Board standard for ASTCs for one year. *(See page 103 of the Application for Permit).*

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION ASSURANCES (77 IAC 1110.234(e))

VIII. Section 1110.1540 –Ambulatory Surgical Treatment Center

- A) Criterion 1110.1540 (b) - Background of the Applicant**
An applicant shall document the *qualifications, background, character and financial resources to adequately provide a proper service for the community and also demonstrate that the project promotes the orderly and economic development of*

health care facilities in the State of Illinois that avoids unnecessary duplication of facilities or service. [20 ILCS 3960/2]

The applicants provided notarized letters from Mitchell Bernsen, M.D. (application p. 77-79) that the partners/managing members have had no adverse actions taken at any other ambulatory surgical treatment centers or any other health care facilities or provider entities under their ownership. The applicant has attested that no adverse action has been taken against any managing members of this facility during the three years prior to filing this application for permit. In addition the applicants authorized the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health to access any and all information to verify information submitted in this application for permit. *(See Application for Permit pages 73-79)*

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH THE CRITERION BACKGROUND OF THE APPLICANT (77 IAC 1110.1540 (b))

B) Criterion 1110.1540 (c) (2) - Geographic Service Area Need

The applicant shall document that the ASTC services and the number of surgical/treatment rooms to be established, added or expanded are necessary to serve the planning area's population.

The applicants have defined their market area as 45 minutes in all directions and have provided zip code/population information for the market area. In addition the applicants have provided the patient origin zip codes for inpatients/GI Lab Cases discharged from Northwest Community Hospital. The total population of this 45 minute area is approximately 6,066,781. *(See Application for Permit pages 80-87)*

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH THE CRITERION GEOGRAPHIC SERVICE AREA NEED (77 IAC 1110.1540 (c) (2))

C) Criterion 1110.1540 (d) - Service Demand – Establishment of an ASTC Facility

The applicant shall document that the proposed project is necessary to accommodate the service demand experienced annually by the applicant, over the latest two-year period, as evidenced by historical and projected referrals.

The applicants acknowledge historical utilization data for Northwest Community Hospital's 9-station GI lab as having provided 13,802 hours of service for the first 11 months of 2015, which exceeds the State Board standard (1,500 hours per OR) for ASTCs/GI labs. The applicants have stated that there has been a 65% growth in utilization over the past five years, and predict a conservative growth rate of 3% annually through 2018.

The applicants are estimating fifty two (52) minutes per procedure or a total of approximately 1,995 hours per year based upon the average number of procedures

expected to be referred to the proposed new facility. The physician referral letters provided two years (2013 -2014) of historical referrals to the Northwest Community Hospital GI Lab and the expected number to be referred to the new proposed ASTC. These referral letters were signed dated notarized and attested that the referrals have not been used to justify any other projects. The referral letters have met the requirements of the State Board. (See Application for Permit pages 142-172)

TABLE THREE				
Physician Historic and Projected Referrals				
Physician	Cases at Northwest Community Hospital GI Lab		Average # of Procedures	Referred to ASTC
	Yr 2013	Yr 2014		
Mitchell Bernsen, MD	274	232	253	253
Bruce Greenberg, MD	203	172	1871	187
Mitchell Kaplan, MD	110	96	103	103
David Kim, MD	182	238	210	210
Joel Lattin, MD	217	227	222	222
David Sales, MD	182	175	173	173
Patricia Sun, MD	126	153	140	140
Loren White, MD	132	180	156	156
subtotal			1,444	1,444
Aaron Benson, MD	1,553	1,351	484	
Michael Hersh, MD	1,191	1,044	1,118	373
subtotal			2,570	857
Total			4,014	2,301

Source: Application for Permit page 91

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH THE CRITERION SERVICE DEMAND (77 IAC 1110.1540 (d))

D) Criterion 1110.1540 (f) - Treatment Room Need Assessment

The applicant shall document that the proposed number of surgical/treatment rooms for each ASTC service is necessary to service the projected patient volume. The number of rooms shall be justified based upon an annual minimum utilization of 1,500 hours of use per room, as established in 77 Ill. Adm. Code 1100.

The applicants are proposing two procedure rooms for the proposed ASTC. The applicants estimate an average time of 52 minutes for endoscopy procedures, and anticipate longer procedure times, as more complex cases present themselves. Based upon the State Board standard of 1,500 hours per procedure room, and a projected volume of 16,435 service hours in 2018, the applicants can justify the two additional procedure rooms being added to the existing 9-station facility.

(2,301 referral x 52 minutes = 1,995 hours/1,500 hours per procedure room = 2 rooms)

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH THE CRITERION TREATMENT ROOM NEED ASSESSMENT (77 IAC 1110.1540 (f))

E) Criterion 1110.1540 (g) - Service Accessibility

The proposed ASTC services being established or added are necessary to improve access for residents of the GSA. The applicant shall document that at least one of the following conditions exists in the GSA:

- 1) There are no other IDPH-licensed ASTCs within the identified GSA of the proposed project;
- 2) The other IDPH-licensed ASTC and hospital surgical/treatment rooms used for those ASTC services proposed by the project within the identified GSA are utilized at or above the utilization level specified in 77 Ill. Adm. Code 1100;
- 3) The ASTC services or specific types of procedures or operations that are components of an ASTC service are not currently available in the GSA or that existing underutilized services in the GSA have restrictive admission policies;
- 4) The proposed project is a cooperative venture sponsored by two or more persons, at least one of which operates an existing hospital. Documentation shall provide evidence that:
 - A) The existing hospital is currently providing outpatient services to the population of the subject GSA;
 - B) The existing hospital has sufficient historical workload to justify the number of surgical/treatment rooms at the existing hospital and at the proposed ASTC, based upon the treatment room utilization standard specified in 77 Ill. Adm. Code 1100;
 - C) The existing hospital agrees not to increase its surgical/treatment room capacity until the proposed project's surgical/treatment rooms are operating at or above the utilization rate specified in 77 Ill. Adm. Code 1100 for a period of at least 12 consecutive months; and
 - D) The proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.

The proposed project is a cooperative venture between Northwest Community Hospital (NCH), and physician-members at Northwest Gastroenterologists. NCH currently provides outpatient services (GI services), through its GI lab on the hospital campus. It is estimated that 78% of NCH's GI Lab patients reside in the 20 zip codes encompassing

the geographic service area, and the facility serves a total of 196 zip codes that comprise the 45-minute service area. Currently, the 9-room GI Lab is operating at full capacity. The applicants' note that steadily increased historical utilization rates (3%) will persist through CY 2018, resulting in a need for two additional stations. (*See Application for Permit page 93*)

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERION SERVICE ACCESSIBILITY (77 IAC 1110.1540 (g))

F) Criterion 1110.1540 (h) (1) (2) (3) - Unnecessary Duplication Mal-distribution Impact on Other Facilities

The applicant shall document that the project will not result in an unnecessary duplication. The applicant shall document that the project will not result in maldistribution of services. Maldistribution exists when the GSA has an excess supply of facilities and ASTC services. The applicant shall document that, within 24 months after project completion, the proposed project will not lower the utilization of other area providers below the utilization standards specified in 77 Ill. Adm. Code 1100 will not lower, to a further extent, the utilization of other GSA facilities that are currently (during the latest 12-month period) operating below the utilization standards.

There are 70 ambulatory surgical treatment centers within 45 minutes (adjusted) of the proposed facility. Of these seventy (70) ASTC facilities three (3) did not report data in 2015. Of these 67 facilities 31 currently provide gastroenterology services. Board Staff notes that 36 of the ASTCs that currently do not provide gastroenterology services can add this service at any time without State Board approval until January 1, 2018. Of the 67 ASTCs that provided data in 2015 (See Table Seven), 22 are operating in excess of the State Board standard of 1,500 hours per room. There are 50 hospitals (See Table Eight), within 45 minutes (adjusted) with 45 currently providing gastroenterology service. Given the number of facilities within the 45 minute (adjusted) GSA it would appear that an unnecessary duplication of service will result with the establishment of this facility. In addition a mal-distribution of service or a surplus of ASTC's in this GSA will result. (*See Application for Permit pages 94-98*)

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION UNNECESSARY DUPLICATION OF SERVICE/MALDISTRIBUTION (77 IAC 1110.1540 (h))

G) Criterion 1110.1540 (i) - Staffing

The proposed facility will employ many of the current employees at Northwest Gastroenterologists, and appropriate staffing levels will be available for the proposed facility, in accordance with SGNA and AAAHC guidelines. (*See Application for Permit page 99*)

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION STAFFING (77 IAC 1110.1540 (h))

I) Criterion 1110.1540 (i) - Charge Commitment

In order to meet the objectives of the Act, which are *to improve the financial ability of the public to obtain necessary health services; and to establish an orderly and comprehensive health care delivery system that will guarantee the availability of quality health care to the general public; and cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process* [20 ILCS 3960/2], the applicant shall submit the following:

- 1) a statement of all charges, except for any professional fee (physician charge); and
- 2) a commitment that these charges will not be increased, at a minimum, for the first two years of operation unless a permit is first obtained pursuant to 77 Ill. Adm. Code 1130.310(a).

Stephen O. Scogna, President and CEO of Northwest Endo Center certified that the charges listed in the Northwest Endo Center CON application (application, p. 101) will be in place for two (2) years subsequent to the ambulatory surgery center being certified for occupancy

TABLE FOUR			
Fees for Services at Northwest Endoscopy Center			
CPT	Description	Fee	Hospital Average Charge
43235	EGD DX	\$2,800.00	\$7,133.00
43236	EGD W/SUBMUC INJ	\$2,800.00	\$8,843.00
43239	EGD W/BIOPSY	\$2,800.00	\$8,341.00
43244	EGD W/VARICIES BANDING	\$2,800.00	\$6,783.00
43247	EGD W/REMOVAL OF FB	\$2,800.00	\$8,139.00
43249	EGD W/DILATION	\$2,800.00	\$7,020.00
43251	EGD W/ SNARE BX	\$2,800.00	\$7,511.00
43255	EGD W/ CONTROL OF BLEED	\$2,800.00	\$9,147.00
44388	COLONOSCOPY THRU STOMA	\$2,800.00	\$5,168.00
44389	COLONOSCOPY THRU BIOPSY	\$2,800.00	\$5,448.00
45330	DIANOSTIC FLEX SIGMOIDOSCOPY	\$2,800.00	\$4,375.00
45331	SIGMOIDOSCOPY AND BIOPSY	\$2,800.00	\$4,167.00
45335	SIGMOIDOSCOPY W/SUBMIC INJ	\$2,800.00	\$2,377.00
45338	SIGMOIDOSCOPY W/REMOVAL OF TUMOR	\$2,800.00	\$7,392.00
45340	SIG/W/BALLOON DILATION	\$2,800.00	
45378	DIAGNOSTIC COLONOSCOPY	\$2,800.00	\$4,721.00
45379	COLONOSCOPY W/FB REMOVAL	\$2,800.00	\$5,101.00
45380	COLONOSCOPY AND BIOPSY	\$2,800.00	\$6,029.00
45381	COLONOSCOPY W/SUBMUC INJ	\$2,800.00	\$6,730.00
45382	COLONOSCOPY W/CONTROL BLEEDING	\$2,800.00	\$15,585.00

TABLE FOUR			
Fees for Services at Northwest Endoscopy Center			
CPT	Description	Fee	Hospital Average Charge
45383	COLONOSCOPY ABLATION	\$2,800.00	\$6,840.00
45384	COLONOSCOPY HOT BIOPSY	\$2,800.00	\$6,025.00
45385	LESION REMOVAL COLONOSCOPY	\$2,800.00	\$5,971.00
45386	COLONOSCOPY W/DILATION	\$2,800.00	\$5,983.00
45905	DILATION OF ANAL SPHINCTER	\$2,800.00	
45910	DILATION OF RECTAL NARROWING	\$2,800.00	
45915	REMOVAL OF RECTAL OBSTRUCTION	\$2,800.00	
46221	LIGATION OF HEMORRHOIDS	\$2,000.00	\$3,388.00
A4550	STERILE TRAY	\$800.00	
G0104	COLOREC CANCER SCREENING FLEX SIG	\$2,000.00	
G0105	COLOREC CANCER SCREENING HI RISK	\$2,000.00	\$4,283.00
G0121	COLOREC CANCER SCREENING NOT HI RISK	\$2,000.00	\$4,241.00

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION CHARGE COMMITMENT (77 IAC 1110.1540 (i))

K) Criterion 1110.1540(k) - Assurances

- 1) The applicant shall attest that a peer review program exists or will be implemented that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated.
- 2) The applicant shall document that, in the second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms will meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100. Documentation shall include, but not be limited to, historical utilization trends, population growth, expansion of professional staff or programs (demonstrated by signed contracts with additional physicians) and the provision of new procedures that would increase utilization.

The applicants attest to the provisions established in the above mentioned criterion on page 103 of the application, and a positive finding can be found for this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION ASSURANCES (77 IAC 1110.1540 (k))

FINANCIAL VIABILITY

IX. Section 1120.120 - Availability of Funds

The applicants are funding this project with cash of \$1,959,368 and the FMV of leased space \$70,200 and a credit line of \$800,000. The applicants state this is a joint venture between Northwest Community Healthcare (51% controlling interest), and NWG Investments (49% interest). It appears that sufficient cash will be available to fund this project. This conclusion is based upon the “A” or better bond rating of Northwest Community Healthcare.

The application contains copies of the following:

- 1) A2 Stable Bond Rating from Moody’s Investors Service (dated 12/15/14)
- 2) A+ Stable Bond Rating from Standard and Poor’s (dated 12/1/14)
- 3) Accountants Compilation Report for NWG Partners, LLC

TABLE FIVE				
Financial Information				
Northwest Community Healthcare and Affiliates				
	Fiscal Year Ended Sept 30 ⁽²⁾			
	<u>11 Month</u>	<u>2013</u>	<u>2012</u>	<u>Medians</u> <small>⁽¹⁾</small>
Net patient revenue	434,287	457,423	465,668	480,537
Total operating revenue	457,743	481,876	489,657	
Total operating expenses	451,334	479,092	481,423	
Operating income	6,409	27,874	8,234	
Operating margin	1.40%	0.58%	1.68%	4
Net non-operating income	35,969	29,627	8,638	
Excess income	42,378	32,411	16,872	
Excess margin	8.58%	6.34%	3.39%	6.60%
Operating EBIDA margin	10.17%	9.38%	11.35%	10.90%
EBIDA margin	16.72%	14.63%	12.89%	13.60%
1. Median for stand-alone hospitals				
2. Information from Standard & Poor's Rating Service				

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 IAC 1120.120)

X. Section 1120.130 - Financial Viability

The applicants are funding this project with cash of \$1,959,368 and the FMV of leased space \$70,200 and a credit line of \$800,000. Northwest Community Healthcare supplied two documents as proof of an “A” or better bond rating. The applicants also provided financial viability ratios for NWG Partners (historical and projected) and NWG Investments (projected). See Table Five. While two of the applicants do not meet the

financial viability ratios as documented below the fact that the Northwest Community Healthcare and Affiliates has an “A” or better bond rating leads the State Board Staff to believe the project is financially viable. This conclusion is based upon a review of the financial information provided by the applicants, and the fact that Northwest Community Healthcare and Affiliates is the majority owner of the proposed ASTC. *See pages 105-127 of the Application for Permit.*

TABLE SIX Financial Ratios				
		Projected		
NWG Partners	State Standard	2014	2015	2018
Current Ratio	1.5	2.08	2.77	6.21
Net Margin Percentage	3.5%	54.91%	58.54%	56.79%
Percent Debt to Total Capitalization	<80%	57.45%	54.23%	65.62%
Projected Debt Service Coverage	>1.5	1.93	2.82	3.26
Days Cash on Hand	>45 days	729	638	1,224
Cushion Ratio ⁽¹⁾	>3.0	1.14	1.46	3.09
		Projected		
NWG Investments	State Standard			2019
Current Ratio	1.5			2.07
Net Margin Percentage	2.5%			41.68%
Percent Debt to Total Capitalization	<80%			0.00%
Projected Debt Service Coverage	>1.5			No Debt
Days Cash on Hand	>45 days			366.01
Cushion Ratio	>3.0			No Debt
<i>Source: Application for Permit page 318-320</i>				
<i>1. Cushion ratio is low because cash is distributed to all members of the LLC at the end of the year</i>				

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 IAC 11120.130)

ECONOMIC FEASIBILITY

- A) Criterion 1120.140(a) – Reasonableness of Financing Arrangements**
- B) Criterion 1120.140 (b) - Conditions of Debt Financing**

The applicants are funding this project with cash of \$1,959,368 and the FMV of leased space \$70,200 and a credit line of \$800,000. The \$800,000 is a construction line of credit with Cornerstone National Bank and Trust Company. The State Board Staff believes the project is economically feasible because the majority owner Northwest Community HealthCare and Affiliates has an “A” or better bond rating and has the wherewithal to fund the project if necessary. *(See Application for Permit page 130)*

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION REASONABLENESS OF FINANCING ARRANGEMENTS AND CONDITIONS OF DEBT FINANCING (77 IAC 1120.140 (a)(b))

C) Criterion 1120.140 (c) - Reasonableness of Project and Related Costs
The applicant shall document that the estimated project costs are reasonable

Preplanning Costs are \$ 14,000 and are less than 1% of construction, modernization, contingencies, and equipment. This appears reasonable when compared to the State Board Standard of 1.8%.

Site Preparation Costs are \$21,000 and are 2.1% of construction, modernization and contingency. This appears reasonable when compared to the State Board Standard of 5%.

Off Site Work These costs total \$7,000. The State Board does not have a standard for these costs.

New Construction Costs and a Proportionate Share of Contingencies is \$407,181 and are \$244.84 per GSF. This appears reasonable when compared to the State Board Standard of \$379.69.

Modernization Costs and a Proportionate Share of Contingencies is \$561,331 and are \$289.79 per GSF. This appears **HIGH** when compared to the State Board Standard of \$264.87.

Contingencies Costs are \$88,046 and are 10% of construction and modernization. This appears reasonable when compared to the State Board Standard of 7-10% for projects with drawings classified as being in the preliminary stage.

Architectural and Engineering Fees are \$116,400 and are 12% of new construction, modernization, and contingency costs. This appears reasonable when compared to the State Board Standard of 8.12-13.92%.

Consulting and Other Fees are \$55,000. The State Board does not have a standard for these costs.

Movable or Other Equipment Costs are \$665,000 or \$332,500 per procedure room. This appears reasonable when compared to the State Board Standard of \$461,631.

Fair Market Value of Leased Space Costs are \$70,200. The State Board does not have a standard for this cost.

Other Costs to be Capitalized/IT Integration - These costs are intended for IT integration and total \$35,000. The State Board does not have a standard for these costs.

The applicants have exceeded the allowable thresholds for Modernization costs and Architectural/Engineering costs, and a negative finding results for this criterion.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT AND RELATED COSTS (77 IAC 1120.140 (c))

D) Criterion 1120.140 (d) - Projected Operating Costs

The projected operating cost per case is \$553.39 per patient day. This appears reasonable compared to previously approved projects.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION PROJECTED OPERATING COSTS (77 IAC 1120.140 (d))

E) Criterion 1120.140 (e) - Total Effect of the Project on Capital Costs

The projected effect of the project on capital costs is \$177.46 per patient day. This appears reasonable compared to previously approved projects.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS (77 IAC 1120.140 (e))

TABLE SEVEN
Ambulatory Surgical Treatment Centers within 45 minutes of proposed facility

Name	City	Type	Operating Rooms	Hours	Currently Provides Gastro Service (# of rooms)	Minutes	Rooms Justified
Illinois Upper Hand & Extremity Center	Arlington Heights	Single (Ortho)	1	954	No	2	Yes
Northwest Community Day Surgery Center	Arlington Heights	Multi	10	9,420	No	3	No
Northwest Surgicare	Arlington Heights	Multi	4	3,001	No	3	No
Regenerative Surgery Center	Des Plaines	Multi	3	1,132	No	13	No
Apollo Surgery Center	DesPlaines	Limited	2	63	No	13	No
Aiden Center for Day Surgery	Addison	Multi	4	958	No	15	No
Hoffman Estates Surgery Center	Hoffman Estates	Multi	3	3,322	Yes	15	No
Advantage Health Care Ltd.	Wood Dale	Limited	2	1,496	No	16	No
Golf Surgical Center, LLC	Des Plaines	Multi	5	4,962	Yes	16	No
Presence Lakeshore Gastroenterology ⁽¹⁾	Des Plaines		0		Yes	17	
Ashton Center for Day Surgery	Hoffman Estates	Multi	4	2,105	No	18	No
Albany Medical Surgical Center	Chicago	Single	2	2,840	No	22	Yes
Six Corners Same Day Surgery, LLC	Chicago	Multi	4	331	Yes	23	No
IL. Sports Medicine & Orthopedic Surgery Ctr.	Morton Grove	Multi	4	2,943	Yes	24	No
The Glen Endoscopy Center*	Glenview	Single	0	3,484	Yes	25	No
Belmont/Harlem Surgery Center	Chicago	Multi	4	1,796	No	25	No
Advanced Ambulatory Surgical Center	Chicago	Multi	3	1,079	No	28	No
Chicago Endoscopy Center	Chicago		1	339	Yes	28	Yes
DMG Surgical Center, LLC	Lombard	Multi	5	9,484	Yes	28	Yes
DuPage Eye Surgery Center, LLC	Wheaton	Single	3	2,272	No	28	No

TABLE SEVEN
Ambulatory Surgical Treatment Centers within 45 minutes of proposed facility

Name	City	Type	Operating Rooms	Hours	Currently Provides Gastro Service (# of rooms)	Minutes	Rooms Justified
Elgin Gastroenterology Endoscopy Ctr.*	Elgin	Single	0	5,116	Yes	28	Yes
Western Diversy Surgery Center	Chicago	Multi	2	1,715	No	28	Yes
Ravine Way Surgery Center	Glenview	Single	3	3,043	Yes	28	Yes
Midwest Center for Day Surgery	Downers Grove	Multi	5	3,215	No	29	No
Peterson Medical Surgi-Center	Chicago	Multi	2	60	Yes	29	No
Loyola Surgery Center	Oakbrook Terrace	Multi	3	2,897	No	29	No
Hinsdale Surgical Center, LLC	Hinsdale	Multi	4	4,761	Yes	29	No
Eye Surgery Center of Hinsdale, LLC	Hinsdale	Limited	2	2,500	Yes	29	Yes
Elmwood Park Same Day Surgery	Elmwood Park	Multi	3	328	No	29	No
Elmhurst Medical & Surgical Ctr.	Elmhurst	Single	1	128	No	29	Yes
Barrington Pain & Spine Institute	Barrington	Multi	2	1,845	Yes	29	No
Loyola University Ambulatory Surgery Ctr.	Maywood	Multi	8	10,738	No	30	Yes
Northshore Surgical Center	Lincolnwood	Multi	3	2,958	No	31	No
Novamed Surgery Ctr. of Chicago North Shore	Chicago	Limited	1	1,406	No	31	No
Novamed Surgery Ctr. of River Forest	River Forest	Limited	2	476	No	31	No
Oak Brook Surgical Ctr.	Oak Brook	Multi	5	2,930	No	31	No
United Shockwave Services	LaGrange	Single	1	2,748	No	31	Yes
Ambulatory Surgicenter of Downers Grove	Downers Grove	Single	3	1,157	No	31	No
Elmhurst Outpatient Surgery Center	Elmhurst	Multi	4	3,212	Yes	31	No
Fullerton Kimball Medical & Surgical Ctr.	Chicago	Multi	2	1,091	No	31	No

TABLE SEVEN
Ambulatory Surgical Treatment Centers within 45 minutes of proposed facility

Name	City	Type	Operating Rooms	Hours	Currently Provides Gastro Service (# of rooms)	Minutes	Rooms Justified
Fullerton Surgery Center	Chicago	Multi	3	2,735	No	32	No
Grand Avenue Surgical Center	Chicago	Multi	3	940	No	32	No
Hawthorn Place Outpatient Surgery Ctr.	Vernon Hills	Multi	4	5,556	No	32	Yes
Lisle Center for Pain Management ⁽²⁾	Lisle		1		No	32	
River North Same Day Surgery Ctr.	Chicago	Multi	4	3,573	No	32	No
Vernon Square Surgicenter	Vernon Hills	Multi	2	1,886	No	32	Yes
Rush Surgicenter at the Professional Bldg.	Chicago	Multi	4	5,054	No	35	Yes
The Center for Surgery	Naperville	Single	8	645	No	35	Yes
Surgery Ctr. at 900 N Michigan Avenue	Chicago	Multi	5	8,078	Yes	35	Yes
Chicago Prostate Cancer Surgery Center	Westmont	Single	2	713	No	35	No
25 East Same Day Surgery	Chicago	Multi	4	2,941	No	35	No
Cadence Ambulatory Surgery Center	Warrenville	Limited	4	4,810	No	36	Yes
Gold Coast Surgicenter	Chicago	Multi	3	3,978	Yes	36	No
Winchester Endoscopy Center ⁽³⁾	Libertyville		0		Yes	37	
Salt Creek Surgery Center*	Westmont	Multi	0	3,314	Yes	37	No
Algonquin Road Surgery Center	Lake in the Hills	Multi	3	3,221	Yes	37	No
Lakeshore Surgery center, LLC	Chicago	Multi	2	843	No	37	No
Rogers Park One Day Surgery Center	Chicago	Multi	2	540	No	38	No
Northshore Endoscopy Center*	Lake Bluff	Single	0	2,589	Yes	38	Yes
Naperville Fertility Center	Naperville	Single	1	645	No	39	Yes
South Loop Endoscopy & Wellness*	Chicago	Single	0	327	Yes	39	Yes
Forest Med-Surg Center	Justice	Multi	2	955	Yes	40	No
Northwestern Grayslake Ambulatory Surg Ctr.	Grayslake	Multi	4	1,185	No	41	No

TABLE SEVEN
Ambulatory Surgical Treatment Centers within 45 minutes of proposed facility

Name	City	Type	Operating Rooms	Hours	Currently Provides Gastro Service (# of rooms)	Minutes	Rooms Justified
Northwestern Grayslake Endoscopy Ctr*	Grayslake	Single	0	1,649	Yes	41	Yes
Novamed Ctr. for Reconstructive Surgery	Oak Lawn	Multi	4	1,688	No	41	No
Valley Ambulatory Surgery Center	St. Charles	Multi	7	5,143	Yes	43	No
Palos Hills Surgery Center	Palos Hills	Single	2	434	No	43	No
Oak Lawn Endoscopy Center*	Oak Lawn	Single	0	5,617	Yes	44	Yes
Naperville Surgical Centre	Naperville	Multi	4	1,880	Yes	44	No
Midwest Endoscopy Center*	Naperville	Single	0	5,067	Yes	44	Yes

1. Permit #15-005 Approved to establish a limited specialty ASTC in Des Plaines not operational in 2014
2. Permit #11-121 Approved to establish a pain management ASTC not operational in 2014
3. Permit # 14-025 Approved to establish a limited specialty ASTC not operational in 2014
**Provides Gastroenterology Services (Endoscopy) Exclusively*

TABLE EIGHT
Hospitals within 45 minutes of proposed facility

Name	City	Adjusted Time	Operating Rooms	Hours	Gastro Procedure Rooms	Hours
Northwest Community Hospital	Arlington Heights	3	14	21,879	9	12,821
Alexian Brothers Medical Center	Elk Grove Village	10	15	21,185	7	11,921
Presence Holy Family Medical Center	Des Plaines	13	5	2,406	2	566
St. Alexius Medical Center	Hoffman Estates	15	11	17,307	5	9,499
Presence Resurrection Medical Ctr.	Chicago	16	14	11,911	5	4,421
Advocate Lutheran General Hospital	Park Ridge	18	24	43,242	8	9,592
Northshore HealthSystem Glenbrook Hospital	Glenview	22	9	12,728	6	15,194
Adventist Glen Oaks Hospital	Glendale Heights	23	5	3,281	1	709
Community First Medical Ctr.	Chicago	24	9	3,849	2	2,560
Gottlieb Memorial Hospital	Melrose Park	26	9	9,399	2	2,904
Advocate Sherman Hospital	Elgin	27	16	17,193	0	0
Advocate Good Samaritan Hospital	Downers Grove	29	15	22,453	6	4,482
Northshore HealthSystem Skokie Hospital	Skokie	29	10	11,814	5	10,669
Shriners Hospital for Children	Chicago	29	4	3,116	0	0
Swedish Covenant Hospital	Chicago	29	10	16,726	3	3,492
VHS Westlake Hospital	Melrose Park	30	6	2,930	2	576
Loyola University Medical Center	Maywood	30	27	60,335	6	16,316
Elmhurst Memorial Hospital	Elmhurst	30	15	27,604	5	5,311
Adventist Hinsdale Hospital	Hinsdale	31	12	19,197	4	4,534
Northshore HealthSystem Evanston Hospital	Evanston	31	16	24,501	7	15,668
Presence St. Joseph Hospital	Elgin	31	10	6,258	0	0
Presence St. Elizabeth Hospital	Chicago	31	5	1,030	0	0
Rush Oak Park Hospital	Oak Park	31	9	7,543	3	1,712

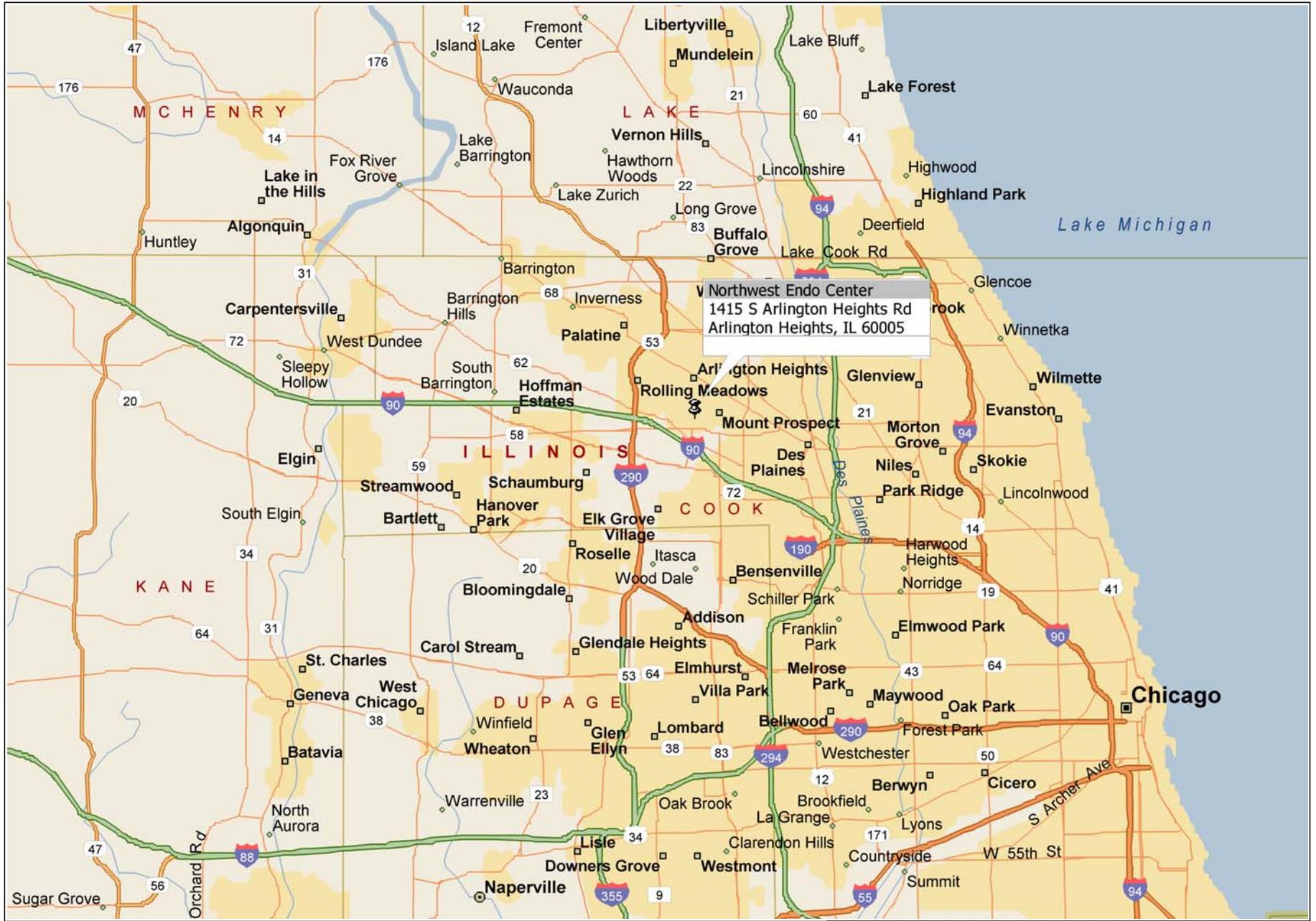
TABLE EIGHT
Hospitals within 45 minutes of proposed facility

Name	City	Adjusted Time	Operating Rooms	Hours	Gastro Procedure Rooms	Hours
Adventist LaGrange Memorial Hospital	LaGrange	32	11	12,977	3	3,638
Advocate Illinois Masonic Medical Center	Chicago	32	14	24,006	4	3,078
Presence St. Mary of Nazareth Hospital	Chicago	32	8	9,172	3	3,841
Advocate Good Shepherd Hospital	Barrington	33	11	19,706	5	5,769
Lurie Children's Hospital of Chicago	Chicago	33	18	21,700	2	1,072
Methodist Hospital of Chicago	Chicago	33	4	6,576	2	1,635
Norwegian American Hospital	Chicago	33	5	2,551	2	221
Presence St. Joseph Hospital	Chicago	33	12	6,258	0	0
Rush University Medical Center	Chicago	33	31	64,045	7	9,743
Stroger Hospital Cook County	Chicago	35	20	32,974	3	5,899
Loretto Hospital	Chicago	35	5	852	1	178
Weiss Memorial Hospital	Chicago	35	10	8,842	3	1,587
Northwestern Central DuPage Hospital	Winfield	35	26	40,453	5	8,301
VHS West Suburban Hospital	Oak Park	35	8	8,997	4	8,372
University of Illinois Hospital Chicago	Chicago	36	20	32,604	6	5,491
Thorek Memorial Hospital	Chicago	36	70	3,644	0	0
NorthShore HealthSystem Highland Park Hospital	Highland Park	36	11	13,335	6	12,817
Northwestern Lake Forest Hospital	Lake Forest	37	8	11,810	5	2,823
Presence St. Francis Hospital	Evanston	37	14	8,343	3	2,296
Advocate Condell Medical Center	Libertyville	38	12	20,894	4	5,115
MacNeal Hospital	Berwyn	39	18	18,180	6	3,586
Mercy Hospital & Medical Center	Chicago	39	6	10,960	4	5,135
Mt. Sinai Hospital Medical Center	Chicago	39	9	11,782	2	1,876
Northwestern Memorial Hospital	Chicago	39	62	103,193	14	23,121

TABLE EIGHT
Hospitals within 45 minutes of proposed facility

Name	City	Adjusted Time	Operating Rooms	Hours	Gastro Procedure Rooms	Hours
St. Anthony Hospital	Chicago	39	4	3,276	1	1,143
Edward Hospital	Naperville	43	18	33,216	6	8,543
Adventist Bolingbrook Hospital	Bolingbrook	44	6	7,113	2	1,814

16-003 Northwest Endo Center - Arlington Heights



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