



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-07	BOARD MEETING: September 13, 2016	PROJECT NO: 16-030	PROJECT COST: Original:\$137,720,150
FACILITY NAME: John H. Stroger Jr., Hospital of Cook County - Central Campus Health Center		CITY: Chicago	
TYPE OF PROJECT: Non-Substantive			HSA: VI

PROJECT DESCRIPTION: The applicants (Cook County, Cook County Health and Hospitals System, and John H. Stroger Jr., Hospital of Cook County) are proposing the construction of a medical office building in 280,000 GSF of space at a cost of \$137,720,150. The anticipated project completion date is October 31, 2018.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants (Cook County, Cook County Health and Hospitals System, and John H. Stroger Jr., Hospital of Cook County) are proposing the construction of a medical office building in 280,000 GSF of space at a cost of \$137,720,150. The anticipated project completion date is October 31, 2018.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The project is before the State Board because the project is by or on behalf of a health care facility and the cost of the project exceeds the capital expenditure threshold of \$12,950,881.

PURPOSE OF THE PROJECT:

- *The purpose of the project is to replace Fantus Health Center, a/k/a Fantus Clinic located at 621 W. Winchester in Chicago Illinois.*

PUBLIC HEARING/COMMENT:

- No public hearing was requested. No letters of opposition were received by the State Board Staff. Letters of support were received from:
 - Toni Preckwinkle, President Board of Commissioners of Cook County
 - Alderman Walter Burnett 27th Ward City of Chicago
 - Janine Hill, Executive Director EverThrive Illinois
 - Congressman Danny Davis
 - State Senator Patricia Van Pelt
 - Suzette McKinney, Illinois Medical Director
 - Larry Goodman, CEO, Rush University Medical Center

CONCLUSION:

- The applicants have addressed a total of fourteen (14) criteria and did not meet the following:

State Board Standards Not Met

Criteria	Reasons for Non-Compliance
<p>1120.140 (c) - Reasonableness of Project Costs</p>	<p>The applicants exceed the State Board Standards for</p> <ul style="list-style-type: none"> • Site Survey and Soil Investigation and Site Preparation • New Construction Costs • Modernization and Contingency Costs <p>The applicants provided the following explanation for the differences.</p> <p>“• <u>Site preparation costs</u> include the need to remove certain electric boxes on the site, as well as the need to remove and relocate oxygen tanks currently on the site that support Stroger Hospital; the need to draw a driveway and entrance/exit off Polk Street; and to construct sidewalks along the Polk Street side of the building which currently do not exist.</p> <p>• The <u>modernization</u> on 4th Floor Stroger is atypical due to the necessity of maintaining inpatient care services on that floor during the construction. As a result CCHHS needs to address privacy, noise and infection control concerns through development of temporary partitions etc., which would otherwise not be necessary.</p> <p>• The <u>construction costs</u> for the medical office building are-impacted by the need for connectivity to Stroger Hospital which entails construction of a tunnel at the basement (underground) level for movement of supplies, construction of a connector at ground level for patients and construction of a connector at the second floor level for patients and staff.”</p>

STATE BOARD STAFF REPORT
John H. Stroger Jr., Hospital of Cook County - Central Campus Health Center
PROJECT #16-030

APPLICATION SUMMARY/CHRONOLOGY	
Applicants	Cook County, Cook County Health and Hospitals System, and John H. Stroger Jr., Hospital of Cook County
Facility Name	John H. Stroger Jr., Hospital of Cook County - Central Campus Health Center
Location	1950 West Polk, Chicago Illinois
Application Received	June 29, 2016
Application Deemed Complete	June 30, 2016
Review Period Ends	August 29, 2016
Permit Holder	John H. Stroger Jr., Hospital
Operating Entity	John H. Stroger Jr., Hospital
Owner of the Site	Cook County
Project Financial Commitment Date	September 13, 2018
Gross Square Footage	280,000 GSF
Project Completion Date	October 31, 2018
Can Applicants Request a Deferral?	Yes
Has the Application been extended by the State Board?	No

I. The Proposed Project

The applicants (Cook County, Cook County Health and Hospitals System, and John H. Stroger Jr., Hospital of Cook County) are proposing the construction of a medical office building in 280,000 GSF of space at a cost of \$137,720,150. The anticipated project completion date is October 31, 2018.

II. Summary of Findings

- A. The State Board Staff finds the proposed project is in conformance with the provisions of Part 1110.
- B. The State Board Staff finds the proposed project is **NOT** conformance with the provisions of Part 1120.

III. General Information

The applicants are Cook County, Cook County Health and Hospitals System, and John H. Stroger Jr., Hospital of Cook County. Cook County Health and Hospitals System includes John H. Stroger Jr., Hospital of Cook County, Oak Forest Health Center, County Care, Provident Hospital, Cook County Department of Public Health, Bureau of Health Services, Ambulatory and Community Health Network, Ruth Rothstein Core Center, and Cermak Health Services of Cook County.

Cook County Health and Hospitals System provides specialty to primary care to emergency, acute, outpatient and preventive care. Cook County Health and Hospitals System is the largest provider of medical care to the uninsured, underinsured and Medicaid population in the State of Illinois. [Source November 30, 2015 Cook County Health and Hospitals Systems Audited Financial Statements page 3].

The project is a non-substantive project subject to 1110 and 1120 review. No Safety Net Impact Statement is required because the project is not a substantive project. Financial commitment will occur after permit approval.

Charity Care for Cook County Health and Hospitals System for the past three (3) years was as follows:

TABLE ONE			
Cook County Health and Hospitals System			
Charity Care			
	FY 2015	FY 2014	FY 2013
Charges Forgone	\$365,044,304	\$238,410,551	\$311,399,757
Est. Costs Incurred	\$265,739,453	\$173,942,176	\$251,524,764
% Net Patient Revenue	31%	40%	60%

The decrease in charges for charity care and estimated costs incurred reflects previously uninsured patients who would have received charity care in prior years, obtaining coverage through County Care or traditional Medicaid. [Source: Cook County Health and Hospitals System of Illinois November 30, 2014 Audit Report page 24]

IV. Health Service Area

The proposed project will be located in the Illinois Medical District and the HSA VI Health Service Area. There are thirty five (35) hospitals in the HSA VI Service Area.

TABLE TWO
Hospitals in the Health Service Area VI

Hospital	City	HSA	HPA	Total Beds
Advocate Illinois Masonic Medical Center	Chicago	6	A-01	408
Aurora Chicago Lakeshore Hospital	Chicago	6	A-01	142
Community First Medical Center	Chicago	6	A-01	296
Kindred Chicago Central Hospital	Chicago	6	A-01	95
Kindred Hospital - Chicago	Chicago	6	A-01	164
Louis A. Weiss Memorial Hospital	Chicago	6	A-01	236
Methodist Hospital of Chicago	Chicago	6	A-01	145
Northwestern Memorial Hospital	Chicago	6	A-01	894
Presence Resurrection Medical Center	Chicago	6	A-01	337
Presence Saint Joseph Hospital Chicago	Chicago	6	A-01	361
Rehabilitation Institute of Chicago	Chicago	6	A-01	242
Swedish Covenant Hospital	Chicago	6	A-01	312
Thorek Memorial Hospital	Chicago	6	A-01	156
Garfield Park Hospital	Chicago	6	A-02	88
John H. Stroger Jr. Hospital of Cook County	Chicago	6	A-02	464
Loretto Hospital	Chicago	6	A-02	187
Mount Sinai Hospital Medical Center	Chicago	6	A-02	319
Norwegian American Hospital	Chicago	6	A-02	215
Presence Saint Mary Of Nazareth Hospital	Chicago	6	A-02	387
Presence St. Elizabeth Hospital	Chicago	6	A-02	108
RML Specialty Hospital	Chicago	6	A-02	86
Rush University Medical Center	Chicago	6	A-02	731
Saint Anthony Hospital	Chicago	6	A-02	151
Schwab Rehabilitation Center	Chicago	6	A-02	102
UHS Hartgrove Hospital	Chicago	6	A-02	160
University of Illinois Hospital at Chicago	Chicago	6	A-02	495
Advocate Trinity Hospital	Chicago	6	A-03	205
Holy Cross Hospital	Chicago	6	A-03	260
Jackson Park Hospital	Chicago	6	A-03	256
Mercy Hospital & Medical Center	Chicago	6	A-03	464
Provident Hospital of Cook County	Chicago	6	A-03	113
Roseland Community Hospital	Chicago	6	A-03	134
South Shore Hospital, Corp.	Chicago	6	A-03	143
St. Bernard Hospital	Chicago	6	A-03	210
University Of Chicago Medical Center	Chicago	6	A-03	617

Source: Information taken from 2014 Hospital Profiles Bed Numbers as of December 31, 2014.

V. The Proposed Project

The applicants are proposing the replacement of Fantus Health Center, a/k/a Fantus Clinic located at 621 W. Winchester in Chicago Illinois. The existing Fantus Health Center is approximately sixty years (60) old and will be demolished. The approximate outpatient visits at Fantus in 2013 were 145,740 and 150,146 in 2014.

The applicants are proposing to construct a nine (9) story Central Campus Health Center at 1950 West Polk Street, Chicago, Illinois that will offer medical services on an outpatient basis to replace the Fantus Clinic as a medical office type clinic. These services will be medical office based i.e. in exam rooms and almost entirely by appointment only. They will be offered by employed physicians/dentists including endocrinologists (diabetic care), primary care, dermatology, ENT, oncology, ophthalmology and dentistry. In addition infusion therapy will be offered at the Central Campus Health Center. The proposed new building will also house administrative offices, conference rooms, education, library, and employee health.

The proposed Central Campus Health Center project will:

1. Provide state-of-the-art modern outpatient clinical space that will improve the experience of Cook County patients, visitors and staff. While they are referred to as outpatient clinic services, the services offered at Fantus now and that will be provided at the new building are somewhat atypical from an outpatient clinic, in that the outpatient care offered is via appointment only (save for emergency walk ins by patients of the CCHHS physicians at the Clinic) and provided by CCHHS employed physicians who also provide care for their patients at CCHHS hospitals, including Stroger.
2. This new building will centralize approximately 860 CCHHS employees who currently work out of three buildings: Fantus (built in 1959), some administrative and conference space in the Hektoen Administrative Building (1964), a former medical research building, and the CCHHS Administrative Building (1931), which in its day served as a dormitory for the Cook County School of Nursing. No significant investments have been made to these buildings in recent years. It is estimated that the deferred maintenance on these buildings alone would equate to \$128 million in 2016 dollars. The Fantus Health Center will be demolished and the remaining vacated space in the Hektoen and CCHHS administrative building will eventually be vacated.
3. In addition, CCHHS will create a women and children's health center on the fourth floor of Stroger Hospital where labor and delivery and inpatient pediatrics are currently located. Outpatient pediatrics, and gynecological services, which are currently provided in Fantus Health Center, and prenatal care services, which is provided in the hospital's SCC, will be re-located to the fourth floor. The 4th floor location at Stroger is a good location for these services, as this floor includes labor/delivery, an inpatient pediatric service

and the NICU, none of which will be at all impacted by the modernization of space on the 4th Floor. [Source: Application for Permit pages 5-8]

The proposed Central Campus Health Center will be attached to John H. Stroger Jr., Hospital of Cook County via connectors at the first floor for the public; and second floor for employees. The proposed Central Campus Health Center will have approximately one hundred forty four (144) medical exam rooms and thirty six (36) infusion therapy rooms.

At the basement level there will be a connecting tunnel to Stroger, for goods and services transmission, along with the possibility of an optometry shop. On the first level are oral health, ophthalmology and public amenities. On the second level there is medical oncology, infusion therapy and ENT. On the third level there is general medicine. On the fourth level there is endocrinology, dermatology, employee health. There is also office space for dermatology and gastroenterology on the fourth level. On the remaining floors there is conference/education space, a board room, auditorium, a simulation lab, space for teaching Basic Life Support (BLS) and Advanced Cardiac Life Support (ACLS), a library, nurse education space, research offices, post graduate studies offices, a sleep lab office, office space for various medical specialists, including hospitalists offices, HR offices, records storage, and C-suite and administrative offices.

VI. Project Costs and Sources of Funds

The applicants are funding this project with cash in the amount of \$13 million a bond issue of approximately \$108.4 million and other funds and sources of \$16.3 million. There are no start-up costs or operating deficits for this project. No land is being purchased.

TABLE THREE			
Project Costs and Sources of Funds			
	Reviewable	Non Reviewable	Total
Preplanning Cost	\$201,415	\$342,950	\$544,365
Site Survey and Soil Investigation	\$21,107	\$35,938	\$57,045
Site Preparation	\$2,729,672	\$4,647,820	\$7,377,492
Off Site Work	\$0	\$458,689	\$458,689
Construction	\$28,810,287	\$56,030,219	\$84,840,506
Modernization Contracts ⁽²⁾	\$8,416,000	\$0	\$8,416,000
Contingencies	\$2,183,942	\$3,718,604	\$5,902,546
Architectural and Engineering Fees	\$1,881,007	\$3,202,795	\$5,083,802
Consulting and Other Fees	\$194,250	\$330,750	\$525,000
Movable or Other Equipment	\$12,251,500	\$8,550,000	\$20,801,500
Bond Issuance Expense	\$368,103	\$626,770	\$994,873
Other Costs to Capitalized	\$1,004,667	\$1,713,665	\$2,718,332
Total	\$58,061,950	\$79,655,200	\$137,720,150
Cash	\$5,418,718	\$7,519,282	\$13,000,000

Bond Issue	\$45,400,616	\$62,999,044	\$108,399,660
Other Funds ⁽¹⁾	\$7,180,616	\$9,139,874	\$16,320,490
Total	\$58,061,950	\$79,655,200	\$137,720,160

1. The **Other Funds** are a lease of drywall space for the modernization of the fourth floor financed by First American Bank. The contractor will modernize the space and Stroger will pay for it over a five (5) year term. According to the applicants this is a method for paying for the modernization without adding to bond debt.

VII. Cost Space Requirements

The applicants are proposing 280,000 GSF of new construction and 41,105 GSF of modernized space in Stroger Hospital.

TABLE FOUR
Cost Space Requirements

Reviewable	Costs	Gross Square Feet		Amount or Proposed Total Gross Square Feet that is:			
		Existing	Proposed	New Const	Modernized	As Is	Vacated Space
Medical Exam Rooms	\$52,494,694	206,706	117,831	76,726	41,105		206,706
Infusion Therapy	\$5,567,256		9,753	9,753			
Total Reviewable	\$58,061,950	206,706	127,584	86,479	41,105	0	206,706
Non Reviewable							
Administrative	\$48,330,767	480,000	122,000	122,000	0		480,000
Education/Conference	\$1,773,077		14,000	14,000			
Circulation/Bridges/tunnels, mechanicals	\$23,200,579		43,000	43,000			
Common Areas	\$3,773,077		10,000	10,000			
Employee Health	\$2,580,700		4,521	4,521			
Total Non Reviewable	\$79,658,200	480,000	193,521	193,521			480,000
Total	\$137,720,150	686,706	321,105	280,000	41,105	0	686,706

Source: Information provided August 12, 2016 in Supplemental Information.

VIII. Background of the Applicants

A) Criterion 1110.530 (b) (1) (3) – Background of the Applicants

To document compliance with this criterion the applicants must provide a list of all health care facilities owned by the applicants, a certified list of adverse actions taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application, and authorization permitting HFSRB and IDPH access to any documents necessary to verify the information that has been submitted.

1. Cook County Health and Hospitals System own and operate John H. Stroger Jr., Hospital of Cook County and Provident Hospital of Cook County.
2. John Jay Shannon CEO of Cook County Health and Hospitals System has attested that no adverse action, as that term is defined in rules and regulations of the Illinois Health Facilities and Services Review Board has been taken over the past three (3)

years against John H. Stroger Jr., Hospital of Cook County or Provident Hospital of Cook County.

3. The applicants have granted the State Board and the Illinois Department of Public Health permission to access any and all documents to verify information submitted with the application for permit.
4. A letter from the Illinois Historic Preservation Agency was provided as required stating that “*there was no historic, architectural or archaeological sites within the project area.*” [Source: Letter dated July 15, 2016 from the Illinois Historic Preservation Agency] Additionally, the applicants did provide documentation that the proposed site is not located in a flood plain as required. [Source: Application for Permit pages 27A -28]

IX. Purpose of the Project, Alternatives

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

To demonstrate compliance with this criterion the applicants must provide documentation that defines the planning area or market area and the existing problems that will be addressed with the proposed project.

1. The applicants define their planning area/market area as the City of Chicago and Suburban Cook County. The applicants provide specialty to primary care to emergency, acute, outpatient and preventive care. Cook County Health and Hospital Systems is the largest provider of medical care to the uninsured underinsured and Medicaid population in the State of Illinois. [Source November 30, 2014 Cook County Health and Hospitals Systems Audited Financial Statements page 3].
2. The applicants stated that “*For over 50 years the Fantus Health Center has provided outpatient care to patients who would otherwise have barriers to access to such care. It has seen millions of patients with over 500,000 visits combined annually at its location and at the outpatient area at Stroger. In 2015, 90,000 patients were seen by physicians employed by CCHHS, most all by appointment. The ability to access preventive care through various specialists and primary care physicians improves community health and reduces the cost of health care overall. The Fantus Clinic building is old and has many structural issues, including narrow corridors, low ceiling heights, outdated electrical system, poor design for modern outpatient services and old mechanicals. This project will address these problems by constructing a new outpatient services building that will replace the Fantus Health Center building. It will also offer education and conference space for our medical, nursing and administrative staff and administrative offices for CCHHS physicians and administrative staff.*” [Source: Application for Permit page 35]

B) Criterion 1110.230 (c) – Alternatives to the Proposed Project

To document compliance with this criterion the applicants must provide documentation of the alternatives considered and the reasons for the rejection.

The applicants considered two alternatives to the proposed project.

1. Modernize the existing Fantus Building and Hektoen and CCHHS Administration Buildings.

This alternative was rejected because the cost of doing so would be approximately \$188 million, which would only bring the buildings into good working order and address current Life Safety Code Standards. The cost efficiencies of operating in a new building would be lost and the result would be ongoing expensive capital maintenance of an aged structure, and the ability to deliver modern care would not be realized.

2. Build at an Alternative Site

No alternative sites were owned by the County that would allow connectors to Stroger Hospital, which are necessary for patients to access pharmacy, imaging, lab and other ancillary services. The connector for employee (including physician) access to Stroger is also a huge built in efficiency to the proposed site. Generally, assuming a different site would allow for the same size building, the cost would most likely be very similar to the proposed project cost.

X. Project Size, Projected Utilization, and Assurances

- A) **Criterion 1110.234 (a) – Size of the Project**
- B) **Criterion 1110.234 (b) –Projected Utilization**
- C) **Criterion 1110.234 (e) - Assurances**

To demonstrate compliance with this criterion the applicants must document that the proposed size of the project and the projected utilization meet the State Board Standards in Section 1110 Appendix B and 77 IAC Part 1100 Subsection D.

The State Board does not have size standards or projected utilization standards for the two reviewable services being proposed by this project; medical exam rooms and infusion therapy.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERIA SIZE OF THE PROJECT, PROJECTED UTILIZATION, ASSURANCES (77 IAC 1110.234 (a)(b)(c))

XI. Clinical Service Areas Other Than Categories of Service

- A) **Criterion 1110.3030 (a) – Clinical Service Area Other Than Categories of Service**

To determine compliance with this criterion the applicants are required to document the need for the modernization of the following services:

- A) Surgery
- B) Emergency Services and/or Trauma
- C) Ambulatory Care Services (organized as a service)
- D) Diagnostic and Interventional Radiology/Imaging (by modality)

- E) Therapeutic Radiology
- F) Laboratory
- G) Pharmacy
- H) Occupational Therapy/Physical Therapy
- I) Major Medical Equipment

As documented in the *Application for Permit pages 4-8* the proposed project does not propose to establish or modernize any of the proposed services listed above.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION CLINICAL SERVICE AREAS OTHER THAN CATEGORIES OF SERVICE (77 IAC 1110.3030 (A))

XII. Financial Viability

A) Criterion 1120.120 – Availability of Funds

To demonstrate compliance with this criterion the applicants must document that funds are available to fund the project.

The applicants are funding this project with cash in the amount of \$13 million, a bond issue of approximately \$109 million and a financing lease of approximately \$16.3 million for a total of approximately \$137,720,160. A review of the applicants audited financial statements indicates that there is sufficient cash to fund the cash portion of the project. The bonds will be issued by Cook County in September 2016.

TABLE FIVE	
Cook County Health and Hospitals System	
Audited	
30-Nov-15	
Cash	\$438,681,940
Current Assets	\$782,052,114
Total Assets	\$1,177,029,636
Current Liabilities	\$631,841,709
Total Liabilities	\$5,040,262,483
Net Patient Revenue	\$625,214,692
Total Operating Revenue	\$1,571,704,713
Non Operating Revenue	\$157,709,179
Operating Expenses	\$1,911,260,748
Operating Income	(\$339,556,035)
Income	(181,846,856)

Source: November 30, 2015 Cook County Health and Hospitals System Audited Financial Statements

Management of Cook County Health and Hospitals System stated the loss in FY 2015 was due primarily to the implementation of Governmental Accounting Standards Board (GASB) 68 which required the recording of a higher pension expense than in the past. Pension Expense in FY 2015 was \$220,523,000. In FY 2014 the pension expense was \$58,090,000 [Source: 2015 Audited Financial Statements Cook County Health and Hospitals System page 4 and page 8]

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

B) Criterion 1120.130 – Financial Viability

To determine compliance with this criterion the applicants must document that they are financially viable.

Cook County Health and Hospitals System (CCHHS) is included in the reporting entity of Cook County as an enterprise fund. As an enterprise fund, CCHHS financial statements are prepared using proprietary fund accounting that focuses on the determination of changes in net position, financial position, and cash flows in a manner similar to private sector businesses. [Source: 2015 CCHHS Audited Financial Statements page 3]

The applicants are government entities and the State Board does not have financial viability standards for government entities.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 IAC 1120.130)

XIII. Economic Feasibility

A) Criterion 1120.140 (a) - Reasonableness of Financing Arrangements

B) Criterion 1120.140 (b) - Terms of Debt Financing

To determine compliance with these criteria the applicants must provide an attestation that borrowing of existing investments and the selected form of debt financing will be at the lowest net cost available.

The applicants provided the necessary attestation at pages 40-41 of the application for permit that the project will be funded in part by borrowing because borrowing is less costly than liquidation of existing investments and the selected form of debt financing will be at the lowest net cost available, to the extent possible. The bond issuance will occur in September, with a 30 year maturity date and at an interest rate consistent with the market at the time. The First American financing will be for a 5 year term. The bond issue will be done through Cook County.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IN CONFORMANCE WITH CRITERIA REASONABLENESS OF FINANCING ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 IAC 1110.140 (a) (b))

C) Criterion 1120.140 (c) – Reasonableness of Project Costs

To demonstrate compliance with this criterion the applicants must document that the project costs are reasonable and in compliance with Section 1120 Appendix A.

The State Board Standards for the reviewable costs are below:

- Preplanning Costs are 1.8% of New Construction, Modernization, Contingencies and Movable Equipment.
- Site Survey, Soil Investigation, and Site Preparation is 5% of construction, modernization and, contingencies.
- New Construction Costs are based upon the RS Means Standard for Medical Clinics Building 2016.
- Modernization and Contingency Costs are 70% of New Construction Costs.
- Contingencies are 10-15% of New Construction and Modernization
- Architectural and Engineering Fees are 7.62% of New Construction and Modernization Costs for Outpatient Clinical Facilities (Source Capital Development Board – State of Illinois)

**TABLE FIVE
Reasonableness of Project Costs**

	Reviewable	Reviewable Costs	State Board Standard	Project Cost	Met Criteria?
Preplanning Cost	\$201,415	\$201,415	1.80%	<1%	Yes
Site Survey and Soil Investigation	\$21,107				
Site Preparation	\$2,729,672	\$2,750,779	5.00%	6.98%	No
New Construction	\$28,810,287	\$28,810,287	\$265.52	\$333.15	No
Modernization Contracts	\$8,416,000				
Contingencies	\$2,183,942	\$10,599,942	\$185.86	\$257.87	No
Contingencies	\$2,183,942	\$2,183,942	15%	5.87%	Yes
Architectural and Engineering Fees	\$1,881,007	\$1,881,007	7.62%	5.05%	Yes
Off Site Work	\$0		No Standards		
Consulting and Other Fees	\$194,250		No Standards		
Movable or Other Equipment	\$12,251,500		No Standards		
Bond Issuance Expense	\$368,103		No Standards		
Other Costs to be Capitalized	\$1,004,667		No Standards		

The applicants do not meet the State Board Standards for Site Survey, Soil Investigation and Site Preparation, New Construction, and Modernization and Contingencies.

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

D) Criterion 1120.140 (d) - Projected Operating Costs

E) Criterion 1120.140 (e) - Projected Capital Costs

To demonstrate compliance with these criteria the applicants must provide the projected operating costs per equivalent patient day and the projected capital costs per equivalent patient.

The State Board does not have standards for these costs for projects that do not have an inpatient component, do not establish any category of service or any clinical services other than categories of service.

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

<u>Ownership, Management and General Information</u>		<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Peter Daniels	White	30.8%	Hispanic or Latino:	27.6%
ADMINSTRATOR PHONE	312-864-5507	Black	52.4%	Not Hispanic or Latino:	71.2%
OWNERSHIP:	Cook County	American Indian	3.3%	Unknown:	1.2%
OPERATOR:	John H. Stroger Hospital of Cook County	Asian	3.8%		
MANAGEMENT:	County	Hawaiian/ Pacific	0.1%	IDPH Number:	5272
CERTIFICATION:	None	Unknown	9.7%	HPA	A-02
FACILITY DESIGNATION:	General Hospital			HSA	6
ADDRESS	1901 West Harrison Street -	CITY:	Chicago	COUNTY:	Suburban Cook (Chicago)

<u>Facility Utilization Data by Category of Service</u>										
<u>Clinical Service</u>	<u>Authorized CON Beds 12/31/2014</u>	<u>Peak Beds Setup and Staffed</u>	<u>Peak Census</u>	<u>Admissions</u>	<u>Inpatient Days</u>	<u>Observation Days</u>	<u>Average Length of Stay</u>	<u>Average Daily Census</u>	<u>CON Occupancy Rate %</u>	<u>Staffed Bed Occupancy Rate %</u>
Medical/Surgical	240	240	240	15,275	63,650	10,683	4.9	203.7	84.9	84.9
0-14 Years				0	0					
15-44 Years				4,055	16,723					
45-64 Years				8,329	35,126					
65-74 Years				1,868	7,619					
75 Years +				1,023	4,182					
Pediatric	40	14	14	494	1,653	543	4.4	6.0	15.0	43.0
Intensive Care	86	86	62	3,210	16,528	289	5.2	46.1	53.6	53.6
Direct Admission				2,557	12,469					
Transfers				653	4,059					
Obstetric/Gynecology	40	28	28	1,868	5,762	335	3.3	16.7	41.8	59.7
Maternity				1,182	3,801					
Clean Gynecology				686	1,961					
Neonatal	58	52	39	356	9,630	0	27.1	26.4	45.5	50.7
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Acute Mental Illness	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Rehabilitation	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	36					3417				
Facility Utilization	464			20,550	97,223	15,267	5.5	308.2	66.4	

(Includes ICU Direct Admissions Only)

<u>Inpatients and Outpatients Served by Payor Source</u>							
	<u>Medicare</u>	<u>Medicaid</u>	<u>Other Public</u>	<u>Private Insurance</u>	<u>Private Pay</u>	<u>Charity Care</u>	<u>Totals</u>
Inpatients	13.4%	54.9%	1.5%	3.3%	12.3%	14.5%	
	2761	11286	309	679	2537	2978	20,550
Outpatients	13.3%	43.8%	0.2%	3.1%	17.3%	22.4%	
	121921	401522	1377	28324	158421	204962	916,527

<u>Inpatient and Outpatient Net Revenue by Payor Source</u>								<u>Total Charity Care Expense</u>
<u>Financial Year Reported:</u>	12/1/2012 to	11/30/2013					<u>Charity Care Expense</u>	<u>Total Charity Care as % of Net Revenue</u>
	<u>Medicare</u>	<u>Medicaid</u>	<u>Other Public</u>	<u>Private Insurance</u>	<u>Private Pay</u>	<u>Totals</u>		
Inpatient Revenue (\$)	9.7%	86.7%	0.0%	3.3%	0.2%	100.0%		236,607,154
	47,356,671	421,219,961	0	16,151,467	1,193,024	485,921,123	78,287,389	
Outpatient Revenue (\$)	29.1%	51.5%	0.0%	6.6%	12.8%	100.0%		45.4%
	10,152,388	17,997,130	0	2,318,806	4,452,543	34,920,867	158,319,765	

<u>Birthing Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>		
Number of Total Births:	843		Level I	Level II	Level II+	Kidney:	0	
Number of Live Births:	823		Beds	26	8	44	Heart:	0
Birthing Rooms:	0		Patient Days	0	0	2,054	Lung:	0
Labor Rooms:	9		Total Newborn Patient Days			2,054	Heart/Lung:	0
Delivery Rooms:	0						Pancreas:	0
Labor-Delivery-Recovery Rooms:	0						Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	14		<u>Laboratory Studies</u>				Total:	0
C-Section Rooms:	2		Inpatient Studies			954,370		
CSections Performed:	246		Outpatient Studies			1,691,844		
			Studies Performed Under Contract			55,101		

Surgery and Operating Room Utilization

Surgical Specialty	Operating Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	2	2	542	67	2950	217	3167	5.4	3.2
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	3	3	1678	908	5244	2300	7544	3.1	2.5
Gastroenterology	0	0	1	1	287	314	1278	499	1777	4.5	1.6
Neurology	0	0	1	1	380	12	1983	48	2031	5.2	4.0
OB/Gynecology	0	0	2	2	563	500	2108	930	3038	3.7	1.9
Oral/Maxillofacial	0	0	1	1	112	121	401	311	712	3.6	2.6
Ophthalmology	0	0	1	1	11	961	33	1617	1650	3.0	1.7
Orthopedic	0	0	3	3	810	1078	2585	3184	5769	3.2	3.0
Otolaryngology	0	0	1	1	242	468	1015	1181	2196	4.2	2.5
Plastic Surgery	0	0	1	1	82	171	343	480	823	4.2	2.8
Podiatry	0	0	1	1	0	0	0	0	0	0.0	0.0
Thoracic	0	0	1	1	195	34	705	71	776	3.6	2.1
Urology	0	0	2	2	306	1275	1167	2324	3491	3.8	1.8
Totals	0	0	20	20	5208	5909	19812	13162	32974	3.8	2.2

SURGICAL RECOVERY STATIONS

Stage 1 Recovery Stations

20

Stage 2 Recovery Stations

0

Dedicated and Non-Dedicated Procedure Room Utilization

Procedure Type	Procedure Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	3	3	1794	8383	1475	4424	5899	0.8	0.5
Laser Eye Procedures	0	0	2	2	0	1582	0	701	701	0.0	0.4
Pain Management	0	0	2	2	141	4428	60	3400	3460	0.4	0.8
Cystoscopy	0	0	1	1	0	0	0	0	0	0.0	0.0

Multipurpose Non-Dedicated Rooms

MINOR (AMB)	0	0	5	5	0	2486	0	1865	1865	0.0	0.8
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0

Emergency/Trauma Care

Certified Trauma Center	Yes
Level of Trauma Service	Level 1
	Adult
Operating Rooms Dedicated for Trauma Care	1
Number of Trauma Visits:	5,624
Patients Admitted from Trauma	1,112
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	88
Persons Treated by Emergency Services:	117,283
Patients Admitted from Emergency:	13,760
Total ED Visits (Emergency+Trauma):	122,907

Free-Standing Emergency Center

Beds in Free-Standing Centers	
Patient Visits in Free-Standing Centers	
Hospital Admissions from Free-Standing Center	

Outpatient Service Data

Total Outpatient Visits	916,527
Outpatient Visits at the Hospital/ Campus:	444,934
Outpatient Visits Offsite/off campus	471,593

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	2
Cath Labs used for Angiography procedures	0
Dedicated Diagnostic Catheterization Lab	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	0

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	1,078
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	864
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	214
EP Catheterizations (15+)	0

Cardiac Surgery Data

Total Cardiac Surgery Cases:	180
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	180
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	83

Diagnostic/Interventional Equipment

	Examinations			
	Owned	Contract	Inpatient	Outpt Contract

General Radiography/Fluoroscopy	16	0	39,405	75,506	0
Nuclear Medicine	6	0	1,363	4,685	0
Mammography	4	0	24	10,115	0
Ultrasound	11	0	5,489	14,592	0
Angiography	3	0			
Diagnostic Angiography			668	470	0
Interventional Angiography			1,023	887	0
Positron Emission Tomography (PET)	0	1	0	0	422
Computerized Axial Tomography (CAT)	8	0	15,815	29,666	0
Magnetic Resonance Imaging	4	0	3,323	5,177	0

Therapeutic Equipment

	Therapies/Treatments	
	Owned	Contract

Lithotripsy	0	1	318
Linear Accelerator	2	0	9,551
Image Guided Rad Therapy			6,996
Intensity Modulated Rad Thrp			2,555
High Dose Brachytherapy	0	0	0
Proton Beam Therapy	0	0	0
Gamma Knife	0	0	0
Cyber knife	0	0	0

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