ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

ORIGINAL

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

RECEIVED
OCT 17 2016
HEALTH FACILITIES & SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name: Lurie Children's Outpatient Services and Surgical Center		
Street Address: 1121 Techny Road		
City and Zip Code: Northbrook, IL 60062		
County: Cook	Health Service Area 7	Health Planning Area A-007

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

Exact Legal Name: Ann & Robert H. Lurie Children's Hospital of Chicago
Address: 225 E. Chicago Avenue, Chicago, IL 60611
Name of Registered Agent: Nancy M. Borders
Name of Chief Executive Officer: Patrick M. Magoon
CEO Address: 225 E. Chicago Avenue, Box 1, Chicago, IL 60611
Telephone Number: 312-227-4327

Type of Ownership of Applicant/Co-Applicant

- ☒ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- 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: Reagen Atwood
Title: Associate General Counsel
Company Name: Ann & Robert H. Lurie Children's Hospital of Chicago
Address: 225 E. Chicago Avenue, Box 261, Chicago, IL 60611
Telephone Number: 312-227-7470
E-mail Address: ratwood@luriechildrens.org
Fax Number: 312-227-9532

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

Name: Ralph Weber
Company Name: Weber Alliance
Address: 920 Hoffman Lane, Riverwoods, IL 60015
Telephone Number: 847-791-0830
E-mail Address: rmweber90@gmail.com
Fax Number: None

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: Reagen Atwood
Title: Associate General Counsel
Company Name: Ann & Robert H. Lurie Children's Hospital of Chicago
Address: 227 E. Chicago Avenue, Box 261, Chicago, IL 60611
Telephone Number: 312-227-7470
E-mail Address: ratwood@luriechildrens.org
Fax Number: 312-227-9532

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Parcel EC-2D LLC
Address of Site Owner: 1985 Waukegan Road, PO Box 6038, Techny, IL 60082
Street Address or Legal Description of Site: **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: Ann & Robert H. Lurie Children's Hospital of Chicago
Address: 225 E. Chicago Avenue, Chicago, IL 60611

☒ Non-profit Corporation ☐ Partnership
☐ For-profit Corporation ☐ Governmental
☐ Limited Liability Company ☐ Sole Proprietorship ☐ Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. ***Certificate of Good Standing already provided as a part of ATTACHMENT 1***
- 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.
- **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.

Ann & Robert H. Lurie Children's Hospital of Chicago and its parent, Children's Hospital of Chicago Medical Center, propose to establish a multi-purpose pediatric Ambulatory Surgical Treatment Center, with 4 ORs and 14 recovery rooms. The facility location is 1121 Techny Road, Northbrook, in north suburban Cook County. Ann & Robert H. Lurie Children's Hospital of Chicago will be the operating entity and licensee.

The 26,298 sq ft modernization project involves the interior remodeling of an existing unoccupied building. The building will accommodate 4 operating rooms, 14 stations for preparation and recovery, an MRI suite, physician office and exam space, support functions and mechanical systems.

The anticipated completion date for the project is December 31, 2018.

Total project capital cost is $35,555,707. This amount includes $19,956,707 in the costs of modernization, contingencies, movable equipment, and related project costs, and $15,599,000 as Fair Market Value of leased space.

The project is classified as Substantive due to the fact that it is an expenditure by a health care institution in excess of the capital expenditure threshold and proposes the establishment of a new category of service.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NON-CLINICAL**	**TOTAL**
Pre-planning Costs	$8,514	$6,486	$15,000
Site Survey and Soil Investigation	-	-	-
Site Preparation	-	-	-
Off Site Work	-	$163,713	$163,713
Modernization Contracts	$4,916,627	$4,290,343	$9,206,970
New Construction Contracts	-	-	-
Contingencies	$484,870	$369,419	$854,289
A/E Fees	$327,724	$249,690	$577,414
Consultant Fees	$361,980	$275,790	$637,770
Movable Equipment	$7,601,784	$716,381	$8,318,165
Bond Issuance Expense	$109,567	$48,820	$158,387
Net Interest Expense During Construction	-	-	-
FMV Leased Space	$8,853,551	$6,745,449	$15,599,000
Other Capital Costs	$14,189	$10,811	$25,000
Acquisition of Building	-	-	-
TOTAL USES OF FUNDS	**$22,678,806**	**$12,876,901**	**$35,555,707**
SOURCE OF FUNDS	**CLINICAL**	**NON-CLINICAL**	**TOTAL**
Cash and Securities	$2,868,569	$1,249,482	$4,118,051
Pledges			
Gifts and Bequests			
Mortgages/Bonds	$10,956,687	$4,881,970	$15,838,657
Leases	$8,853,551	$6,745,449	$15,599,000
Governmental Appropriations			
Grants			
Other			
TOTAL SOURCES OF FUNDS	**$22,678,806**	**$12,876,901**	**$35,555,707**

* A Tenant Improvement Allowance of $2,024,840 will be provided by the developer and is not included in the chart.

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 ☐ Yes ☒ No
Purchase Price: $_____
Fair Market Value: $_____
Fair Market Value of Building Lease: $15,599,000

The project involves the establishment of a new facility or a new category of service
☒ Yes ☐ 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 $ 5,628,572.

Project Status and Completion Schedules

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

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): December 31, 2018

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
☒ Project obligation will occur after permit issuance.

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

State Agency Submittals

Are the following submittals up to date as applicable:
☒ Cancer Registry
☒ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☐ All reports regarding outstanding permits ***N/A***
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.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**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

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: Ann & Robert H. Lurie Children's Hospital of Chicago	**CITY: Chicago**				
REPORTING PERIOD DATES: From: January 1, 2015 to: December 31, 2015					
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical	0	-	-	0	0
Obstetrics	0	-	-	0	0
Pediatrics[1]	124	6,950	31,236	0	124
Intensive Care[2]	92	4,690	23,035	0	92
Comprehensive Physical Rehabilitation	0	-	-	0	0
Acute/Chronic Mental Illness	12	494	3,411	0	12
Neonatal Intensive Care	60	896	18,341	0	60
General Long Term Care	0	-	-	0	0
Specialized Long Term Care	0	-	-	0	0
Long Term Acute Care	0	-	-	0	0
Other ((identify)	0	-	-	0	0
TOTALS:	288	13,030	76,023	0	288

[1] Includes 3,458 observation days in general pediatrics units.

[2] Includes direct admits and transfers from another unit of the hospital, and includes 250 observation days in the Intensive Care Unit.

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 Ann & Robert H. Lurie Children's Hospital of Chicago 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

Patrick M. Magoon
PRINTED NAME

President & Chief Executive Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 14 day of October

Signature of Notary

Seal
Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

SIGNATURE

Ron Blaustein
PRINTED NAME

Chief Financial Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 14 day of October

Signature of Notary

Seal
Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

CERTIFICATION

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- 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 Children's Hospital of Chicago Medical Center 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.

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PRINTED NAME

President & Chief Executive Officer
PRINTED TITLE

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Signature of Notary

Seal
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Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

SIGNATURE

Ron Blaustein
PRINTED NAME

Chief Financial Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 14 day of October

Signature of Notary

Seal
Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

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.

NO SHELLED SPACE IN PROJECT.

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 *(NOTE: This section of the application form is outdated. Content of Permit Application adheres to State narrative instructions in Section 1110.1540)*

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:

____ Cardiovascular	_____Obstetrics/Gynecology	__X_ Pain Management
__X__ Dermatology	__X___ Ophthalmology	_____Podiatry
__X__ Gastroenterology	__X__ Oral/Maxillofacial (Dentistry)	____Thoracic
__X__ General/Other	__X__ Orthopedic	__X__ Otolaryngology
__X__ Neurology	__X__Plastic	__X__ Urology

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

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

   Read the criterion and provide the following:

   a. On a map (8 ½" x 11"), outline the intended geographic services area (GSA).

   b. Indicate the population within the GSA and how this number was obtained.

   c. 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:

   a. The number of referrals anticipated annually for each specialty.

   b. 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.

   c. A statement that the projected patient volume will come from within the proposed GSA.

   d. 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:**

$4,118,051	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;
$15,838,657	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;
$15,599,000	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project (LEASE).
$35,555,707	**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.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

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

2. Variance

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

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

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements

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

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. **Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. 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 40.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
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 41.

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.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS

ATTACHMENT NO.		PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing	23-24
2	Site Ownership	25-26
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	—
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	27
5	Flood Plain Requirements	28-34
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15	Project Service Utilization	61-62
16	Unfinished or Shell Space	---
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19	Mergers, Consolidations and Acquisitions	---
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	---
21	Comprehensive Physical Rehabilitation	—
22	Acute Mental Illness	—
23	Neonatal Intensive Care	---
24	Open Heart Surgery	---
25	Cardiac Catheterization	---
26	In-Center Hemodialysis	—
27	Non-Hospital Based Ambulatory Surgery	63-100
28	Selected Organ Transplantation	—
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30	Subacute Care Hospital Model	—
31	Children's Community-Based Health Care Center	—
32	Community-Based Residential Rehabilitation Center	—
33	Long Term Acute Care Hospital	---
34	Clinical Service Areas Other than Categories of Service	—
35	Freestanding Emergency Center Medical Services	---
	Financial and Economic Feasibility:	
36	Availability of Funds	101-142
37	Financial Waiver	143-151
38	Financial Viability	---
39	Economic Feasibility	152-162
40	Safety Net Impact Statement	163-169
41	Charity Care Information	170

File Number 0666-373-7

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

ANN & ROBERT H. LURIE CHILDREN'S HOSPITAL OF CHICAGO, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 27, 1894, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION 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* 25TH *day of* JULY *A.D.* 2016 .

Authentication #: 1620700920 verifiable until 07/25/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

ATTACHMENT 1

File Number 5367-793-2

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

CHILDREN'S HOSPITAL OF CHICAGO MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 13, 1984, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION 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* 25TH *day of* JULY *A.D.* 2016 .

Authentication #: 1620700980 verifiable until 07/25/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

ATTACHMENT 1

CERTIFICATE REGARDING SITE OWNERSHIP
1121 TECHNY ROAD, NORTHBROOK, IL

The undersigned, on behalf of Parcel EC-2D LLC and MeadowPark Partners, LLC, respectively, hereby certify as follows:

1. Parcel EC-2D LLC is the owner of the land located at 1121 Techny Road in Northbrook (the "Site").

2. Parcel EC-2D LLC and MeadowPark Partners, LLC, an Illinois limited liability company, have entered into a ground lease through which MeadowPark Partners, LLC leases the Site.

3. MeadowPark Partners, LLC is in the process of developing the Site and is the owner of the existing building on the Site.

4. I am authorized to make these representations.

Parcel EC-2D LLC

By: Matthew C. Jarnel

Its: President

MEADOWPARK PARTNERS, LLC

By: John McKay

Its: General Manager

ATTACHMENT 2

LETTER OF INTENT TO LEASE - SUMMARY OF BASIC TERMS

LANDLORD:	MeadowPark Partners, LLC 200 South Wacker Drive, Suite 1325 Chicago, IL 60606
TENANT:	Ann and Robert H. Lurie Children's Hospital 225 E. Chicago Avenue, Box 104 Chicago, Illinois 60611
BUILDING:	Meadow Park 1121 Techny Road Northbrook, Illinois
PREMISES	Approximately 25,748 rentable square feet
BASE RENT:	The Base Rent shall be a net rent composed of the following: $24.50 per RSF Base Rent Annual escalation for Base Rent shall be $0.80 per square foot annually, commencing 9/1/18.
REAL ESTATE TAXES AND OPERATING EXPENSES:	Tenant shall pay its proportionate share of the Project's real estate taxes and operating expenses.
LEASE TERM:	15 years and 6 months from lease commencement, estimated to be September 1, 2017
CON CONTINGENCY:	The Lease is contingent upon and shall become effective only upon Tenant's receipt of any required regulatory approvals for the establishment of the Project (an Ambulatory Surgical Treatment Center), including being granted a Certificate of Need permit for the Project to be constructed and operated in this facility.

ACCEPTANCE OF LETTER OF INTENT TERMS:

LANDLORD:

MeadowPark Partners, LLC

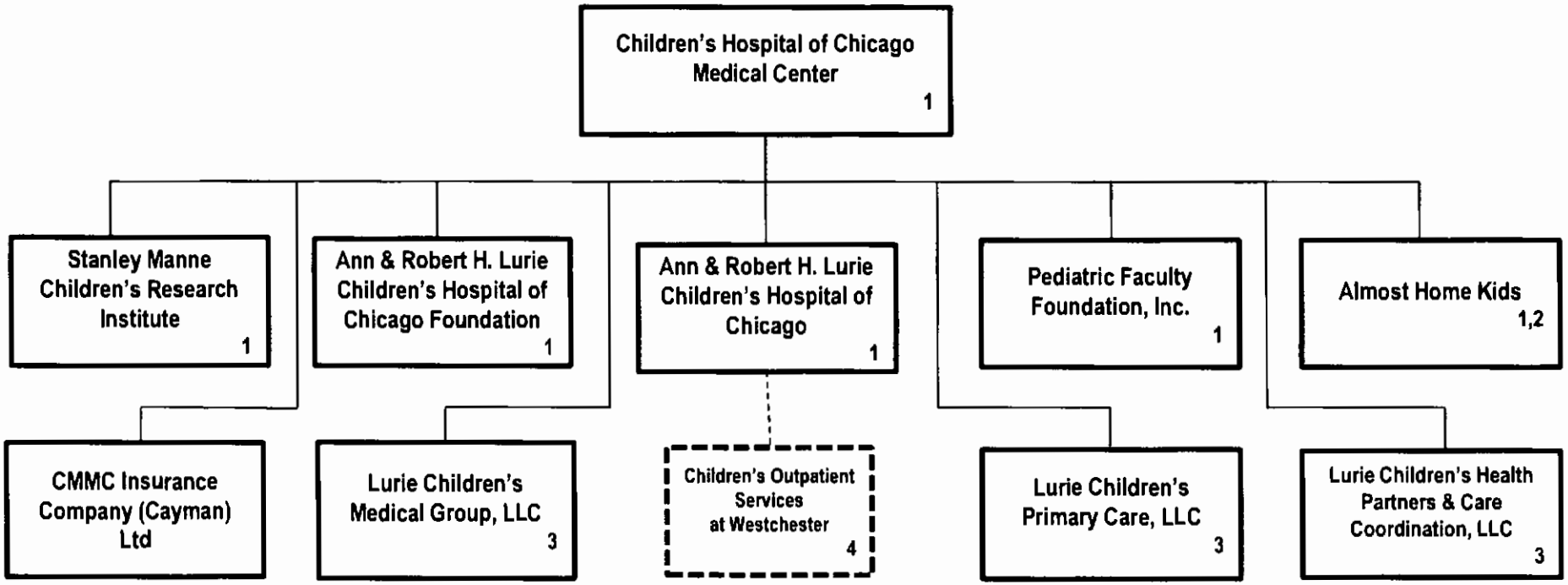
By: _____
Name: JOHN F. McK. [illegible]
Date: 10/5/2016

TENANT:

ANN & ROBERT H. LURIE CHILDREN'S HOSPITAL OF CHICAGO

By: Michelle Stephenson
Name: Michelle Stephenson
Date: 10/7/16

Ann & Robert H. Lurie
Children's Hospital of Chicago



1 Illinois not for profit corporation and IRC § 501(c)(3)
2 Licensed under the Illinois Alternative Healthcare Delivery Act as a Children's Community Based Health Care Center
3 Controlled affiliate; Medical Center is sole member and entity is tax exempt
4 Lurie Children's Hospital is the license holder of Children's Outpatient Services at Westchester, an Illinois licensed ASTC

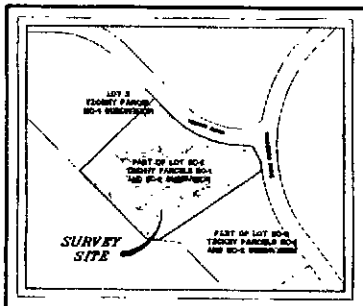
ATTACHMENT 4

Flood Plain Requirements

The building at 1121 Techny Road, the location of the proposed ASTC, is not located in a flood plain. The building (labeled "Existing F/F=640.41") is shown in yellow on the map on the following page. It is located in an area that had been built up with fill at the time it was constructed and is separated from a low lying area by a retaining wall. The building is east of the retaining wall, shown as a bold line on the map. Areas to the east of the line are not in the flood plain; areas to the west of the line are in the flood plain. The area in the flood plain is designated on the map. The map shows that the building with the proposed project is adjacent to but not in the flood plain.

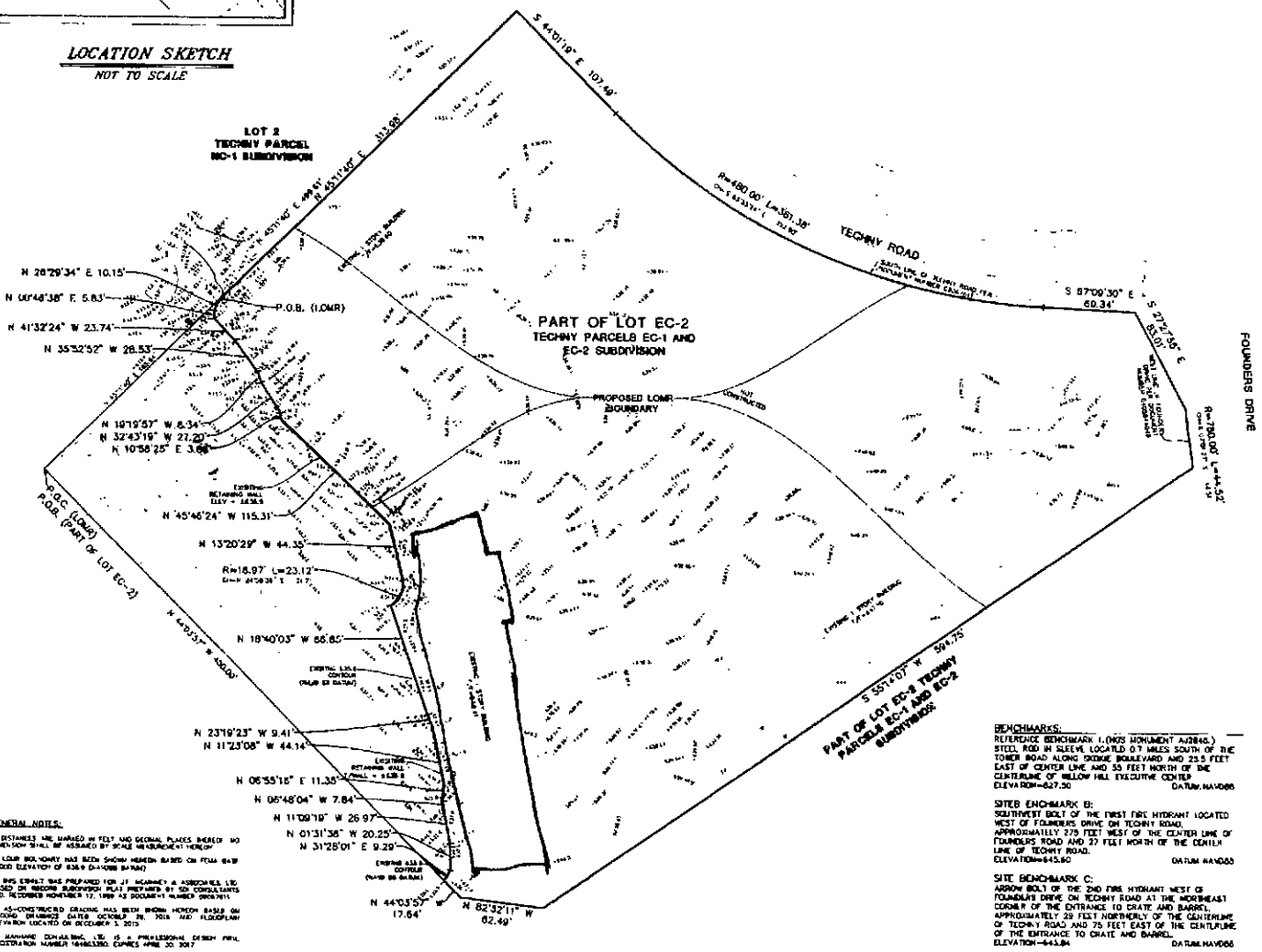
The three page "Letter of Map Revision Based on Fill Determination Document (Removal)" states, on page 3: A portion of this property is located within the Special Flood Hazard Area and the National Flood Insurance Program (NFIP) regulatory floodway for the flooding source indicated on the Determination/Comment Document while <u>the subject of this determination is not</u>. (Emphasis underlined.)

LOMAR EXHIBIT



LOCATION SKETCH

NOT TO SCALE



GENERAL NOTES:

1. DISTANCES ARE SHOWN IN FEET AND DECIMAL PLACES THEREOF NO DIMENSION SHALL BE ASSUMED BY SCALE MEASUREMENT HEREON

2. LOMR BOUNDARY WAS BEEN SHOWN HEREON BASED ON FEMA 6-8-9 FLOOD ELEVATION OF 636.9 (NAVD 88 DATUM)

3. THIS EXHIBIT WAS PREPARED FOR J.F. McKINNEY & ASSOCIATES, LTD. BASED ON RECORD SURVEYOR PLAT PREPARED BY SDI CONSULTANTS LTD. RECORDED NOVEMBER 17, 1999 AS DOCUMENT NUMBER 0000-7815

4. AS-CONSTRUCTED GRADING HAS BEEN SHOWN HEREON BASED ON RECORD DRAWINGS DATED OCTOBER 28, 2014 AND FLOODPLAIN ELEVATION LOCATED ON DECEMBER 3, 2015

5. MANHARD CONSULTING, LTD. IS A PROFESSIONAL DESIGN FIRM, REGISTRATION NUMBER 184-000203 EXPIRES APRIL 30, 2017

BENCHMARKS:

REFERENCE BENCHMARK 1 (NGS MONUMENT AJ2845)
STEEL ROD IN SLEEVE LOCATED 0.7 MILES SOUTH OF THE TOWER ROAD ALONG SKOKIE BOULEVARD AND 25.5 FEET EAST OF CENTER LINE AND 55 FEET NORTH OF THE CENTERLINE OF WILLOW HILL EXECUTIVE CENTER
ELEVATION=627.50 DATUM: NAVD88

SITE1 BENCHMARK B:
SOUTHWEST BOLT OF THE FIRST FIRE HYDRANT LOCATED WEST OF FOUNDERS DRIVE ON TECHNY ROAD, APPROXIMATELY 275 FEET WEST OF THE CENTER LINE OF FOUNDERS ROAD AND 27 FEET NORTH OF THE CENTER LINE OF TECHNY ROAD.
ELEVATION=645.60 DATUM: NAVD88

SITE BENCHMARK C:
ARROW BOLT OF THE 2ND FIRE HYDRANT WEST OF FOUNDERS DRIVE ON TECHNY ROAD AT THE NORTHEAST CORNER OF THE ENTRANCE TO CRATE AND BARREL, APPROXIMATELY 29 FEET NORTHERLY OF THE CENTERLINE OF TECHNY ROAD AND 75 FEET EAST OF THE CENTERLINE OF THE ENTRANCE TO CRATE AND BARREL.
ELEVATION=643.84 DATUM: NAVD88

GRAPHIC SCALE

(IN FEET)
1 inch = 40 ft

P.O.C.= POINT OF COMMENCEMENT
P.O.B.= POINT OF BEGINNING

LEGAL DESCRIPTION

THAT PART OF LOT EC-2 IN TECHNY PARCELS EC-1 AND EC-2, BEING A SUBDIVISION OF PART OF THE WEST HALF OF SECTION 14 AND PART OF THE SOUTHEAST QUARTER OF SECTION 15 ALL IN TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 27, 2004 AS DOCUMENT NUMBER 0405404248, IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT; THENCE NORTH 45 DEGREES 11 MINUTES 40 SECONDS EAST, ALONG THE NORTH LINE OF SAID LOT, 180.64 FEET TO A CORNER; THENCE SOUTH 44 DEGREES 01 MINUTES 19 SECONDS EAST, ALONG THE SOUTH RIGHT-OF-WAY LINE OF TECHNY ROAD PER DOCUMENT NUMBER 0000-7811, 107.49 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY 351.38 FEET, CONTINUING ALONG SAID SOUTH RIGHT-OF-WAY LINE, BEING A CURVE TANGENT TO THE LAST DESCRIBED COURSE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 480.00 FEET, A CHORD BEARING OF SOUTH 65 DEGREES 36 MINUTES 24 SECONDS EAST AND A CHORD DISTANCE OF 342.96 FEET TO A POINT OF TANGENCY; THENCE SOUTH 87 DEGREES 09 MINUTES 30 SECONDS EAST CONTINUING ALONG SAID SOUTH RIGHT-OF-WAY LINE, 60.34 FEET TO A CORNER; THENCE SOUTH 27 DEGREES 27 MINUTES 55 SECONDS EAST ALONG THE WEST RIGHT-OF-WAY LINE OF FOUNDERS DRIVE PER DOCUMENT NUMBER 0405404248, 83.01 FEET TO A NON-TANGENT CURVE; THENCE SOUTHERLY, 44.52 FEET, CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE, BEING A NON-TANGENT CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 750.00 FEET, A CHORD BEARING OF SOUTH 07 DEGREES 01 MINUTES 57 SECONDS EAST AND A CHORD DISTANCE OF 44.51 FEET; THENCE SOUTH 55 DEGREES 14 MINUTES 07 SECONDS WEST, 594.75 FEET TO A DEPARTURE LINE OF SAID LOT; THENCE NORTH 42 DEGREES 32 MINUTES 11 SECONDS WEST ALONG SAID SOUTHEAST LINE 62.49 FEET TO A CORNER; THENCE NORTH 11 DEGREES 03 MINUTES 57 SECONDS WEST, ALONG A SOUTHEAST LINE OF SAID LOT, 430.00 FEET TO THE POINT OF BEGINNING

PROPERTY ADDRESS

561 FOUNDERS DRIVE

PROPERTY AREA

305,063 SQUARE FEET (7.003 ACRES)

LOMR LEGAL DESCRIPTION

THAT PART OF LOT EC-2 IN TECHNY PARCELS EC-1 AND EC-2 BEING A SUBDIVISION OF PART OF THE WEST HALF OF SECTION 14 AND PART OF THE SOUTHEAST QUARTER OF SECTION 15, ALL IN TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 27, 2004 AS DOCUMENT NUMBER 0405404248 IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID LOT; THENCE NORTH 45 DEGREES 11 MINUTES 40 SECONDS EAST, ALONG THE NORTH LINE OF SAID LOT 180.64 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 45 DEGREES 11 MINUTES 40 SECONDS EAST, CONTINUING ALONG AFORESCRIBED COURSE, 313.98 FEET TO A CORNER; THENCE SOUTH 44 DEGREES 01 MINUTES 19 SECONDS EAST, ALONG THE SOUTH RIGHT-OF-WAY LINE OF TECHNY ROAD PER DOCUMENT NUMBER 0000-7811, 361.18 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY 351.38 FEET, CONTINUING ALONG SAID SOUTH RIGHT-OF-WAY LINE, BEING A CURVE TANGENT TO THE LAST DESCRIBED COURSE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 480.00 FEET, A CHORD BEARING OF SOUTH 65 DEGREES 36 MINUTES 24 SECONDS EAST AND A CHORD DISTANCE OF 342.96 FEET TO A POINT OF TANGENCY; THENCE SOUTH 87 DEGREES 09 MINUTES 30 SECONDS EAST, CONTINUING ALONG SAID SOUTH RIGHT-OF-WAY LINE, 30.34 FEET TO A CORNER; THENCE SOUTH 27 DEGREES 27 MINUTES 55 SECONDS EAST ALONG THE WEST RIGHT-OF-WAY LINE OF FOUNDERS DRIVE PER DOCUMENT NUMBER 0405404248, 83.01 FEET TO A NON-TANGENT CURVE; THENCE SOUTHERLY 44.52 FEET, CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE, BEING A NON-TANGENT CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 750.00 FEET, A CHORD BEARING OF SOUTH 07 DEGREES 01 MINUTES 57 SECONDS EAST AND A CHORD DISTANCE OF 44.51 FEET; THENCE SOUTH 55 DEGREES 14 MINUTES 07 SECONDS WEST, 594.75 FEET TO A CORNER; THENCE NORTH 42 DEGREES 32 MINUTES 11 SECONDS WEST ALONG A SOUTHEAST LINE OF SAID LOT, 62.49 FEET TO A CORNER; THENCE NORTH 44 DEGREES 03 MINUTES 57 SECONDS WEST ALONG A SOUTHEAST LINE OF SAID LOT, 17.64 FEET TO A POINT ON SAID LINE, WHICH INTERSECTS WITH THE 630.9 (NAVD 88) PROPOSED CONTOUR; THENCE ALONG SAID CONTOUR FOR THE NEXT 12 COURSES:

THENCE NORTH 26 DEGREES 29 MINUTES 34 SECONDS EAST 10.15 FEET; THENCE NORTH 00 DEGREES 51 MINUTES 38 SECONDS WEST 5.83 FEET; THENCE NORTH 41 DEGREES 08 MINUTES 24 SECONDS WEST, 23.74 FEET; THENCE NORTH 35 DEGREES 32 MINUTES 52 SECONDS WEST, 28.53 FEET; THENCE NORTH 19 DEGREES 40 MINUTES 03 SECONDS WEST 6.34 FEET TO A NON-TANGENT CURVE; THENCE NORTHEASTERLY 23.12 FEET, BEING A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 16.97 FEET, A CHORD BEARING NORTH 24 DEGREES 58 MINUTES 36 SECONDS EAST AND A CHORD DISTANCE OF 21.71 FEET, TO A NON-TANGENT LINE; THENCE NORTH 12 DEGREES 30 MINUTES 26 SECONDS WEST 44.35 FEET; THENCE NORTH 43 DEGREES 46 MINUTES 24 SECONDS WEST, 115.31 FEET; THENCE NORTH 10 DEGREES 58 MINUTES 25 SECONDS EAST, 3.66 FEET; THENCE NORTH 32 DEGREES 43 MINUTES 19 SECONDS WEST, 27.20 FEET; THENCE NORTH 19 DEGREES 19 MINUTES 57 SECONDS WEST, 6.34 FEET; THENCE NORTH 35 DEGREES 52 MINUTES 03 SECONDS WEST 28.53 FEET; THENCE NORTH 41 DEGREES 32 MINUTES 24 SECONDS WEST, 23.74 FEET; THENCE NORTH 00 DEGREES 48 MINUTES 38 SECONDS EAST 5.83 FEET; THENCE NORTH 26 DEGREES 29 MINUTES 34 SECONDS EAST, 10.15 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

LOMR AREA

252,470 SQUARE FEET (5.796 ACRES)

ERIC B. VESSELY
ILLINOIS
PROFESSIONAL
LAND
SURVEYOR
NO. 3653
VESSELY & ASSOCIATES

DATE DECEMBER 18, 2015

DRAWN 12/30/14

Manhard CONSULTING

MEADOW PARK

FOUNDERS ROAD AND TECHNOLOGY ROAD, NORTHBROOK, ILLINOIS

LOMR EXHIBIT

DATE 12/30/14

SHEET 1 OF 1

WO/JOB 120054

ATTACHMENT 5

29

Federal Emergency Management Agency

Washington, D.C. 20472

April 20, 2016

THE HONORABLE SANDRA E. FRUM
VILLAGE PRESIDENT, VILLAGE OF NORTHBROOK
1225 CEDAR LANE
NORTHBROOK, IL 60062

CASE NO.: 16-05-2598A
COMMUNITY: VILLAGE OF NORTHBROOK, COOK COUNTY, ILLINOIS
COMMUNITY NO.: 170132

DEAR MS. FRUM:

This is in reference to a request that the Federal Emergency Management Agency (FEMA) determine if the property described in the enclosed document is located within an identified Special Flood Hazard Area, the area that would be inundated by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood), on the effective National Flood Insurance Program (NFIP) map. Using the information submitted and the effective NFIP map, our determination is shown on the attached Letter of Map Revision based on Fill (LOMR-F) Determination Document. This determination document provides additional information regarding the effective NFIP map, the legal description of the property and our determination.

Additional documents are enclosed which provide information regarding the subject property and LOMR-Fs. Please see the List of Enclosures below to determine which documents are enclosed. Other attachments specific to this request may be included as referenced in the Determination/Comment document. If you have any questions about this letter or any of the enclosures, please contact the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or by letter addressed to the Federal Emergency Management Agency, LOMC Clearinghouse, 847 South Pickett Street, Alexandria, VA 22304-4605.

Sincerely,

Luis Rodriguez, P.E., Chief
Engineering Management Branch
Federal Insurance and Mitigation Administration

LIST OF ENCLOSURES:

LOMR-F DETERMINATION DOCUMENT (REMOVAL)

cc: State/Commonwealth NFIP Coordinator
Community Map Repository
Region
Mr. Charlie Portis

Federal Emergency Management Agency

Washington, D.C. 20472

LETTER OF MAP REVISION BASED ON FILL DETERMINATION DOCUMENT (REMOVAL)

COMMUNITY AND MAP PANEL INFORMATION		LEGAL PROPERTY DESCRIPTION
COMMUNITY	VILLAGE OF NORTHBROOK, COOK COUNTY, ILLINOIS	A portion of Lot EC-2, Techny Parcels EC-1 and EC-2, as shown on the Final Plat recorded as Document No. 0405844049, in the Office of the Recorder of Deeds, Cook County, Illinois The portion of property is more particularly described in the following metes and bounds:
	COMMUNITY NO.: 170132	
AFFECTED MAP PANEL	NUMBER: 17031C0231J	
	DATE: 8/19/2008	
FLOODING SOURCE: CHICAGO RIVER; NORTH BRANCH; WEST FORK		APPROXIMATE LATITUDE & LONGITUDE OF PROPERTY:42.114504, -87.810756 SOURCE OF LAT & LONG: LOMA LOGIC DATUM: NAD 83

DETERMINATION

LOT	BLOCK/ SECTION	SUBDIVISION	STREET	OUTCOME WHAT IS REMOVED FROM THE SFHA	FLOOD ZONE	1% ANNUAL CHANCE FLOOD ELEVATION (NAVD 88)	LOWEST ADJACENT GRADE ELEVATION (NAVD 88)	LOWEST LOT ELEVATION (NAVD 88)
EC-2	--	Techny Parcels EC-1 and EC-2	591 Founders Drive	Portion of Property	X (shaded)	--	--	635.9 feet

Special Flood Hazard Area (SFHA) - The SFHA is an area that would be inundated by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood).

ADDITIONAL CONSIDERATIONS (Please refer to the appropriate section on Attachment 1 for the additional considerations listed below.)

LEGAL PROPERTY DESCRIPTION
PORTIONS REMAIN IN THE FLOODWAY
STUDY UNDERWAY

This document provides the Federal Emergency Management Agency's determination regarding a request for a Letter of Map Revision based on Fill for the property described above. Using the information submitted and the effective National Flood Insurance Program (NFIP) map, we have determined that the described portion(s) of the property(ies) is/are not located in the SFHA, an area inundated by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood). This document revises the effective NFIP map to remove the subject property from the SFHA located on the effective NFIP map; therefore, the Federal mandatory flood insurance requirement does not apply. However, the lender has the option to continue the flood insurance requirement to protect its financial risk on the loan. A Preferred Risk Policy (PRP) is available for buildings located outside the SFHA. Information about the PRP and how one can apply is enclosed.

This determination is based on the flood data presently available. The enclosed documents provide additional information regarding this determination. If you have any questions about this document, please contact the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or by letter addressed to the Federal Emergency Management Agency, LOMC Clearinghouse, 847 South Pickett Street, Alexandria, VA 22304-4605.

Luis Rodriguez, P.E., Chief
Engineering Management Branch
Federal Insurance and Mitigation Administration

Federal Emergency Management Agency

Washington, D.C. 20472

LETTER OF MAP REVISION BASED ON FILL DETERMINATION DOCUMENT (REMOVAL)

ATTACHMENT 1 (ADDITIONAL CONSIDERATIONS)

LEGAL PROPERTY DESCRIPTION (CONTINUED)

Commencing at the northwest corner of said lot; Thence north 45 degrees 11 minutes 40 seconds east, along the north line of said lot, 187.00 feet to the point of beginning; Thence north 45 degrees 11 minutes 40 seconds east, continuing along afore described course, 312.62 feet to a corner; Thence south 44 degrees 01 minutes 19 seconds east, along the south right-of-way line of Techny Road per Document Number 09067611, 107.49 feet to a point of curvature: thence southeasterly 361.38 feet, continuing along said south right-of-way line, being a curve tangent to the last described course, concave northerly, having a radius of 480.00 feet, a chord bearing of south 65 degrees 35 minutes 24 seconds east and a chord distance of 352:90 feet to a point of tangency; Thence south 87 degrees 09 minutes 30 seconds east, continuing along said south right-of-way line, 69.34 feet to a corner; Thence south 27 degrees 27 minutes 55 seconds east, along the west right-of-way line of founders drive per Document Number 0405844049, 83.01 feet to a non-tangent curve; Thence southerly 44.52 feet, continuing along said west right-of-way line, being a non-tangent curve, concave easterly, having a radius of 780.00 feet, a chord bearing of south 07 degrees 01 minutes 27 seconds east and a chord distance of 44.51 feet; Thence south 55 degrees 14 minutes 07 seconds west, 594.75 feet a corner; Thence north 82 degrees 32 minutes 11 seconds west, along a southeast line of said lot, 62.49 feet to a corner; Thence north 44 degrees 03 minutes 57 seconds west, along a southeast line of said lot, 13.97 feet to a point on said line which intersects with the 635.9 (NAVD 88) proposed contour for the next 18 courses; Thence south 76 degrees 55 minutes 04 seconds east, 8.05 feet; Thence north 09 degrees 20 minutes 40 seconds west, 53.64 feet; Thence north 17 degrees 37 minutes 22 seconds east, 10.51 feet; Thence north 11 degrees 35 minutes 37 seconds west, 51.66 feet; Thence north 30 degrees 54 minutes 50 seconds west. 10.22 feet; Thence north 19 degrees 07 minutes 44 seconds west, 32.29 feet; Thence north 15 degrees 13 minutes 27 seconds west, 50.29 feet; Thence north 05 degrees 52 minutes 57 seconds west, 11.07 feet; Thence north 00 degrees 00 minutes 00 seconds east, 11.14 feet; Thence north 35 degrees 18 minutes 46 seconds east, 3.54 feet; Thence north 11 degrees 45 minutes 53 seconds west, 48.89 feet; Thence north 44 degrees 48 minutes 20 seconds west, 107.52 feet; Thence north 18 degrees 01 minutes 27 seconds east, 12.27 feet; Thence north 12 degrees 25 minutes 13 seconds west, 13.07 feet; Thence north 44 degrees 48 minutes 55 seconds west, 65.96 feet; Thence north 31 degrees 05 minutes 52 seconds west, 9.43 feet; Thence north 03 degrees 17 minutes 35 seconds west, 9.43 feet; Thence north 16 degrees 36 minutes 39 seconds east, 7.98 feet to the point of beginning, in Cook County, Illinois.

This attachment provides additional information regarding this request. If you have any questions about this attachment, please contact the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or by letter addressed to the Federal Emergency Management Agency, LOMC Clearinghouse, 847 South Pickett Street, Alexandria, VA 22304-4605.

Luis Rodriguez, P.E., Chief
Engineering Management Branch
Federal Insurance and Mitigation Administration

Federal Emergency Management Agency
Washington, D.C. 20472

LETTER OF MAP REVISION BASED ON FILL DETERMINATION DOCUMENT (REMOVAL)

ATTACHMENT 1 (ADDITIONAL CONSIDERATIONS)

PORTIONS OF THE PROPERTY REMAIN IN THE FLOODWAY (This Additional Consideration applies to the preceding 1 Property.)

A portion of this property is located within the Special Flood Hazard Area and the National Flood Insurance Program (NFIP) regulatory floodway for the flooding source indicated on the Determination/Comment Document while the subject of this determination is not. The NFIP regulatory floodway is the area that must remain unobstructed in order to prevent unacceptable increases in base flood elevations. Therefore, no construction may take place in an NFIP regulatory floodway that may cause an increase in the base flood elevation, and any future construction or substantial improvement on the property remains subject to Federal, State/Commonwealth, and local regulations for floodplain management. The NFIP regulatory floodway is provided to the community as a tool to regulate floodplain development. Modifications to the NFIP regulatory floodway must be accepted by both the Federal Emergency Management Agency (FEMA) and the community involved. Appropriate community actions are defined in Paragraph 60.3(d) of the NFIP regulations. Any proposed revision to the NFIP regulatory floodway must be submitted to FEMA by community officials. The community should contact either the Regional Director (for those communities in Regions I-IV, and VI-X), or the Regional Engineer (for those communities in Region V) for guidance on the data which must be submitted for a revision to the NFIP regulatory floodway. Contact information for each regional office can be obtained by calling the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or from our web site at http://www.fema.gov/about/regoff.htm.

STUDY UNDERWAY (This Additional Consideration applies to all properties in the LOMR-F DETERMINATION DOCUMENT (REMOVAL))

This determination is based on the flood data presently available. However, the Federal Emergency Management Agency is currently revising the National Flood Insurance Program (NFIP) map for the community. New flood data could be generated that may affect this property. When the new NFIP map is issued it will supersede this determination. The Federal requirement for the purchase of flood insurance will then be based on the newly revised NFIP map.

This attachment provides additional information regarding this request. If you have any questions about this attachment, please contact the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or by letter addressed to the Federal Emergency Management Agency, LOMC Clearinghouse, 847 South Pickett Street, Alexandria, VA 22304-4605.

Luis Rodriguez, P.E., Chief
Engineering Management Branch
Federal Insurance and Mitigation Administration

Federal Emergency Management Agency
Washington, D.C. 20472

ADDITIONAL INFORMATION REGARDING LETTERS OF MAP REVISION BASED ON FILL

When making determinations on requests for Letters of Map Revision based on the placement of fill (LOMR-Fs), the Department of Homeland Security's Federal Emergency Management Agency (FEMA) bases its determination on the flood hazard information available at the time of the determination. Requesters should be aware that flood conditions may change or new information may be generated that would supersede FEMA's determination. In such cases, the community will be informed by letter.

Requesters also should be aware that removal of a property (parcel of land or structure) from the Special Flood Hazard Area (SFHA) means FEMA has determined the property is not subject to inundation by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood). This does not mean the property is not subject to other flood hazards. The property could be inundated by a flood with a magnitude greater than the base flood or by localized flooding not shown on the effective National Flood Insurance Program (NFIP) map.

The effect of a LOMR-F is it removes the Federal requirement for the lender to require flood insurance coverage for the property described. The LOMR-F *is not* a waiver of the condition that the property owner maintain flood insurance coverage for the property. *Only* the lender can waive the flood insurance purchase requirement because the lender imposed the requirement. *The property owner must request and receive a written waiver from the lender before canceling the policy.* The lender may determine, on its own as a business decision, that it wishes to continue the flood insurance requirement to protect its financial risk on the loan.

The LOMR-F provides FEMA's comment on the mandatory flood insurance requirements of the NFIP as they apply to a particular property. A LOMR-F is not a building permit, nor should it be construed as such. Any development, new construction, or substantial improvement of a property impacted by a LOMR-F must comply with all applicable State and local criteria and other Federal criteria.

If a lender releases a property owner from the flood insurance requirement, and the property owner decides to cancel the policy and seek a refund, the NFIP will refund the premium paid for the current policy year, provided that no claim is pending or has been paid on the policy during the current policy year. The property owner must provide a written waiver of the insurance requirement from the lender to the property insurance agent or company servicing his or her policy. The agent or company will then process the refund request.

Even though structures are not located in an SFHA, as mentioned above, they could be flooded by a flooding event with a greater magnitude than the base flood. In fact, more than 25 percent of all claims paid by the NFIP are for policies for structures located outside the SFHA in Zones B, C, X (shaded), or X (unshaded). More than one-fourth of all policies purchased under the NFIP protect structures located in these zones. The risk to structures located outside SFHAs is just not as great as the risk to structures located in SFHAs. Finally, approximately 90 percent of all federally declared disasters are caused by flooding, and homeowners insurance does not provide financial protection from this flooding. Therefore, FEMA encourages the widest possible coverage under the NFIP.

Illinois Historic Preservation Agency

FAX (217) 524-7525
1 Old State Capitol Plaza • Springfield, Illinois 62701–1507 • (217) 782–4836 • TTY (217) 524–7128

Cook County
Northbrook
CON - New Addition and Rehabilitation for Ambulatory Surgery Treatment Center
1121 Techny Road
IHPA Log #022072516

August 3, 2016

Ralph Weber
920 Hoffman Lane
Riverwoods, IL 60015

Dear Mr. Weber:

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

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

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact David Halpin, Cultural Resources Manager, at 217/785-4998.

Sincerely,

Rachel Leibowitz, Ph.D.
Deputy State Historic
Preservation Officer

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NON-CLINICAL**	**TOTAL**
Pre-planning Costs	$8,514	$6,486	$15,000
Site Survey and Soil Investigation	-	-	-
Site Preparation	-	-	-
Off Site Work	-	$163,713	$163,713
Modernization Contracts	$4,916,627	$4,290,343	$9,206,970
New Construction Contracts	-	-	-
Contingencies	$484,870	$369,419	$854,289
A/E Fees	$327,724	$249,690	$577,414
Consultant Fees	$361,980	$275,790	$637,770
Movable Equipment	$7,601,784	$716,381	$8,318,165
Bond Issuance Expense	$109,567	$48,820	$158,387
Net Interest Expense During Construction	-	-	-
FMV Leased Space	$8,853,551	$6,745,449	$15,599,000
Other Capital Costs	$14,189	$10,811	$25,000
Acquisition of Building	-	-	-
TOTAL USES OF FUNDS	**$22,678,806**	**$12,876,901**	**$35,555,707**
SOURCE OF FUNDS	**CLINICAL**	**NON-CLINICAL**	**TOTAL**
Cash and Securities	$2,868,569	$1,249,482	$4,118,051
Pledges			
Gifts and Bequests			
Mortgages/Bonds	$10,956,687	$4,881,970	$15,838,657
Leases	$8,853,551	$6,745,449	$15,599,000
Governmental Appropriations			
Grants			
Other			
TOTAL SOURCES OF FUNDS	**$22,678,806**	**$12,876,901**	**$35,555,707**

* A Tenant Improvement Allowance of $2,024,840 will be provided by the developer and is not included in the chart.

LIST OF ITEMS AND COST

Pre-Planning Costs - $15,000

The pre-planning costs include the preconstruction services provided by the general contractor.

Of the total amount, $8,514 is the clinical pre-planning cost. This amount represents 0.17% of the total clinical modernization cost.

Off Site Work - $163,713

The offsite work cost includes a utility pad and generator outside of the building.

This is a non-clinical cost item.

Modernization Contract - $9,206,970

The modernization contract includes the cost of the construction contract to complete the project including the general contractor's overhead and profit.

Of the total modernization contract amount, $4,907,806 is the clinical modernization cost. The total clinical DGSF of the project is 14,926. The clinical cost/square foot is $329.

Contingencies - $854,289

Allowance for unforeseen conditions.

Of the total amount, $484,870 is the clinical Contingency cost. This amount 9.9% of the clinical modernization cost.

Together, the clinical modernization cost and clinical contingency cost are $5,392,676. The total clinical DGSF of the project is 14,926 square feet. The clinical modernization cost + contingency cost/square foot is $361.

Of the $361/SF, approximately $49/sf is attributed to features and requirements that aren't associated with a typical ASTC, outlined below.

1. Existing Shell Upgrade Premium
   The proposed project is planned to be constructed in an existing building shell adjacent to a clinic operated by Lurie Children's Hospital. This existing building shell is wood frame construction and was intended for retail use. The modernization cost for the proposed project includes the additional infrastructure required to upgrade the wood shell to support the operation of an ambulatory surgical treatment center. These upgrades include the construction of steel assemblies in the operating rooms to support the equipment booms at a cost of $183,000 and the construction of a cast-in-place concrete slab at $142,500.

   Cost associated with upgrades to wood shell = $183,000 + $142,500 = $325,500

   $325,500 ÷ 14,926 Clinical DGSF = $21.81/SF

ATTACHMENT 7

2. MRI Premium

   The proposed project includes an MRI which requires radiation protection and additional structure above what is typically provided in an ASTC. The costs associated with this additional work includes $37,000 for steel supports, $57,710 for lead lined glass, $10,792 for a thickened slab to support the MRI machine, and $113,000 for radiofrequency shielding.

   Cost associated with MRI = $37,700 + $57,710 + $10,792 + $113,000 = $219,202

   $219,202 ÷ 14,926 Clinical DGSF = $14.69/SF

3. Pediatric Family Centered Care Premium

   Lurie is a pediatric facility that provides family centered care requiring a higher level of patient privacy than an adult facility. The modernization costs include the cost associated with the construction of private recovery rooms. These cost are higher than those associated with an open bay recovery configuration. The cost associated with private rooms includes $95,610 for glass breakaway doors, $39,401 for gypsum wall assemblies, and $15,981 for wall protection.

   Cost associated with pediatric family centered care private recover rooms = $95,610 + $39,401 + $15,981 = $150,992

   $150,992 ÷ 14,926 Clinical DGSF = $10.12/SF

4. Larger OR Premium

   To accommodate 1000+ types of cases and multiple disciplines, the size of the ORs at this facility will be larger than those typically provided in an ambulatory setting. Three of the four proposed ORs will be 600 SF while the fourth, smaller OR is 515 SF. These sizes are all larger than the 450 SF OR typically provided in an ASTC.

   The cost/sf associated with building an OR is higher than any of the other clinical spaces because of the specialty ceilings and hygienic panels required for sterile environment and additional door and wall protection. These cost represent $241,140 of the cost associated with the ORs at $76.17/SF. The size of the Lurie's three large ORs is approximately 450 SF larger than the three typical 450 5F OR (3 ORs @ 150 SF difference) and the size of smaller OR is approximately 65 SF larger than the typical 450 SF. This total additional OR square footage equals 515 SF.

   Additional square feet associated with larger ORs = 515 SF

   Cost associated with Larger OR = 515 SF x $76.17/SF = $39,225

   $39,225 ÷ 14,926 Clinical DGSF = $2.62/SF

Additional Cost Justified

Existing Shell Upgrade Premium	$21.81/SF
MRI Premium	$14.69/SF
Family Centered Care Premium	$10.12/SF
Larger OR Premium	$2.62/SF
Total	$49.24/SF

Architectural Engineering Fees - $577,414

The architectural and engineering fees include the design services for schematic design and design development, the execution of construction documents, and construction administration services. The architectural fees represent $325,734 of the total A/E cost and include design services for the architecture, interior design, engineering coordination, and architectural project management. The engineering fees represent $251,680 of the total A/E cost and include design of all building systems including electrical, mechanical, plumbing, fire protection, telecommunications, and security.

Of the total amount, $327,724 is the clinical Architectural/Engineering Fee. This amount represents 6.7% of the clinical modernization cost.

Consulting and Other Fees - $637,770

The consultant and other fees include services for various types of consulting and professional expertise plus the application costs associated with the required regulatory reviews.

The consulting fees include:

- Project Management Services
- CON Advisory Services
- HVAC Commissioning Services

The application costs include the cost associated with the following reviews and permits:

- CON Filing Fee
- IDPH Application Cost
- Village of Northbrook Building Permit Application Fee

Of the total amount, $361,980 is the clinical Consultant and Other Fees cost. This amount represents 7.4% of the clinical modernization cost.

Movable Equipment - $8,318,165

The movable equipment cost includes all equipment, furniture, and fixtures to equip the ambulatory surgical and treatment center.

The movable equipment represents $7,969,628 of the total movable equipment cost and includes:

- IT and AV equipment = $1,188,428
- OR Movable Equipment = $1,830,002
    - OR Equipment cost is $457,500/OR
- MRI and other associated equipment = $2,025,849
- Movable Medical Equipment for Clinical Space = $2,873,595
- Movable Medical Equipment for Non-clinical Spaces = $51,754

The furniture and fixtures represent $348,537 of the total non-clinical movable equipment cost and include:

- Furniture
- Artwork
- Signage

Fair Market Value (FMV) of Leased Space - $15,599,000

The FMV of Leased Space cost includes the value of the lease over the 15 year term with escalation.

Of the total amount, $8,853,551 is the clinical FMV Leased Space coast and the nonclinical cost is $6,745,449.

Other Capital Costs - $25,000

The Other Capital Costs include the fee for medical equipment warehousing. This fee covers the storage of medical equipment during the procurement and installation phases of the project.

Of the total amount, $14,189 is the clinical other capital cost.

Cost Space Requirements

10/12/2016

Dept / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Sq Ft That is:			
		Existing	Proposed	New Const	Modernized	As Is	Vacated
REVIEWABLE							
Surgery							
ORs	$1,368,417	-	3,166		3,166	-	-
Pre Op/Recovery	$1,415,677	-	4,354		4,354	-	-
Nurse Station	$69,173	-	274		274	-	-
Corridor (interior)	$818,464	-	3,242		3,242	-	-
MD Workspace	$91,137	-	361		361	-	-
OR support	$549,610	-	2,080		2,080	-	-
Subtotal Surgery	$4,312,478		13,477		13,477		
MRI							
MRI suite	$604,149	-	1,449		1,449	-	-
Subtotal MRI Suite	$604,149		1,449		1,449		
Total Reviewable	**$4,916,627**		**14,926**		**14,926**	-	-
NON-REVIEWABLE							
Storage	$190,857	-	756		756	-	-
Soiled room	$44,937	-	178		178	-	-
AV closet	$10,603	-	42		42	-	-
Building System/Support	$2,492,388	-	4,609		4,609	-	-
Lockers/Lounge	$517,795	-	1,850		1,850	-	-
Waiting/Reception/Registration	$580,887	-	2,176		2,176	-	-
Exam space	$452,876	-	1,761		1,761	-	-
Total Non-Reviewable	**$4,290,343**		**11,372**		**11,372**		
Subtotal Modernization	**$9,206,970**	-	**26,298**	**0**	**26,298**		-

OTHER PROJECT COSTS	
Pre-Planning Costs	$15,000
Site Survey and Soil Investigation	$0
Site Preparation	$0
Off Site Work	$163,713
Contingencies	$854,289
A/E Fees	$577,414
Consultant Fees	$637,770
Movable Equipment	$8,318,165
Bond Issuance Expense	$158,387
FMV Leased Space	$15,599,000
Other Capital Costs	$25,000
Subtotal Other Project Costs	**$26,348,738**

TOTAL PROJ COSTS	**$35,555,707**

CRITERION 1110.230 – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES

BACKGROUND OF APPLICANT

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

Ann & Robert H. Lurie Children's Hospital of Chicago
225 East Chicago Avenue
Chicago, Illinois 60611
Licensure: Pediatric Hospital

Children's Outpatient Services at Westchester
2301 Enterprise Drive
Westchester, IL 60154
Licensure: Ambulatory Surgical Treatment Center

Almost Home Kids
211 East Grand Avenue
Chicago, Illinois 60611
Licensure: Children's Community Based Health Care Center

Almost Home Kids
7S. 721 Route 53
Naperville, Illinois 60540
Chicago, Illinois 60611
Licensure: Children's Community Based Health Care Center

HF110838

Illinois Department of PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Nirav D. Shah, M.D.,J.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
6/8/2017		0005843

Pediatric Hospital

Effective: 06/09/2016

Ann & Robert H Lurie Children's Hospital of Chicago
225 East Chicago Avenue
Chicago, IL 60611

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #4012320 10M 3/12

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 6/8/2017

Lic Number 0005843

Date Printed 5/3/2016

Ann & Robert H Lurie Children's Hospit

225 East Chicago Avenue
Chicago, IL 60611

FEE RECEIPT NO.

43

ATTACHMENT 11

Illinois Department of PUBLIC HEALTH

HF110936

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Nirav D. Shah, M.D., J.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	LD NUMBER
6/25/2017		7001555

Ambulatory Surgery Treatment Center

Effective: 06/26/2016

Children's Outpatient Services at Westchester
2301 Enterprise Drive
Westchester, IL 60154

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #4012320 10M 3/12

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 6/25/2017

Lic Number 7001555

Date Printed 5/18/2016

Children's Outpatient Services at West

2301 Enterprise Drive
Westchester, IL 60154

FEE RECEIPT NO.

ATTACHMENT 11

HF111548

Illinois Department of PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Nirav D. Shah, M.D.,J.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
9/7/2017		4000024

Children's Community Based Health Care Center

Licensed Beds: 12

Almost Home Kids
211 East Grand Avenue
Chicago, IL 60611

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #4012320 10M 3/12

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 9/7/2017

Lic Number 4000024

Date Printed 8/18/2016

Almost Home Kids

211 East Grand Avenue
Chicago, IL 60611

FEE RECEIPT NO.

ATTACHMENT 11

46

Illinois Department of PUBLIC HEALTH

HF111274

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Nirav D. Shah, M.D., J.D.
Director

Issued under the authority of the Illinois Department of Public Health.

EXPIRATION DATE	CATEGORY	I.D. NUMBER
08/01/2017		4000020

Children's Community Based Health Care Center

Licensed Beds: 12

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Naperville, IL 60540

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ATTACHMENT 11

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Almost Home Kids

FEE RECEIPT NO.

Ann & Robert H. Lurie
Children's Hospital of Chicago

October 14, 2016

Ms. Kathryn J. Olson
Chairperson
Illinois Health Facilities and
Services Review Board
525 W. Jefferson Street, 2nd floor
Springfield, IL 62761

Re: Criterion 1110.230 – No Adverse Action Certification and Access to Information

Dear Ms. Olson:

I hereby certify that no adverse action has been taken against Children's Hospital of Chicago Medical Center (the "Medical Center") or Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's"), or any facility owned or operated by the Medical Center or Lurie Children's, directly or indirectly, within three (3) years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize the Health Facilities and Services Review Board and the Illinois Department of Public Health ("IDPH") to access any information which it finds necessary to verify any documentation or information submitted, including but not limited to: official records of IDPH or other State agencies and records of nationally recognized accreditation organizations. I further authorize the Board and IDPH to obtain any additional documentation or information which the Board or IDPH deems necessary to process the application.

If you have any questions, please contact Reagen Atwood, Associate General Counsel, Ann & Robert H. Lurie Children's Hospital of Chicago at 312-227-7470 or ratwood@luriechildrens.org.

Sincerely,

Patrick M. Magoon
President and Chief Executive Officer
Ann & Robert H. Lurie Children's Hospital of Chicago
225 E. Chicago Avenue, Box 261
Chicago, IL 60611

Subscribed and sworn to before me
this 14 day of October, 2016.

Signature of Notary Public

Seal

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

ATTACHMENT 11

PURPOSE OF THE PROJECT

1. The establishment of a multi-purpose ASTC for pediatric patients at 1121 Techny Road in Northbrook will improve health care services to the population residing in northern Cook and Lake Counties in several ways:

   a. Enhance access to pediatric outpatient surgery by providing a range of surgical services to residents of northeastern Illinois at a location significantly more convenient than the facilities in Streeterville at Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's"). Many of the patients and families who are coming long distances to receive outpatient surgery at Lurie Children's have expressed interest in a location closer to their homes and that would avoid travel on congested highways and density associated with the downtown hospital location.

   b. Provide a setting for the delivery of lower cost surgical services compared to the costs in the Lurie Children's hospital surgical department. The outpatient center in Northbrook will not be encumbered with many of the overhead costs associated with the downtown Chicago facility. Lower cost delivery responds to the demands by patients with higher deductibles and their insurance carriers. Providing care in lower cost settings is an integral part of Lurie Children's strategy to expand access for Medicaid patients by embracing Medicaid managed care products and promoting access for Illinois Exchange patients enabled through the Affordable Care Act. Surgical rates at the ASTC will be approximately 20 percent below charges for outpatient surgical services at Lurie Children's hospital, due to a combination of a lower charge structure and efficiencies gained in an ambulatory surgery center.

   c. Provide access to imaging services specifically directed to the needs of children through including an MRI in the project to accommodate demand stemming from the Lurie Children's Outpatient Facility in Northbrook, an existing adjacent medical office building, as well as for Lurie Children's patients residing in Northeast Illinois. Space is not available in the existing outpatient center. The location in the ASTC building will offer a convenient accessible site for children requiring MRI with sedation. Another portion of the building will include additional medical offices for outpatient visits.

Lurie Children's recognizes the need for high quality, cost efficient care in the service area for the pediatric population needing a variety of surgical services that can be done outside the hospital environment. While there are many hospital surgery departments and ASTCs in northeastern Illinois, only Lurie Children's and its ASTC in Westchester are dedicated to pediatric surgery. Of the 57 ASTCs in Cook and Lake Counties, only 11 perform more than one surgery per week on average on children ages 14 and under.

There are four major benefits associated with a pediatric ASTC. A pediatric ASTC offers specialized staff expertise, special instrumentation and equipment, and a more comforting/less anxiety-producing patient treatment environment than at an adult surgery center.

First, all clinical staff are specially trained to care for pediatric patients. One of the main differences between adult and pediatric surgery is anesthesiology. A key benefit to the proposed project is that anesthesia will be performed only by board-certified/board-eligible pediatric

anesthesiologists. These pediatric anesthesiologists treat pediatric patients all day every day, not on an occasional basis. Because of the repetition of administering anesthesiology to children, their familiarity with different conditions and their breadth of experience results in the safest anesthesia possible for pediatric patients of all ages. In addition, the concentration of other pediatric subspecialists in Lurie Children's environment enables them to call on experts on a real time basis. The anesthesiologists now on staff have over 200 years of collective experience taking care of children.

Lurie Children's is an academic medical center providing training to pediatric residents and fellows from various institutions and also serves as the primary pediatric training site for Northwestern University Feinberg School of Medicine. As such, pediatric surgeons and anesthesiologists work in an environment that promotes constant innovation, continuous learning, new techniques and ever-increasing skills. They witness and contribute to advancement in the field of pediatric surgery and anesthesiology. Pediatric anesthesiologists can achieve superior pain management results, based on their familiarity with assessing, measuring and administering doses. Their colleagues who have joined practices focusing treatment on adult patient populations with a limited number of pediatric cases do not have the same opportunity to stay as current with new techniques and innovations in treating pediatric patients. For example, most general surgeons treat inguinal hernias by making incisions on both sides. Lurie Children's pediatric surgeons now use minimally invasive surgery from one side, facilitating a quicker recovery. The pediatric anesthesiologists use their special knowledge of pediatric anatomy to administer many different types of numbing blocks, such as single injections in the bottom of the tailbone, to make children more comfortable afterward and reduce or avoid narcotics. This is not the practice at most other hospitals. These continual improvements will be transferred to the outpatient ASTC setting.

Equally important, nurses trained in pediatric surgical nursing treat the special needs of patients and their families. They have special skills needed for assessment of pediatric patients, such as interpreting vital signs. In addition, for a pediatric population, pain assessment is not optimally done on a scale of 1 – 10, as is the case with adults; pediatric nurses know how to measure pain using age or behavioral-related scales.

The second major benefit to a pediatric ASTC is that the facility will have a full range of types and sizes of equipment, medical devices and supplies for the different ages of pediatric patients treated, which is not the practice at adult centers. Adult centers do not perform enough pediatric cases to provide, for example, 3 millimeter scopes, a full range of small face masks, blade sizes to put breathing tubes through different sized voiceboxes, 10 sizes of blood pressure cuffs, a full range of small syringes, and so on. Having the right equipment improves the quality, safety and effectiveness of care delivery.

Third, a pediatric ASTC has a different milieu than an adult ASTC. Parents can be present for the induction of anesthesia and recovery. At adult centers, usually there are restrictions that do not allow family or friends to be present. Adults understand the environment and know what to expect from the procedure. This is not the case with children. Delivering care in a pediatric setting where parents can be in the operating room until their child falls asleep and in the recovery room soon after their child's surgery reduces anxiety for patients and their families.

Finally, care delivery in an ASTC setting (for children or adults) is more efficient. Emergency and complex cases at Lurie Children's main hospital location can pre-empt or "bump" the more

routine outpatient cases. At the downtown hospital, Lurie Children's operating rooms function for both inpatients and outpatients. Without the complexity of cases or emergency cases at the ASTC, surgical operations are on schedule, more predictable, more convenient and less stressful for the family and patients, and a more efficient overall operation.

The high quality of pediatric surgery and safety measures practiced at Lurie Children's proposed ASTC will give patients affordable choices while lowering the cost of care. This project also will support quality incentive efforts of payors for lower cost services in a higher quality out-of-hospital environment. The ASTC will support the right care at the right time in the right place for the right price. It also will support better population management and new Accountable Care Organization and risk management arrangements made between payors and systems of care.

2. For purposes of this project, the Planning Area is composed of 100 zip codes in northern Illinois, including all of Lake County and extending from Lake Michigan to McHenry, northern Cook County and some areas in northern Chicago and northeast DuPage County. This is a significant part of the Lurie Children's primary service area, which is the entire seven county metropolitan area. Of the total 10,082 outpatient surgery cases done last year at Lurie Children's main hospital, 31 percent came from the 100 zip codes in the Planning Area. (See the Patient Origin Table and Figure 1 map on the following pages.)

   It is anticipated that approximately two-thirds of the residents of the Planning Area having outpatient pediatric surgery will utilize the Northbrook facility. The remainder will have surgery at Lurie Children's downtown, and some at the Westchester ASTC. An estimated 96 percent of the surgical cases performed at the proposed Northbrook ASTC will be from the Planning Area.

3. Issues that need to be addressed for the development and implementation of this project are as follows:

   a. *Patient access challenges*. An increasing number of Lurie Children's families are requesting treatment options closer to their homes. This is especially the case with families in the north region of the seven county metropolitan area. Commuting times to downtown Chicago have been increasing the past 10 years, causing patient access issues with appointments on the Streeterville campus. There is a well-established need for clinical services for patients in this area as demonstrated by the fact that Lurie Children's opened an outpatient center in Glenview in 1995. This outpatient center was relocated to Northbrook in 2015 to accommodate necessary growth. Pediatric specialists in many disciplines rotate for scheduled clinics, allowing patients to schedule appointments at this convenient location much closer to their homes and accessible to patients in the north area who find it challenging to travel downtown. They have expressed similar demand for outpatient surgical services closer to home.

   b. *Lower cost setting*. Patients are increasingly seeking efficient/lower cost health care services. As employers continue to shift more of the cost of health care to employees, patients are enrolling in plans with higher deductibles, co-pays and increasing out-of-pocket costs. Outpatient pediatric surgeries are part of the retail pricing trend in health care, causing pressure on providers to offer these services in lower cost delivery settings than the hospital.

c. *Public health improvement*. Ambulatory surgery is now over 70 percent of the surgery cases at Lurie Children's. Our ongoing focus on quality and patient safety have resulted in superior patient outcomes and enhanced patient safety.

4. Sources of Information:

- IDPH Annual Hospital Questionnaires and Hospital Profiles, Years 2011 – 2015.
- Ambulatory Surgical Treatment Center Facility Data Profiles, 2014
- Internal Lurie Children's Hospital medical records, for patient origin tables.
- Population Projections: Illinois, Chicago and Illinois Cook Counties, by Age and Sex, July 1, 2010 to July 1, 2025 (2014 Edition), released by IDPH, Office of Health Informatics, Illinois Center for Health Statistics
- MapQuest – reliable source of travel times in the Chicago metropolitan area.
- COMPdata, comparative information on Illinois hospitals, published by the Illinois Hospital Association.
- Claritas (population estimates)

5. The project will improve access for patients in several ways, which will each lead to improving the population's health status and well-being:

   a. Providing additional capacity to accommodate the special needs of a significant number of pediatric patients residing in northeast Illinois;

   b. Providing high quality surgical services in a lower cost delivery setting; and

   c. Enhancing access for Medicaid and charity care patients by continuing the service philosophy and demonstrated record of commitment to public and community service of Lurie Children's hospital.

6. Goals/measures for the project:

   a. Offer surgical services at rates approximately 20 percent per procedure below charges for outpatient surgical services at the Lurie Children's.
   b. Complete construction and modernization to allow completion of the ASTC project by end of December, 2018.
   c. Achieve over 4600 annual hours of utilization in four of the ORs by 2020, and over 4900 hours by year 2021.

Zip Codes in the ASTC Planning Area

Zip Code	Municipality	2015 Outpatient Surgical Cases at Lurie Children's Main Hospital	2015 Population
60625	Chicago	227	78,438
60645	Chicago	145	46,148
60640	Chicago	136	66,470
60630	Chicago	116	54,168
60659	Chicago	114	38,043
60626	Chicago	104	51,266
60085	Waukegan	82	69,554
60062	Northbrook	78	39,856
60660	Chicago	74	43,579
60091	Wilmette	66	27,319
60073	Round Lake	60	59,780
60035	Highland Park	58	29,354
60646	Chicago	57	26,669
60004	Arlington Heights	55	50,784
60093	Winnetka	53	19,279
60056	Mount Prospect	52	55,525
60025	Glenview	50	40,063
60015	Deerfield	49	25,547
60076	Skokie	49	33,518
60074	Palatine	49	40,303
60067	Palatine	48	39,564
60031	Gurnee	47	38,677
60047	Lake Zurich	46	41,163
60201	Evanston	46	40,994
60068	Park Ridge	45	37,678
60089	Buffalo Grove	43	41,651
60010	Barrington	41	44,684
60656	Chicago	38	29,186
60030	Grayslake	37	38,128
60014	Crystal Lake	36	47,417
60016	Des Plaines	36	61,073
60099	Zion	36	31,194
60005	Arlington Heights	35	30,253
60202	Evanston	34	31,742
60046	Lake Villa	33	35,055
60048	Libertyville	32	29,603
60087	Waukegan	32	27,721
60061	Vernon Hills	31	26,727
60045	Lake Forest	30	19,894
60169	Hoffman Estates	29	32,982
60077	Skokie	29	27,786
60631	Chicago	28	29,088
60107	Streamwood	27	40,050
60090	Wheeling	25	39,346

Zip Codes in the ASTC Planning Area

Zip Code	Municipality	2015 Outpatient Surgical Cases at Lurie Children's Main Hospital	2015 Population
60060	Mundelein	23	37,136
60193	Schaumburg	23	41,221
60013	Cary	22	26,556
60050	Mchenry	22	31,353
60706	Harwood Heights	22	22,616
60018	Des Plaines	22	30,827
60008	Rolling Meadows	21	23,410
60022	Glencoe	21	8,359
60007	Elk Grove Village	20	33,294
60098	Woodstock	19	32,237
60714	Niles	19	30,760
60044	Lake Bluff	19	9,081
60102	Algonquin	18	31,407
60712	Lincolnwood	18	13,030
60026	Glenview	17	14,249
60084	Wauconda	17	17,594
60053	Morton Grove	16	23,314
60156	Lake In The Hills	15	29,165
60002	Antioch	15	25,270
60051	Mchenry	15	25,333
60172	Roselle	14	24,910
60194	Schaumburg	13	20,767
60192	Hoffman Estates	12	16,288
60083	Wadsworth	12	9,535
60097	Wonder Lake	11	11,015
60070	Prospect Heights	10	15,245
60069	Lincolnshire	10	8,780
60173	Schaumburg	10	13,303
60143	Itasca	10	10,250
60064	North Chicago	8	14,771
60012	Crystal Lake	8	10,667
60033	Harvard	8	13,641
60108	Bloomingdale	8	23,506
60176	Schiller Park	8	11,803
60195	Schaumburg	7	5,313
60041	Ingleside	7	10,049
60020	Fox Lake	6	10,552
60203	Evanston	6	4,670
60021	Fox River Grove	6	5,130
60106	Bensenville	6	20,556
60043	Kenilworth	5	2,482
60040	Highwood	4	5,137
60034	Hebron	4	1,974
60191	Wood Dale	3	15,032

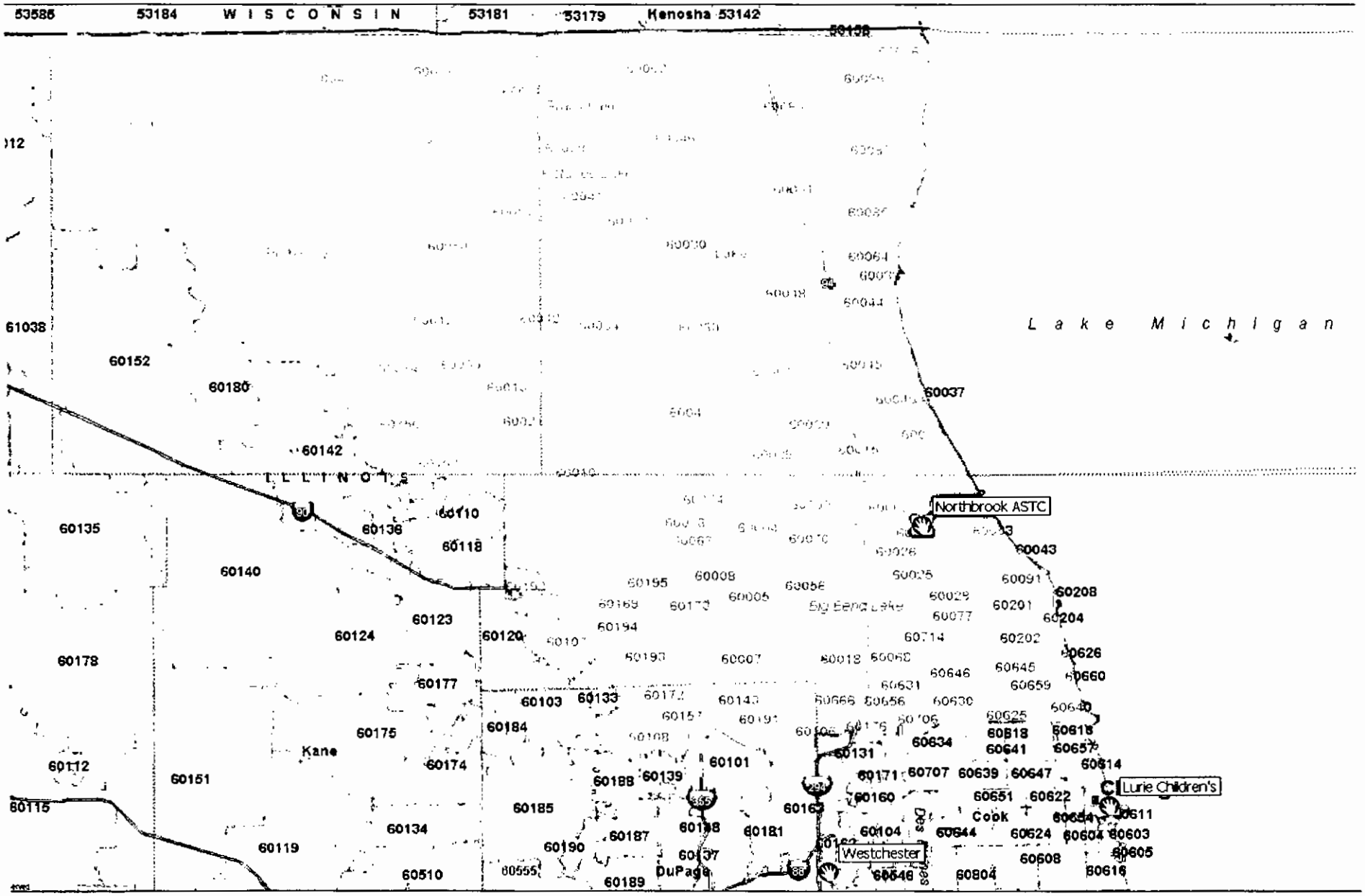
Zip Codes in the ASTC Planning Area

Zip Code	Municipality	2015 Outpatient Surgical Cases at Lurie Children's Main Hospital	2015 Population
60088	Great Lakes	2	14,716
60029	Golf	2	317
60042	Island Lake	2	8,313
60081	Spring Grove	2	9,792
60157	Medinah	2	2,542
60204	Evanston	1	-
60039	Crystal Lake	1	-
60761	Vernon Hills	1	-
60072	Ringwood	1	992
60096	Winthrop Harbor	1	6,395
60071	Richmond	0	4,017
60666	Chicago	0	-
	Total in Planning Area	3,133	2,595,991
	Outside PA	6,949	
	Total Cases	10,082	
	% from Planning Area	31%	
	% of PA from GSA	96%	

*Population Source: Claritas

Northbrook ASTC Planning Area

Ann & Robert H. Lurie Children's Hospital of Chicago



Alternatives to the Project

Several options were considered before the decision was made to select the development of a new four OR multi-specialty pediatric ASTC at 1121 Techny Road in Northbrook:

1. Construct three operating rooms and shell space for one additional operating room
2. Partner with an existing ASTC in the Planning Area
3. Alternative Site/New Construction
4. Alternative Site/Existing Building

1. Construct Three Operating Rooms and Shell Space for One Additional Operating Room

One option considered was a project to construct three operating rooms and to seek approval to shell a fourth operating room to be brought into service at a future date.

There are additional costs associated with renovating an existing facility to construct a fourth operating room at a later date. The costs of equipment and outfitting the room at a later date are also expected to be higher than if done during the initial project. There are additional resources and time associated with obtaining a second permit as well.

Construction of a fourth OR, after the facility has been open and in operation, results in difficult infection control and operations issues associated with managing a construction project while there are ongoing operations.

The anticipated procedures from patients residing in the Planning Area demonstrate the need for at least three operating rooms at the time of opening of the facility in 2018. A fourth operating room is shown to be needed by 2020, two years after project completion and consistent with requirements for ASTC utilization.

Given the expected need for the fourth operating room in the short-term, the option of constructing three ORs and shelling a fourth was rejected because of the additional cost and disruption compared to constructing four ORs as a single project. Pursuit of the four room facility appears to be the most appropriate and efficient option.

2. Partner with an Existing Ambulatory Surgical Treatment Center in the Planning Area

Lurie Children's also considered whether to affiliate with an existing facility to provide the necessary pediatric care to patients in the Planning Area.

One concern with this approach is that the existing facilities in the Planning Area are adult-focused. Because of the need for different and specialized equipment, as well as medications and supplies for pediatric versus adult patients, there are also potential operational concerns for co-location of pediatric surgical services with those for adult surgical patients. The proposed facility will be dedicated to pediatrics and will be staffed with pediatric anesthesiologists and surgeons (who are board-eligible or board-certified in accordance with the Medical Staff requirements of Lurie Children's). This pediatric

focus is a fundamental difference and of importance to Lurie Children's and its patients. Our patient and family-centered care is best provided in a facility dedicated to pediatrics.

In addition, Lurie Children's considered the possibility of partnering with its outreach partners in facilities being developed. Because of the proximity and historic relationship, a most likely partner is Northwestern Lake Forest Hospital ("NLFH"). Given the timing of the development of the NLFH new hospital facility, a change in their construction plan would have added complexity and cost to their construction project significantly greater than the cost of the proposed ASTC project. There are no shelled spaces in the NLFH project, so the footprint would have to be expanded at significant cost. As a result, this option was rejected because the NLFH project is too far along in construction to make that kind of modification without requiring the building to be replanned.

This option was rejected as more costly than the proposed option to modify and add to the existing building in Northbrook.

3. Alternative Site/New Construction

Another alternative considered was construction of a new facility at an alternative site. The anticipated construction costs of this option were estimated to be 20 to 25 percent greater than the option selected, which involves an existing building.

Further, the location of the proposed project is within an office complex where Lurie Children's and its affiliated physicians already provide outpatient medical services. This location, adjacent to this existing medical clinic and a day care center operated by a third party, is ideal for our patients. The structure was already constructed. The location further complements the care at the existing Lurie Children's clinic in this development. Because the clinic is operating at near-capacity, the ability to offer an MRI and additional physician offices as part of the project further fills a need for other necessary clinical services in support of the existing medical clinic. Moreover, the patients seen at the existing Northbrook outpatient center may require surgical services and the new ambulatory surgical center would be a welcome, convenient option for them. Finally, existing parking and parking to be constructed in connection with the project is ample to accommodate both patients at the clinic now in operation and the new ASTC.

4. Alternative Site/Existing Building

As part of its decision-making process, Lurie Children's engaged a market survey of the existing available spaces in the region and evaluated nine existing buildings where medical use was an option. The spaces were evaluated based upon criteria including cost, location, convenience for patients, parking, necessary development, and the ability to house a back-up generator. Based upon all of these factors, the current site was selected as the optimal location for the project, given the ability to adapt the space to meet the functional requirements of operating the surgery center as well as its proximity to Lurie Children's existing outpatient facility and convenience to patients.

SIZE OF THE PROJECT

The project is the modernization of a new unoccupied vacant office building at 1121 Techny Road, Northbrook. Total square foot of the project is 26,298 sq ft. Of the total 26,298 sq ft, 14,926 dgsf is clinical; 11,372 dgsf is non-clinical.

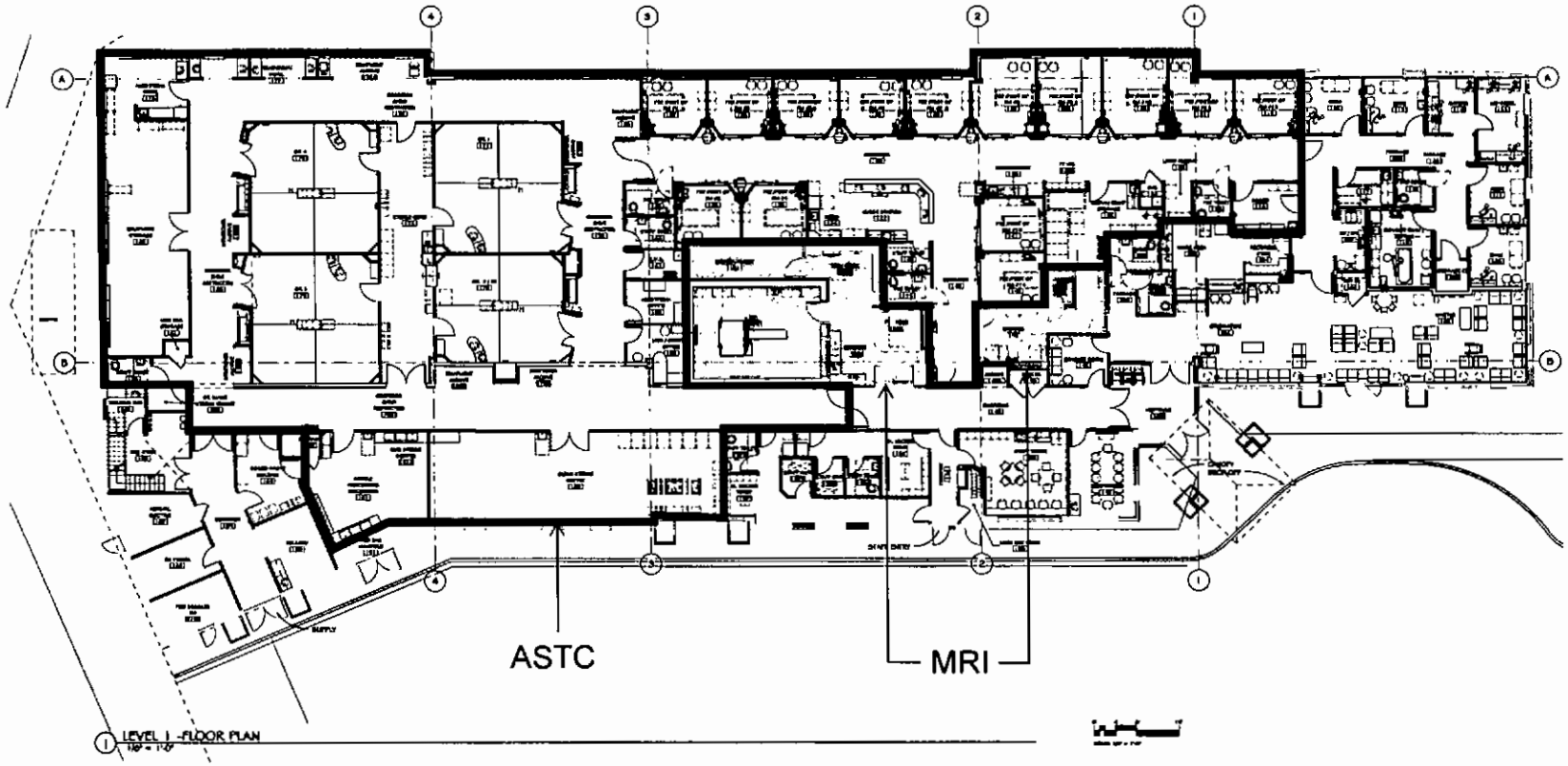
Clinical space includes 4 operating rooms and 14 Phase I / Phase II recovery rooms, patient support areas, clean supply, and work space for physicians and staff. An MRI suite is also included in the clinical program.

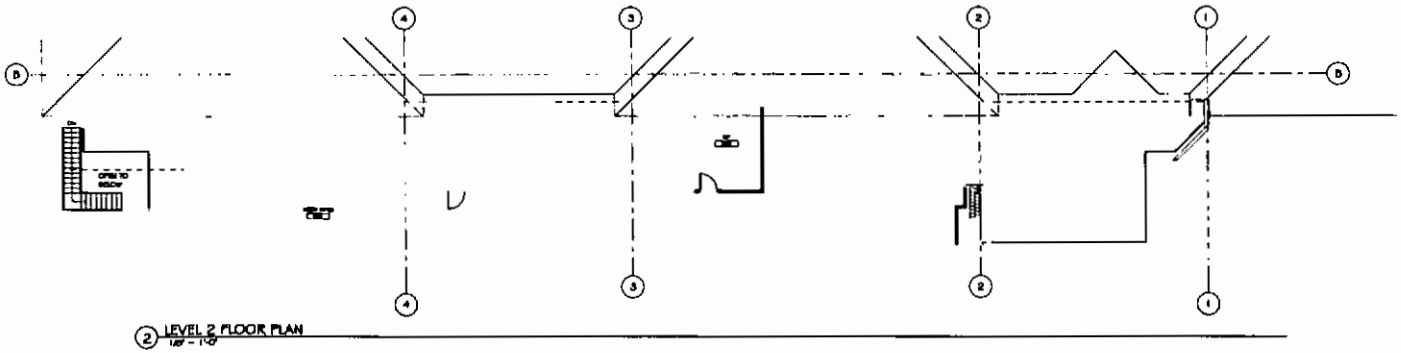
The floor plan on the next page shows the distribution of space. One unresolved item at the time of submittal is whether licensing will require a separation of the waiting /reception area into an area for surgery patients and an area for physician office patients. We anticipate that if it is required, construction of a wall and other improvements will be completed without change to the size or total project cost.

The size of the project is consistent with State standards for surgical suites and MRI equipment:

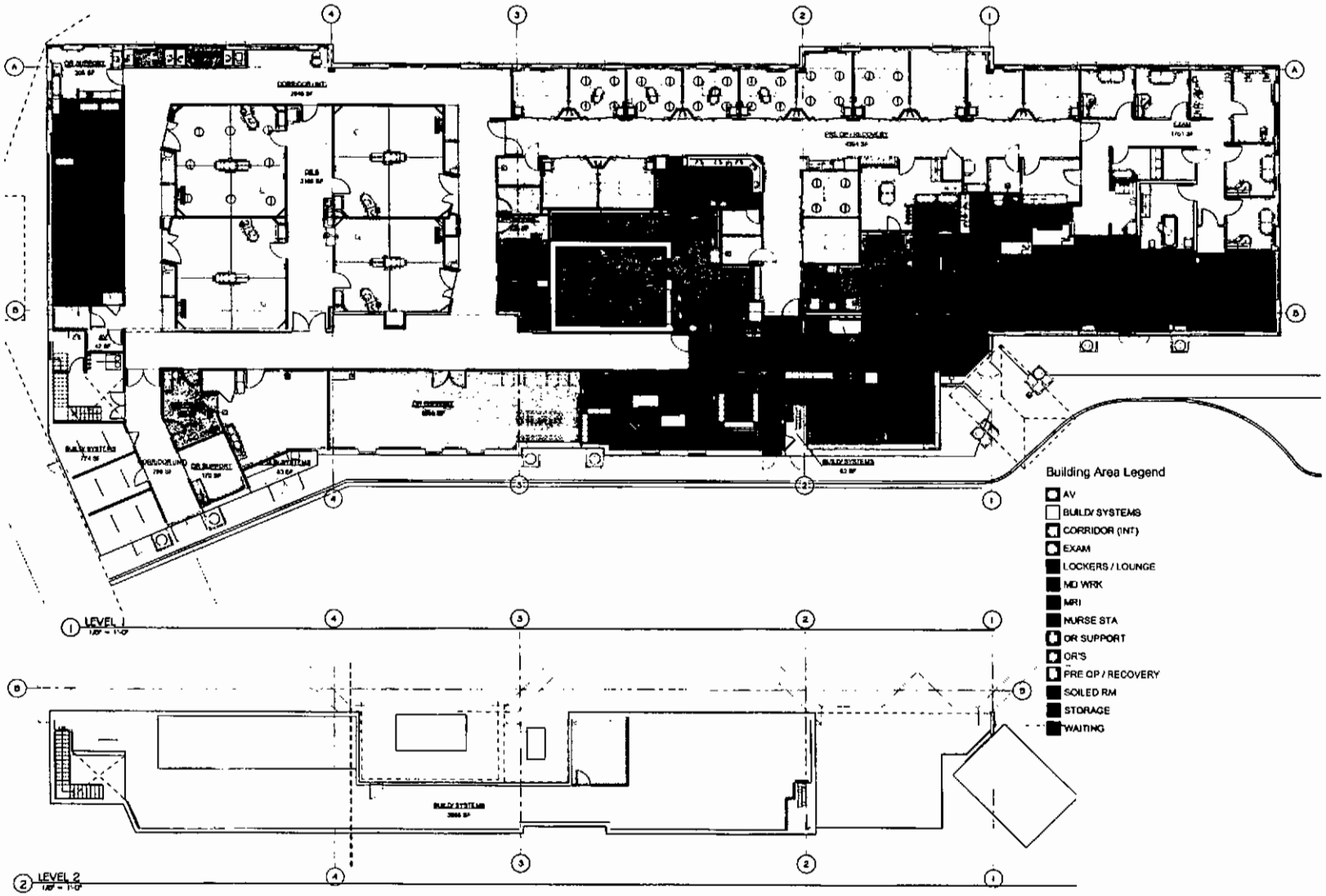
Function	Proposed dgsf	State standard	Difference	Met standard?
Ambulatory surgery ORs Recovery rooms	13,477	13,520 dgsf 4 @ 2750 dgsf per OR = 11,000 dgsf 14 @ 180/station = 2,520 dgsf Note: Recovery will be combined Phase I and Phase II. State standard is 180 dgsf for Phase I station and 400 dgsf for Phase II. The project is compliant with both standards.	43 dgsf	Yes
MRI	1,449	1800 dgsf per MRI	351 dgsf	Yes
TOTAL CLINICAL dgsf	14,926			

LURIE CHILDREN'S HOSPITAL NORTHBROOK ASTC
October 10, 2016





LURIE CHILDREN'S HOSPITAL NORTHBROOK ASTC
October 10, 2016



ATTACHMENT 14

PROJECT SERVICES UTILIZATION

The plan supporting the proposed project to establish a 4 OR pediatric ambulatory surgery treatment center is based on the following:

- a Year 2015 baseline volume of 3622 outpatient surgical cases at Lurie Children's Hospital or Lurie Children's Westchester ASTC were patients residing in the Planning Area in Lake County, northern Cook County, eastern McHenry and northern DuPage County (based on patient origin by zip code of residence);
- approximately 2/3 of these patients (2454 cases) would be appropriate for outpatient surgery at a geographically convenient ASTC. The remaining 1/3 have special conditions or complications that require surgery with the back-up services available at the Lurie Children's Hospital;
- at 1.3 hours per case, these 2454 cases generated 3306 surgical hours in baseline year 2015.
- total outpatient surgical cases including GI procedures at Lurie Children's Hospital have increased from 9885 hours in year 2011 to 12,700 hours in year 2015; that is an annual average increase of 7.1%.
- applying the annual growth rate of 7.1% to the baseline of 3306 surgical hours in year 2015 yields a projection of 4658 hours in year 2020 (two years after ASTC project completion) and 4989 hours in year 2021.
- using the State standard of 1500 hours per OR per year, 4658 surgical hours in year 2020 generates a need for 3.11 operating rooms, requiring 4 ORs as requested in the proposed project.

OUTPATIENT SURGERY UTILIZATION (hours)

Year	Historic Utilization (1)	Projected Utilization	State Standard	Met Standard?
2011	9,885			
2012	11,433			
2013	11,605			
2014	11,638			
2015	12,700	(3,306 baseline)		
2016		3,462		
2017		3,708		
2018		3,971		
2019		4,253		
2020		4,658	1500 hrs /OR	Yes, 4 ORs
2021		4,989	1500 hrs/OR	Yes

Note (1): Outpatient surgery hours at Ann & Robert H. Lurie Children's Hospital of Chicago, as reported in Annual Hospital Questionnaires

Section 1110.1540 d documents volumes of surgeries by 39 physicians affiliated with Lurie Children's hospital, and their commitments to conduct surgeries or other procedures at the proposed ASTC. Their commitments total 3475 cases in year 2020. At 1.3 hours per case, these cases yield a total of 4587 hours, as support for the 4658 hours projected in the above formulas.

The project also includes the opportunity to provide MRI service for residents of the Planning Area, and a shifting of MRI cases from the Ann & Robert Lurie Children's Hospital of Chicago to Northbrook. In FY 2016 (ending August 31, 2016), the 3 MRI units at the main downtown hospital provided 13,200 MRI procedures. This volume of 4400 procedures per machine exceeds the State standard of 2500 annual

procedures per MRI. The 13,200 procedures in FY 2016 is a 29% increase in procedures since Year 2012. There is a current waiting time of 3+ weeks for cardiac and general anesthesia MRIs. The facility in Northbrook provides an opportunity to reduce this backlog by accommodating patients in the Planning Area and increasing access to services on the downtown campus by shifting patients to the Northbrook site. Service for patients requiring a general anesthesia MRIs would be efficiently provided at the Northbrook site, utilizing anesthesiologists already at the site for the ASTC service.

About 70% of MRI procedures at Lurie Children's are outpatients. 70% of 13,200 = 9240 patients. Approximately 40% (3700) of these patients reside in the Planning Area. It is assumed that at least 2/3 of these patients (2468 patients) would avail themselves of the opportunity for outpatient MRI procedures in Northbrook rather than travel downtown. This volume of 2468 patients would fully utilize an MRI unit at Northbrook.

MRI UTILIZATION (procedures)

Year	Historic Utilization		Projected Utilization	State Standard	Met Standard?
	Total downtown	Northbrook Potential			
2016	13,200	2,468			
2020	---	---	2,468	2,500	Yes

1110.1540 (a) Identification of ASTC Service and Number of Surgical Treatment Rooms

The project proposes the establishment of a multi-specialty ASTC, with the following services:

Dermatology
Gastroenterology
General / Other
Neurology
Ophthalmology
Oral Maxillofacial / Dentistry
Orthopedic
Pain Management
Plastic
Otolaryngology
Urology

The project proposes to build 4 operating rooms.

1110.1540 (b) Background of the Applicant

The applicants are: Ann & Robert H. Lurie Children's Hospital of Chicago and its parent, Children's Hospital of Chicago Medical Center. Background information on these organizations has been provided in Attachments 1, 4 and 11.

1110.1540 (c) Geographic Service Area Need

The Geographic Service Area (GSA) consists of zip codes all or part of which are located within a 45 minute drive time from the project location at 1121 Techny Road, Northbrook, IL. The table on the next page shows the 219 zip codes that comprise the GSA. These zip codes and the location of the project site are shown on the map following the zip code table.

MapQuest was used to determine travel times to locations throughout the metropolitan area. The exercise to construct the GSA involved placing the cursor at locations on a base map with zip codes. The curser identified specific street addresses, and displayed their travel times and distances to 1121 Techny Road. If any part of a zip code is within 39 minutes of the project site, that entire zip code is included as part of the GSA. 39 minutes is the adjusted time for suburban driving; regulations stipulate a 15% added time for suburban travel. 1.15 x 39 minutes = 45 minute travel time.

The table of GSA zip codes includes year 2015 population by zip code. Total population of the GSA is 5,717,145.

Patient origin information is shown on the table of zip codes. The patient origin table documents 7,263 outpatient surgical cases at Ann & Robert Children's Hospital of Chicago in 2015 by residents of the GSA. These 7,263 cases were 72% of all 10,082 outpatient surgical cases and GI procedures (Annual Hospital Questionnaire) at Lurie Children's Hospital in 2015.

The "Planning Area" for the project is described in the Purpose of the Project section of this permit application, attachment 12. Its 100 zip codes comprise a sector of Northeast Illinois from Lake Michigan to McHenry, and the northern part of the City of Chicago to the Wisconsin line. 96% of the 3,133 outpatient surgical patients at Lurie Children's who reside in the Planning Area also reside in the GSA.

As a result, the primary purpose of the ASTC project is to provide necessary health care to residents of the GSA.

45-Minute Drive Time Zip Codes

Zip Code	Municipality	2015 Outpatient Surgical Cases at Lurie Children's Main Hospital	2015 Population
60618	Chicago	322	92,017
60639	Chicago	266	90,215
60625	Chicago	227	78,438
60614	Chicago	210	67,362
60657	Chicago	210	67,688
60647	Chicago	207	87,920
60622	Chicago	181	53,330
60641	Chicago	177	71,071
60645	Chicago	145	46,148
60640	Chicago	136	66,470
60613	Chicago	135	51,326
60629	Chicago	135	114,307
60634	Chicago	128	75,577
60630	Chicago	116	54,168
60632	Chicago	116	91,353
60659	Chicago	114	38,043
60626	Chicago	104	51,266
60651	Chicago	102	63,113
60623	Chicago	101	100,324
60610	Chicago	94	38,067
60609	Chicago	88	65,452
60085	Waukegan	82	69,554
60608	Chicago	78	74,796
60062	Northbrook	78	39,856
60804	Cicero	75	86,331
60660	Chicago	74	43,579
60616	Chicago	69	51,387
60091	Wilmette	66	27,319
60707	Elmwood Park	62	43,102
60073	Round Lake	60	59,780
60402	Berwyn	60	63,545
60035	Highland Park	58	29,354
60646	Chicago	57	26,669
60302	Oak Park	57	32,612
60004	Arlington Heights	55	50,784
60093	Winnetka	53	19,279
60056	Mount Prospect	52	55,525
60638	Chicago	51	55,701
60025	Glenview	50	40,063
60015	Deerfield	49	25,547
60074	Palatine	49	40,303
60076	Skokie	49	33,518
60605	Chicago	48	27,418
60611	Chicago	48	31,833

45-Minute Drive Time Zip Codes

Zip Code	Municipality	2015 Outpatient Surgical Cases at Lurie Children's Main Hospital	2015 Population
60067	Palatine	48	39,564
60031	Gurnee	47	38,677
60047	Lake Zurich	46	41,163
60201	Evanston	46	40,994
60126	Elmhurst	45	47,078
60068	Park Ridge	45	37,678
60089	Buffalo Grove	43	41,651
60607	Chicago	42	26,062
60612	Chicago	42	34,877
60642	Chicago	41	19,148
60010	Barrington	41	44,684
60120	Elgin	40	52,563
60656	Chicago	38	29,186
60644	Chicago	38	48,016
60030	Grayslake	37	38,128
60099	Zion	36	31,194
60016	Des Plaines	36	61,073
60005	Arlington Heights	35	30,253
60202	Evanston	34	31,742
60137	Glen Ellyn	33	39,156
60046	Lake Villa	33	35,055
60654	Chicago	32	18,891
60615	Chicago	32	42,589
60521	Hinsdale	32	18,214
60527	Willowbrook	32	29,355
60048	Libertyville	32	29,603
60087	Waukegan	32	27,721
60624	Chicago	31	37,535
60061	Vernon Hills	31	26,727
60045	Lake Forest	30	19,894
60304	Oak Park	30	17,179
60620	Chicago	29	71,377
60619	Chicago	29	62,209
60649	Chicago	29	46,479
60169	Hoffman Estates	29	32,982
60077	Skokie	29	27,786
60525	La Grange	29	31,521
60631	Chicago	28	29,088
60637	Chicago	28	48,522
60139	Glendale Heights	28	35,238
60101	Addison	27	39,407
60515	Downers Grove	27	27,866
60107	Streamwood	27	40,050
60653	Chicago	26	32,087

45-Minute Drive Time Zip Codes

Zip Code	Municipality	2015 Outpatient Surgical Cases at Lurie Children's Main Hospital	2015 Population
60148	Lombard	26	52,775
60188	Carol Stream	26	43,653
60189	Wheaton	25	30,171
60110	Carpentersville	25	38,996
60090	Wheeling	25	39,346
60558	Western Springs	24	12,916
60060	Mundelein	23	37,136
60193	Schaumburg	23	41,221
60636	Chicago	22	39,228
60187	Wheaton	22	29,236
60013	Cary	22	26,556
60018	Des Plaines	22	30,827
60706	Harwood Heights	22	22,616
60008	Rolling Meadows	21	23,410
60022	Glencoe	21	8,359
60601	Chicago	20	12,810
60007	Elk Grove Village	20	33,294
60044	Lake Bluff	19	9,081
60714	Niles	19	30,760
60305	River Forest	19	10,992
60133	Hanover Park	18	38,077
60102	Algonquin	18	31,407
60712	Lincolnwood	18	13,030
60561	Darien	17	22,542
60084	Wauconda	17	17,594
60026	Glenview	17	14,249
60181	Villa Park	16	28,663
60516	Downers Grove	16	29,619
60053	Morton Grove	16	23,314
60153	Maywood	16	23,635
60002	Antioch	15	25,270
60051		15	25,333
60621	Chicago	14	34,461
60172	Roselle	14	24,910
60546	Riverside	14	15,850
60517	Woodridge	13	32,782
60194	Schaumburg	13	20,767
60160	Melrose Park	13	26,072
60171	River Grove	13	10,498
60083	Wadsworth	12	9,535
60192	Hoffman Estates	12	16,288
60514	Clarendon Hills	11	10,186
60501	Summit Argo	11	11,622
60526	La Grange Park	11	14,024

45-Minute Drive Time Zip Codes

Zip Code	Municipality	2015 Outpatient Surgical Cases at Lurie Children's Main Hospital	2015 Population
60143	Itasca	10	10,250
60069	Lincolnshire	10	8,780
60070	Prospect Heights	10	15,245
60173	Schaumburg	10	13,303
60164	Melrose Park	10	22,239
60661	Chicago	9	9,147
60118	Dundee	9	15,778
60154	Westchester	9	16,519
60108	Bloomingdale	8	23,506
60559	Westmont	8	25,808
60064	North Chicago	8	14,771
60104	Bellwood	8	19,097
60130	Forest Park	8	13,877
60176	Schiller Park	8	11,803
60513	Brookfield	8	19,126
60534	Lyons	8	10,909
60041	Ingleside	7	10,049
60195	Schaumburg	7	5,313
60106	Bensenville	6	20,556
60020	Fox Lake	6	10,552
60021	Fox River Grove	6	5,130
60203	Evanston	6	4,670
60532	Lisle	5	27,562
60043	Kenilworth	5	2,482
60606	Chicago	4	3,068
60523	Oak Brook	4	9,471
60040	Highwood	4	5,137
60131	Franklin Park	4	18,106
60162	Hillside	4	8,421
60604	Chicago	3	882
60191	Wood Dale	3	15,032
60163	Berkeley	3	5,197
60165	Stone Park	3	5,182
53158	Pleasant Prairie, WI	3	16,782
53142	Kenosha, WI	3	33,047
60458		3	15,379
60157	Medinah	2	2,542
60042	Island Lake	2	8,313
60088	Great Lakes	2	14,716
60029	Golf	2	317
60480	Willow Springs	2	5,528
60602	Chicago	1	1,413
60603	Chicago	1	1,087
60684	Chicago	1	-

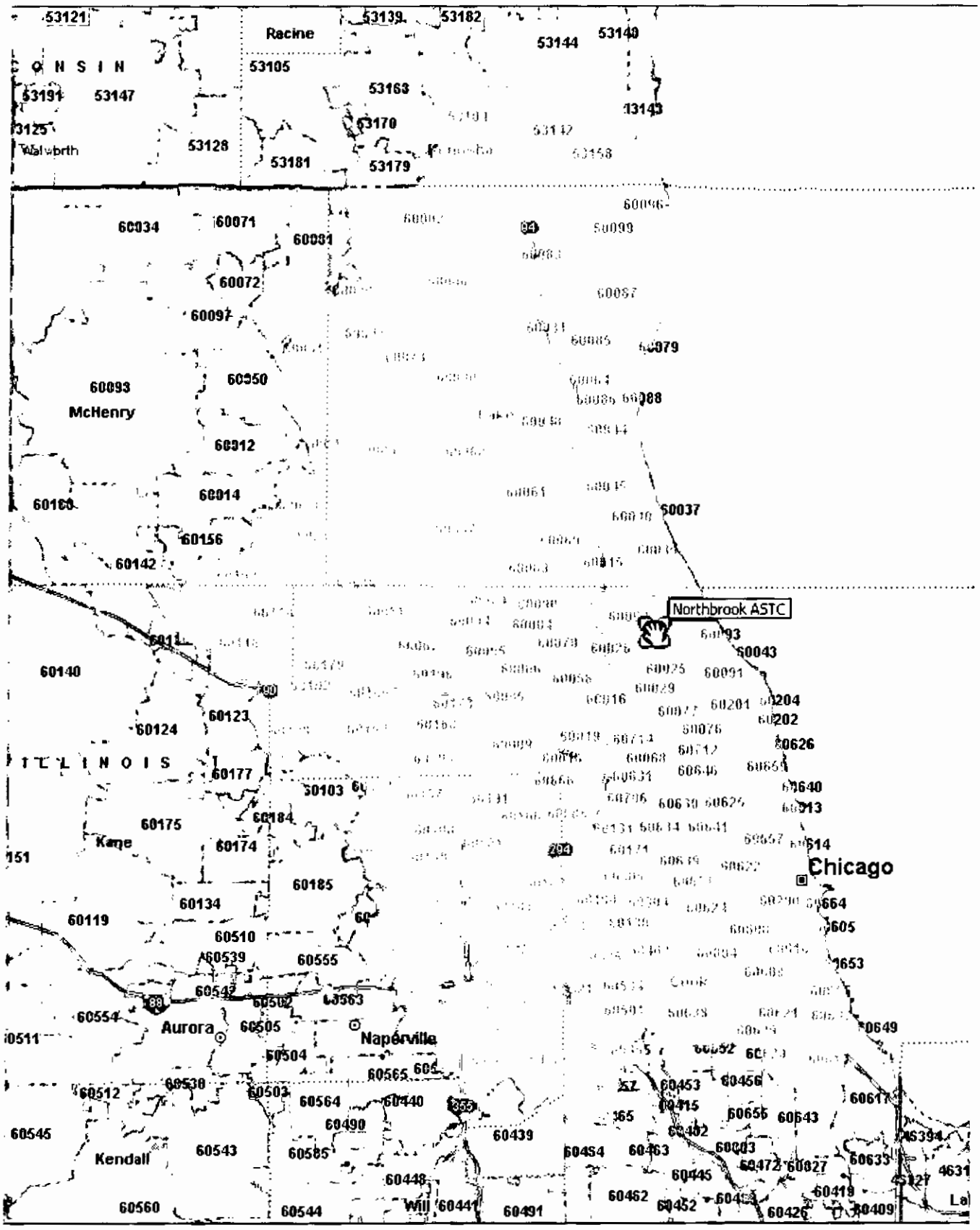
45-Minute Drive Time Zip Codes

Zip Code	Municipality	2015 Outpatient Surgical Cases at Lurie Children's Main Hospital	2015 Population
60086	North Chicago	1	-
60096	Winthrop Harbor	1	6,395
60204	Evanston	1	-
60155	Broadview	1	7,779
60301	Oak Park	1	2,317
60666	Chicago	0	-
60141	Hines	0	262
60208	Evanston	0	3,496
53104	Bristol, WI	0	5,921
	Total in GSA	7,263	5,717,145
	Outside GSA	2,819	
	Total Cases	10,082	
	% from GSA	72%	

*Population Source: Claritas

45 Minute Drive Time from Northbrook ASTC

Ann & Robert H. Lurie Children's Hospital of Chicago



ATTACHMENT 27

1110.1540 (d) Service Demand: Establishment of an ASTC

The project requests approval to construct 4 outpatient pediatric ORs, to accommodate the shift of existing outpatient surgical cases to a site more convenient for patients residing in northeast Illinois. The Planning Area contains 100 zip codes. In 2015, these zip codes were the source of 3,596 outpatient surgical cases done at Ann & Robert Lurie Children's Hospital of Chicago, or at the Lurie Children's Outpatient Surgical Center in Westchester, located in the western suburbs. Of the 3,596 cases, 3,133 cases are 31% of outpatient surgical cases performed at Lurie Children's Hospital. (Source: Patient Origin table defining the Planning Area.) 463 cases are 22% of the outpatient surgical cases at Westchester. The Northbrook location will offer the option for patients residing in the Planning Area to have their outpatient surgery at a location much closer and convenient to their homes.

It is not anticipated that all of the current Lurie Children's Hospital patients residing in the Planning Area will elect to have outpatient surgery in Northbrook. Outpatient surgery at Northbrook will be appropriate for approximately two thirds of Lurie Children's pediatric patients residing in the Planning Area. 68% of the 3,596 cases is 2,454 cases. In the analysis below, 2,454 cases is defined as the ASTC baseline for year 2015. Certain patients with complications or conditions that require potential involvement of other clinical disciplines will continue to require surgery at the downtown campus with its special capabilities. Examples of patients from the Planning Area who would continue to go downtown for outpatient surgery are patients with airway difficulties, congenital heart disease patients with complex conditions, and others.

The following table shows the surgical service lines provided at Lurie Children's Hospital over the past 5 years. Except for cardiovascular and OB/gynecology cases, these service lines will be located at the Northbrook ASTC. These categories experienced consistent annual increases in case hours totaling 28.5%, from 9,885 hours in Year 2011 to 12,700 hours in 2015. This is an average annual increase of 7.1%.

	OP Surgical Hours				
Service Line	2011	2012	2013	2014	2015
Cardiovascular	36	28	43	30	39
Dermatology	5	2	2	-	2
General Surgery	1,098	1,134	1,015	1,092	1,276
Gastroenterology	15	-	-	-	-
Neurology	83	54	48	72	83
OB/Gynecology	1	-	-	-	-
Oral/Maxillofacial	12	938	1,077	1,153	1,366
Ophthalmology	798	417	866	845	981
Orthopedic	1,700	1,810	1,646	1,614	1,723
Otolaryngology	2,488	2,834	2,851	2,788	2,700
Plastic Surgery	705	817	865	937	1,203
Urology	2,298	2,582	2,370	2,307	2,506
Total	9,239	10,616	10,783	10,838	11,879
Gastro-Intestinal Procedures	646	817	822	800	821
Total Cases	9,885	11,433	11,605	11,638	12,700

Source: Annual Hospital Questionnaire

The average time for outpatient surgeries at Lurie Children's hospital is 1.32 hours, including surgical procedure and clean up time.

The following table shows the projected growth in cases, based on the historic 7.1% average annual growth rate from 2011 to 2015. Applied to the year 2015 baseline of 2,454 cases (3,306 hours), the 7.1% growth rate results in a projection of 3,458 cases (4,658 hours) in year 2020. Year 2020 is two years after project completion in 2018. At the State standard of 1500 hours per OR per year, 4,658 hours justifies 4 operating rooms.

		Surgical Hours						
Service Line	Hours / Case	2015 Baseline	2016	2017	2018	2019	2020	2021
ORAL/MAXILLOFACIAL (DENISTRY)	2.7	422	452	484	518	555	594	637
GASTROENTEROLOGY	0.9	353	378	405	434	464	497	533
OPHTHALMOLOGY	1.5	321	344	368	394	422	452	484
ORTHOPEDIC SURG	2.5	392	420	450	482	516	553	592
OTOLARYNGOLGY	1.0	940	1,007	1,079	1,155	1,237	1,325	1,419
GENERAL SURGERY	0.8	161	173	185	198	212	227	243
PLASTIC SURGERY	1.9	188	202	216	231	248	265	284
UROLOGY	1.8	528	565	605	648	694	744	796
Grand Total	1.3	3,306	3,541	3,792	4,061	4,350	4,658	4,989

Further support for this projection is provided by physicians affiliated with Lurie Children's Hospital who commit to conduct surgeries at the Northbrook pediatric ASTC. Their historic and projected referrals are summarized in the Table in this section. 39 physicians have written that they will commit to refer a total of 3,475 cases to the ASTC in year 2020. 3,475 cases is approximately the 3,458 cases separately calculated and used in the projections in the previous table documenting volumes by clinical service line. These surgeons conducted a total of 7,018 outpatient surgeries at Lurie Children's hospital or the Westchester facility in 2015. At an average of 1.32 hours per case, this volume of 3,475 cases translates to 4,587 hours.

Their 3,475 cases is 49.5% of their 7018 surgical workload for Year 2015. Their commitments to refer cases to the ASTC are consistent with and, individually and collectively, not in excess of their historic workloads.

Also included in this section is a 5 page table consolidating the patient origin data for these 39 physicians. The check of zip codes in the physician-specific patient origin table confirms that about 72% of patients reside in zip codes within the GSA.

A third table documents the surgeries these physicians conducted at hospitals and ASTCs other than at Lurie Children's Hospital and the Westchester ASTC. As stipulated in their letters, none of these patients have been included in the counts of patients that would be cared for at the Northbrook ASTC.

In addition to the 39 letters, there are three letters from Dr Lisa Shen (dermatology), Dr Leon Epstein (neurology), and Drs Suresh, Krobel and Shah (anesthesiology/pain management). Their services are low volume and have not been included in the table with the other 39 physicians, as their total caseloads do not have a significant effect on the estimated volume projection. Their letters are included in order to establish these services as part of range of services to be offered at the multi-disciplinary ASTC.

Appendix I contains the physician referral letters, documenting historic volumes of cases performed by each at Lurie Children's Hospital and/or the Westchester ASTC, an additional copy of the patient origin information for their cases in 2015, and projected annual referrals to the ASTC within two years after project completion.

Commitment by Physician to Refer to Northbrook ASTC Cases

Name	Division	2015	2014	Commitment to Refer
Lee M Bass, MD	Gastroenterology	210	201	120
Kathleen R Billings, MD	Otolaryngology	807	692	500
Jeffrey B Brown, MD	Gastroenterology	122	105	60
Earl Y Cheng, MD	Urology	272	243	183
Valeria Cohran, MD	Gastroenterology	78	60	12
Craig J Finlayson, MD	Orthopedic Surg	293	226	120
Arun K Gosain, MD	Plastic Surgery	189	217	140
Julia E Grabowski, MD	Pediatric Surgery	133	0	84
John J Grayhack, MD	Orthopedic Surg	87	110	35
Maria Greene, MD	Gastroenterology	94	67	30
Catherine Jane Hunter, MD	Pediatric Surgery	62	101	25
Jonathan B Ida, MD	Otolaryngology	463	374	200
Ray J Jurado, DDS	Dentistry	197	138	150
Rashmi Kabre, MD	Pediatric Surgery	155	98	50
Amir F Kagalwalla, MD	Gastroenterology	180	185	20
Sudhi P Kurup, MD	Ophthalmology	99	96	61
Johnny Kuttab, DDS	Dentistry	73	42	35
Timothy B Lautz, MD	Pediatric Surgery	48	0	25
Bruce W Lindgren, MD	Urology	253	243	50
Dennis B Liu, MD	Urology	110	139	80
John Maddalozzo, MD	Otolaryngology	616	423	300
Rebecca B Mets-Halgrimson, MD	Ophthalmology	67	70	50
Saeed Mohammad, MD	Gastroenterology	50	41	15
Suzanne P Nelson, MD	Gastroenterology	160	194	155
Joshua D Prozialeck, MD	Gastroenterology	96	96	45
Bahram Rahmani, MD	Ophthalmology	159	149	120
Marleta Reynolds, MD	Pediatric Surgery	182	218	50
Erin E Rowell, MD	Pediatric Surgery	159	174	50
John F Sarwark, MD	Orthopedic Surg	69	81	30
James W Schroeder Jr, MD	Otolaryngology	592	487	250
Jennifer Strople, MD	Gastroenterology	75	48	50
Vineeta T Swaroop, MD	Orthopedic Surg	90	76	36
Ashlee L Vorachek, DD5	Dentistry	88	74	35
Joshua Wechsler, MD	Gastroenterology	94	88	46
Elizabeth B Yerkes, MD	Urology	178	171	100
Hawke H Yoon, MD	Ophthalmology	99	92	25
Nancy M Young, MD	Otolaryngology	227	231	75
Janice Lasky-Zeid, MD	Ophthalmology	56	48	45
Marilyn B Mets, MD	Ophthalmology	36	34	18
		7018	6132	3475

Patient Origin by Physician (Total Patients)

Zip Code	Municipality	BASS, LEE M	BILLINGS, KATHLEEN R	BROWN, JEFFREY B	CHENG, CARL Y	COHRAN, VALERIA	FINLAYSON, CRAIG J	GOSAIN, ARUN K	GRABOWSKI, JULIA E	GRAYHACK, JOHN J	GREENE, MARIA	HUNTER, CATHERINE JANE	IDA, JONATHAN B	JURADO, RAY J	KABBE, RASHMI	KAGALWALLA, AMIR F	KURUP, SUDHI P	KUTTAB, JOHNNY	LAUTZ, TIMOTHY B	LINDGREN, BRUCE W	LIU, DENNIS B	MADDALOZZO, JOHN	METS HALGRIMSON, REBECCA B	METS, MARILYN B	MOHAMMAD, SAEED	NELSON, SUZANNE P	PROZIALECK, JOSHUA D	RAHMANI, BAHRAM	REYNOLDS, MARLETA	ROWELL, ERIK E	SARWARK, JOHN F	SCHROEDER JR, JAMES W	STROPLE, JENNIFER	SWAROOP, VINEETA T	VORACHEK, ASHLEE L	WECHSLER, JOSHUA	YERKES, ELIZABETH B	YOON, NAWKEH	YOUNG, NANCY M	ZEID, JANICE LASKY	Grand Total
60618	Chicago	1	55	2	8	1	7	1	3		2	3	11	3	7	2	1		1	3	6	14	1	1	3		2	1	2	5	2	24	1	3	3		2	5	1		187
60639	Chicago	2	21	3	2	2	5	7	7	1	4	2	20	3	8	1	3	1	3			16	1		1		2	4	2	3	1	7	2	7	3	2	1	5	1	3	156
60625	Chicago	6	28		4	2	6	2	5		1	1	14	2	1	1	2	2	1	4	3	11	3				2	5	5	6		12	1	1	2		1		1		135
60647	Chicago	2	26	1	7	1	5	3	3	1	2	1	12	3	8	1	5	1	1	1	2	11					2	1	2	3	3	12		2	3	4	1	1	2	1	134
60614	Chicago	3	29	4	6	2	5	4	3	1	2		6	4	5	2	1	1			2	10				2		4	5	1	3	15	3		1		1	1	2	1	129
60622	Chicago	2	32	1	9		4	1		1			10	3	2	1		1		5	2	13	2	1	1			1	7	4	3	9		2	1			1	3		122
60657	Chicago	3	38		4		2	5	1	2	1	2	4	4	1		2		1	3	8	5		1		1	1		2	3	1	12	1				3	1		2	114
60641	Chicago	1	19	2	1		7	3	3	1		1	5	2	5	1	2		1	3		16	2	1		1	1	3	3	3	1	3		2	2			2	3		100
60634	Chicago	1	12	1	2	1	5	1	5	2	1		8	1	1		1	1	4		4	8	1					1	4	2	1	5	2	3	4	3		1	2	1	89
60613	Chicago	3	18	1	3	1	3	1	2				7	2	2			3		1	2	4	1		2		4		1	3		7	1		2	2	5	1	2		84
60645	Chicago	5	7	1	1	1	3	2	1	4	3	1	6	2	5		1	1		1	1	6	2					5	2	1		3			5	4	2		1	5	82
60640	Chicago		11				3	3	1		1		9	2	6	2		2	1	5	1	7						1	2	5		6			1	1	2	3	1		76
60629	Chicago	2	10	1		1	6	1	1	2		2	10	5	2	1			1	1	1	4	1		1			3		1		3	2	2	1		4	3	2	1	75
60626	Chicago		12			1	4		3	2			2	2	2	1	2	5	4	1	1	5						2	2	4	1	3	1		1		1	6	4		72
60630	Chicago		11		1		2	5	1		4	1	5	4	1	1	1	1		1	1	7	2		1		1		2		1	3	2		2	1	4	2	1	1	70
60302	Oak Park		8	2			1	1		1	2	1	2	2	1	3				6		5						1		1	1	25						2	1		66
60126	Elmhurst		11		2		2	1	1		1	2	1	1		2				6	1	3		1		2			1		2	16		1			1	1	4		63
60651	Chicago	1	8			1	2	4	1		4	1	10	1	2		2		1	1	1	9	2			1	1			2		3		2	1		1		1		63
60632	Chicago		5				8		3	1		1	3	3	2		3			1	1	7	1					1	3	3	1	6	1	3	1		1		2	1	62
60659	Chicago	1	6	3	3	2	6	2	2		3	1	3	3	2		1	1		1	2	5					1	2	1	3		2		2	1	1	2				62
60623	Chicago	3	6		1		3	3	3		1		4	1	1		1		2	2		11	3		1			2	2			1		3	2				2		59
60085	Waukegan	1	2	4			5	3	2	1	2		8	1	3		1					3	1	2	1	1	2		1	2			2	3				5	2		58
60062	Northbrook	5	2	2	4		1	2		1	2		1	1		1				2	1	2	1	1		8	1	2		1	1	1	4			4	1		5		57
60610	Chicago	3	10		2		3		1	2	1		7	3	2				1	3	2	5	3				1		1			1		1				1	1		54
60586	Plainfield	1		2	2	1	1	7	3	1			3			3		1				11	2			1			1	1		5	1	1	2			2		1	53
60804	Cicero	2	4			1	2		1		2	1	5	4	1		2			1		7		1	1				1	3	1	5		2	1	1	1		1		51
60402	Berwyn		10		1		1		2	2		1	2	6		5	1			5		2						1			1	6		1					2		50
60067	Palatine	8	3	1	5		5	1			2		1							2		3		1		4	3		1			2					3		3	1	49
60004	Arlington Heights	4		1	8	1		2			2		3			1		1				3				3		2		1	1	2		1		3	6		3		48
60707	Elmwood Park		10	1		1						1	1	3	1	1	2			2	2	4		1		1	1	1	1	2		6		1			1		4		48
60660	Chicago	2	5	3	3	3	1	1	1					1	2			2		2	1	5					2	1	1	1		2		3	4				1		47
60608	Chicago	1	2		1	1	2	3	2	1		1	6	3	3	1	1		1	2	2	6						1	1	1		2	1						1		46
60609	Chicago		1	1		1	5			2		1	5	2	3	1		1	1	1	1	4	2		2			1	3	1	1	3			1		1	1			46
60137	Glen Ellyn	1	1	2	5	1	3		3		1		1			3				3	1	1	1		1	2	1					9		1				1	3		45
60304	Oak Park		7		2		2		1					1		5				5		2						1	1			16					1	1			45
60638	Chicago	3	8	1	1	2	2	1					1	3	1					1	5	1							3	3	1	6			1				1		45
60646	Chicago	1	11		3		1	2				1	3					1		2	1	2		1	1				1	1							2	1	10		45
60073	Round Lake	3	1			1	2	2	1	1			5		2	1	1	1				5			1	4	1	1	2	1		4		1			1	2			44
60091	Wilmette	3	1	1	2		4		2	1			3		1				1			1	2			5	1	1	1	1	1	2	2		1		2	1	3		43
60521	Hinsdale	1	9	1	1		2	1	1				1			6	1			4									1		2	5	1		3				3		43
60010	Barrington	1	3		8	1					1		2	1	1	1				2		2				7	1					1	2	1		1	1		2	1	40
60056	Mount Prospect		5	2	3		1			1			1			1				1		3	1	1		1		1	6	1		1					4		3	3	40
60616	Chicago	1	6		2				4				3	2	2		1			3	1	3	3					2		2		2			1			2			40
60093	Winnetka	3	2	2	2	2	1	1		3	1	1	2	2	1		1		1	1		1		1		2			5	1		1	1				1				39
60047	Lake Zurich	3	2	1	2		1	2			1	1	2	1						1	2	1				8			1	2		4	2			1					38
60089	Buffalo Grove	1	1	1	5	1			1	1	4		2	1		1				4		2	1				1	1	1	1			1	2			3		2		38
60435	Joliet	2		2		1	2	1	2		2		2		1	2	2					12						2		1		1			2				1		38
60505	Aurora	1	2		1		3	1	1	1		1	2	3				2		1	1	4		1				1	3			1			1			1	3	3	38
60025	Glenview	4	5		4		4			1	1	1	1		1		1					5		1		3							2		1		1	1			37
60031	Gurnee	1		4	2	1					1		5		1						2	2	2			3	1	1	5	2						1	2	1			37
60515	Downers Grove		2		2			1		1	1			1	1	4				3	1	2							1			14							3		37
60525	La Grange		5				3			1			5	1	1							2					1	1	1	1		14							1		37
60015	Deerfield	1	3	1	1	1	3	1			1		4			2				1		1				4		1	2	2	1	2				2	1		1		36
60068	Park Ridge	1	3		2		3	1					5			1	1			2	1		1			3			2		2	2	1			2	2	1			36
60074	Palatine	1	3		4		2			1		1	6							3		1	2			1	2		1			3	2					1		1	35
60564	Naperville	1		1	3	1	2				1	1	3	2		2			1			2	1			1	2		2		1	2			1			3		1	34
60016	Des Plaines		4	1	1								5							1	1	4				6		3	1	2		2						2			33
60446	Romeoville		1		4		2		4	1			1	2		1	1		1			5			1			2	1		1	2			2				1		33
60076	Skokie		1	1	1		6						1	3	1			2	1			2	1		1	5			3		1				1	1					32
60123	Elgin		9				3					1	3	2		1	1	1		1		4				1				1		2			1		1				32
60611	Chicago		10										2	2	1			1				3					3	1	1		2	4						1	1		32

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Patient Origin by Physician (Total Patients)

Zip Code	Municipality	BASS, LEE M	BILLINGS, KATHLEEN R	BROWN, JEFFREY D	CHENG, EARL Y	COHRAN, VALERIA	FINLAYSON, CRAIG I	GOSAIN, ARUN K	GRABOWSKI, JULIA E	GRAYHACK, JOHN J	GREENE, MARIA	HUNTER, CATHERINE JANE	IDA, JONATHAN B	JURADO, RAY J	KABBE, RASHMI	KAGALWALLA, AMIR F	KURUP, SUDHI P	KUTTAB, JOHNNY	LAUTZ, TIMOTHY B	LINDGREN, DRUCE W	LIU, DENNIS B	MADDALOZZO, JOHN	METS-HALGRIMSON, REBECCA B	METS, MARILYN B	MOHAMMAD, SAEED	NELSON, SUZANNE P	PROZALECK, JOSHUA D	RAHMANI, BAHRAM	REYNOLDS, MARLETA	ROWELL, ERIN E	SARWARK, JOHN F	SCHROEDER JR, JAMES W	STROPLE, JENNIFER	SWARDOP, VINEETA T	VORACHEK, ASHLEE L	WECHSLER, JOSHUA	YERKES, ELIZABETH B	YOON, HAWKE H	YOUNG, NANCY M	ZEID, JANICE LASKY	Grand Total
60617	Chicago	2	3		1		2	1	1	1	1		3	1	3			1				2	1						1	2	1	1			1	1	1	1			32
60035	Highland Park	3	2			1					1		1	1		1	1			1		2				5	1	2	3	2			2				2				31
60201	Evanston	2	2	1	3				1					1		3		1					1	2		2	1	1	1			2	2				3		1		30
60014	Crystal Lake	2	2		3	2		1				1	1		1		1	1			1	2			1	2	1	1				2					2		2		29
60432	Joliet		2	1					2				4			1	1	1				8		1			1			1		1		1	2				1	1	29
60543	Oswego		2		6		1						2	1	1	1				2		2					1	1		1		1	4						3		29
60030	Grayslake	2		1			1				3		2	1						1		1		1	1	2	1	1								3	5		1		27
60046	Lake Villa	2		1	1	3		2	2						1	1				1	1					5		1			1	2		1				2		27
60077	Skokie	1	3		1								3	2		1		1		1					1			4		1		2	3		2			1		27
60090	Wheeling	1	2	3			1	1				1	1	1			1	1		1		5							2	2	1	1					1		1	27
60506	Aurora		5		1		2			1	1			1		2		3			1	2								1		4			1	1			1	27
60558	Western Springs	1	5			2			1							1	1	1		3		2		1					1			8								27
60440	Bolingbrook	3			2	1	2		1				1	1		1	2		1			3	1				1	1	1			2			1		1			26
60516	Downers Grove		1		3				1	1			1			2				2		1					1					11							2	26
60527	Willowbrook		1		3			3			2		1	1			2			3		2		1					2	1		4								26
60540	Naperville	1	4	1	3		1	1														2					1		2			7				2	1			26
60605	Chicago	1	7	1				1	1				2							2		3					2		1	1	1	3								26
60005	Arlington Heights		1	2	1		1			1			4				3			1					1	2	3	1									4				25
60048	Libertyville		1		1			1	1		1	1	3		1							1			1	9											1	3			25
60103	Bartlett		1		1			2		1		1	1							1	2				1	2	1	6		1		1		3							25
60061	Vernon Hills	1	2									1	4					1		1		1				7			2	1		1					1		1	24
60099	Zion		2	1	1	2		3		1	1		2	1	5						1	1					1										1		1	24
60110	Carpentersville	1	1		1			1	1				5		4			1		1		3	1									2								24
60139	Glendale Heights	1							2	1	1		3		1		1			1	3	1									5			2				2		24
60169	Hoffman Estates		1				1				2	1	2	2			1			3		4	1			3						1		1					1		24
60189	Wheaton		1										1			3				4		2		1								7	1					4		24
60656	Chicago		2	1	2		3			1	1				1			2		3	1	1				1				2		1					2				24
60045	Lake Forest	1	2		2						1		4	1	1	1										4	1		1					1		2			1		23
60087	Waukegan		2	1			1	1		3			4	1		1	2	1				1				1	1		1								1	1			23
60148	Lombard	3		1				2		3		1						1				1			1				1			5							4		23
60188	Carol Stream		4		1		1			1			1		1	1	1	1		2		1					1					4	2						1		23
60193	Schaumburg		2		2	1	1					1	3			1		1		3		1		1		1	1		2							1	1				23
60305	River Forest	1	3		1	1	2	2						2		2				1		2										6									23
60504	Aurora			1		1	2	1					1			2				1		2						2				2				1	2		4	1	23
60565	Naperville		3		1		1	1			1					3				3		1							2			4					1		2		23
60642	Chicago		5				1	2			1								1			4	1									3					3	1		1	23
60187	Wheaton		1		1	1	3	4				1	2			1				2		1						1	1	1		1							1		22
60624	Chicago		2	1				2		1	1		3				1					2								1		2		3					2	1	22
60101	Addison	1	1	1	1	1				1			3			1				1	1	2						1	1			3							2		21
60120	Elgin		4				1					1	1		1					1	1	8						1				1							1		21
60654	Chicago		4	1	1			1	1				1	1						1	1	2										4		1			1	1			21
60655	Chicago	1	9	1			2						1							1		3		1	1									1							21
60441	Lockport	2	4				5			1			1			2						3					1											1			20
60561	Darien		1		1		1							1				1		2		3				3			1			3		1				1	1		20
60620	Chicago		1			1	1		1			1	4	2	2		1					3								2		1									20
60644	Chicago			1			1		1		1	1			1				2		2	3	1						1	1		1	1	1				1			20
60060	Mundelein				1	1						1	4			5				3	1					1				1									1		19
60115	Dekalb	1			2	1	1				1		1					1			1	2				1			2					1	1				3		19
60451	New Lenox			1			3	1						1		4						4					1	2		1						1					19
60526	La Grange Park		2				1	1	1				1	1						2	1	1										8									19
60612	Chicago		8							1				2		1						2			1				1			1					2				19
60628	Chicago		1	1					2	1				1	1					1	2	1					1	2		1	1	1		2							19
60631	Chicago		4		2								2	1					1			1					1			1		3				1	2				19
60649	Chicago					1	1			1			1	1	1					1	1	3	1					1	1	1		2				1	1				19
46383	Valparaiso, IN	1	3						1		1	1	1		1	3	2			1		1					1					1									18
60026	Glenview		1	1	1			1					2						1			1				1	1	1		1		1	2				1		2		18
60124	Elgin		1		4			1				1	1			1				1		2							1	1		2	1						1		18
60560	Yorkville	1	1	1	2	1			2						1	1		1		1		1							1		1	2				1					18
60563	Naperville		1		1											1		1		2		4					1					6				1					18
60585	Plainfield	2		1	4				1					1								2			1			1	1	1								3		18
60637	Chicago		5				2		1				2		1					1		3								2		1									18

Patient Origin by Physician (Total Patients)

Zip Code	Municipality	BASS, LEE M	BILLINGS, KATHLEEN R	BROWN, JEFFREY B	CHENG, EARL Y	COHRAN, VALERIA	FINLAYSON, CRAIG J	GOSAIN, ARUN K	GRABOWSKI, JULIA E	GRATHACK, JOHN J	GREENE, MARIA	HUNTER, CATHERINE JANE	IDA, JONATHAN B	JURADO, RAY J	KABRE, ROSHMI	KAGALWALLA, AMIR F	KURUP, SUDHI P	KUTTAB, JOHNNY	LAUTZ, TIMOTHY B	LINDGREN, BRUCE W	LIU, DENNIS B	MADDALOZZO, JOHN	METS-HALGRIMSON, REBECCA B	METS, MARILYN B	MOHAMMAD, SAEED	NELSON, SUZANNE P	PROZALECK, JOSHUA D	RAHMANI, BAHRAM	REYNOLDS, MARLETA	ROWELL, ERIN E	SARWARK, JOHN F	SCHROEDER JR, JAMES W	STROPLE, JENNIFER	SWAROOP, VINEETA T	VORACHEK, ASHLEE L	WECHSLER, JOSHUA	YERKES, ELIZABETH B	YOON, HAWKE H	YOUNG, NANCY M	ZEID, JANICE LASKY	Grand Total
60643	Chicago	1	3	1			1		2				3		1							1					1		1			2						1			18
61701	Bloomington			1																				1																16	18
46307	Crown Point, IN			1	1	1		1		1		1				1			1			3									1	3	1							1	17
60008	Rolling Meadows	3	1	1	1	1	2						2				1			1		1					1											2			17
60018	Des Plaines		2		1		1							1	2							3							1			1		1		1	2		1		17
60107	Streamwood	1	2				1						3		1					3		1					1		1			1		2							17
60134	Geneva	1			2											2	1			2	1				1	1						5	1								17
60181	Villa Park		4		1						1		2			1				2		1					1			1		2		1							17
60202	Evanston		3				2							1			1	1	1			3							1		1						3				17
60423	Frankfort		1			1	4							2		3						3	1				1											1			17
60607	Chicago		6				1						1	1						2		2						1	1	1							1				17
60619	Chicago	1	2					1		1				2	1		1	1		1		2							2	1									1		17
60653	Chicago		4					1						1	1						1	1								1		2		1	1	1		2			17
60915	Bradley	2	1				1		1					1		2				1		3	1					1			1	1				1					17
60050	Mchenry	1											2		1								3		1	1		1				2					1		3		16
60098	Woodstock	1					3				1						1			3						3						3				1					16
60156	Lake In The Hills		3	1	1	1		1					1											1		1			1			3					1		1		16
60175	Saint Charles	1	1		2		4			1	1					1				2						1					2										16
60453	Oak Lawn	3	1					1				1	1	1						1		3											1	1		1		1			16
60102	Algonquin	2	3	1	1	1	1													3																	2		1		15
60174	Saint Charles		1		1		1	1								2						3					1				2	3									15
60462	Orland Park	1	3	1	1												1		2									1			1		1		1			2			15
60502	Aurora	2	1		2									1								3					1					3				2					15
60517	Woodridge			1					1	2			1					1		1		2						1		1		2	1						1		15
60544	Plainfield		1		2					1			1	1				1				5								1		1							1		15
60615	Chicago		3		1		1				1		1							1	1		1						1	1		3									15
60636	Chicago								1	1	1		4	1						1	1		1					2		1						1					15
60007	Elk Grove Village		1	1			1			1			1	1			1			1	1	2						1			1	1									14
60514	Clarendon Hills		1		1							1								1							1					4	2	1	1				1		14
60621	Chicago		3				2						1		1							2		1					1	2					1							14
60706	Harwood Heights		3		1	1		1					2	2								1						1				1						1				14
60714	Niles	2	2		1							2		1				1			1										1							1		2		14
60013	Cary		1		1			1		1			1													2		1		1										1	3	13
60044	Lake Bluff	1	1					2		1		1	1							3						1			1								1					13
60192	Hoffman Estates	3	1	2	2								1									1						1											2		13
60459	Burbank	2					2	1	1				1	1								3		1								1										13
60510	Batavia															1				3		5										3				1						13
60712	Lincolnwood		1	1				1					2			1					1	4														1		1				13
60901	Kankakee	1	1	1		1		2	1							1				1		2								1		1										13
60002	Antioch	1								1			3		1			1		2						2													1		12
60051	Mchenry	2		2	1		1	1							1			1								1					1							1				12
60084	Wauconda				2								3							2		2			1	1												1				12
60153	Maywood		1				1						2		1		1				1	2	1					1				1										12
60154	Westchester						2							1								3									1	5										12
60194	Schaumburg			2	1			1					1			1				1		1										1	1				2					12
60433	Joliet		1					2					1				3					2													1				2			12
60477	Tinley Park						2		1					2		1						1					1	1	1										2			12
60481	Wilmington			1												1	2					4						1								1		1	1			12
60487	Tinley Park	1					3		1							1									1			3				1					1					12
60503	Aurora		1		1		1	1				1	1															1		1		1				1	1		1		12
60914	Bourbonnais				1		1						1		1			1				3									1	1			1	1					12
60022	Glencoe	4	1		2																								1	1		1	1								11
60053	Morton Grove		1		1						2											1						1	1			2					1		1		11
60083	Wadsworth		1	2									1	2													1						1			1	2				11
60133	Hanover Park						1	1			1	1			2							1										2				1	1				11
60140	Hampshire	1	2					1												1								1				2		1			1		1		11
60142	Huntley		2	1	3																	1							1				1				1		1		11
60171	River Grove						1	1					1				1					4																1	2		11
60185	West Chicago		1		1		1							2			1	1		1		1						1							1							11
60404	Shorewood					1				1				1		3												1						1	2				1		11
60411	Chicago Heights		1											1	1						3				1					1				1			1			1	11

Patient Origin by Physician (Total Patients)

Zip Code	Municipality	BASS, LEE M	BILLINGS, KATHLEEN R	BROWN, JEFFREY B	CHENG, EARL Y	COHRAN, VALERIA	FINLAYSON, CRAIG J	GOSAIN, ARUN K	GRABOWSKI, JULIA E	GRATHACK, JOHN J	GREENE, MARIA	HUNTER, CATHERINE JAME	IDA, JONATHAN B	JURADO, RAY J	KABRE, RASHMI	KAGALWALLA, AMIR F	KURUP, SUDHI P	KUTTAB, JOHNNY	LAUTZ, TIMOTHY B	LINDGREN, BRUCE W	LIU, DENNIS B	MADDALOZZO, JOHN	METS HALGRIMSON, REBECCA B	METTS, MARILYN B	MOHAMMAD, SAEED	NELSON, SUZANNE P	PROZALECK, JOSHUA D	RAHMANI, BAHRAM	REYNOLDS, MARLETA	ROWELL, ERIN E	SARWARK, JOHN F	SCHROEDER JR, JAMES W	STROPLE, JENNIFER	SWAROOP, VINEETA T	VORACHEK, ASHLEE L	WECHSLER, JOSHUA	YERKES, ELIZABETH B	YOON, HAWKE H	YOUNG, NANCY M	ZEID, JANICE LASKY	Grand Total
60439	Lemont	1	2												1						1	1					1	2				1							1		11
60467	Orland Park		2				2			1						2						2							1					1								11
60559	Westmont		3	1																1		2					1					3									11
60601	Chicago		2							1										2		1						2			1				1				1		11
61008	Belvidere		1		1			2				3		1								1		1				1													11
61107	Rockford		4					1	1							1						1						3													11
46304	Chesterton, IN			1			1							1	1					2		3										1									10
46385	Valparaiso, IN	2					2		1											1	1						1	1										1			10
60172	Roselle	1	3	1																3						2															10
60403	Crest Hill	2					1	1	1					1			1					2						1													10
60436	Joliet		2						3													3										1									10
60438	Lansing						1								1	1			2			3					1					1									10
60448	Mokena		2													4						1						2										1			10
60501	Summit Argo		1					1	1	1					1		2																	1			1		1		10
60513	Brookfield		1		1											2	1													1		4									10
60652	Chicago		1			1	1		1				1					1	1			1					1	1													10
46321	Munster, IN		1		1									1		1		1		1					1				1			1									9
60070	Prospect Heights							1		1			1							1		3								1						1					9
60108	Bloomingdale		2		1		1															3						2													9
60130	Forest Park		1																	1		3										2				2					9
60160	Melrose Park		1				2					1					1					1										2				1					9
60177	South Elgin		2		2												1												1			3									9
60178	Sycamore				1								1							2		1				1		1				1							1		9
60430	Homewood		1				1									3						2	1									1									9
60827	Riverdale		1						1						1					1		1								1							3				9
99999	Out of Country	1	1		1	1				1			1	1										1															1		9
60106	Bensenville	1	1				1															3															1		1		8
60119	Elburn															2											2	3	1												8
60173	Schaumburg		2					1														2				1		1			1										8
60409	Calumet City									1				1						1								1		1	1		1						1		8
60410	Channahon		1		2		1							2								2																			8
60431	Joliet	1			1				1							1						2					1												1		8
60442	Manhattan			1			1														1	1					1				1			1			1				8
60445	Midlothian		2								1			1						1						1							1			1					8
60450	Morris		1		1			1	1	1						2						1																			8
60490	Bolingbrook	1														1				1												2				3					8
60534	Lyons		2											2								1										2					1				8
60545	Plano													1	1			1				3																	2		8
60546	Riverside		1				1									1		1											1		1					1		1			8
60950	Manteno	2								1											1	2						1			1										8
61111	Loves Park												3															1	1		1								2		8
61350	Ottawa		1				2								1							1		1							1						1				8
46319	Griffith, IN			1						1				1			1											1	1		1										7
46360	Michigan City, IN	1	1		1					1																												3			7
46373	Saint John, IN		1											1										1			1				1	1			1						7
46375	Schererville, IN	1					1														3	1																		1	7
60069	Lincolnshire				1	1								1		1													1							2					7
60104	Bellwood		1										1	1			1					1						1			1										7
60118	Dundee		1	1									1									1							3												7
60143	Itasca																	1		2												3		1								7
60164	Melrose Park	1	3										1									1							1												7
60426	Harvey			1				1							1		1												1					1					1		7
60466	Park Forest		1										1	1														1							1				2		7
60554	Sugar Grove				2																			1			1					3									7
60555	Warrenville	1		2		1										1																1							1		7
61068	Rochelle																																			6			1		7
61265	Moline																										1					6									7
61761	Normal					1	1									1												1							1	1			1	7
46311	Dyer, IN			1				1			1		1				1															1									6
60097	Wonder Lake		1												2					1		1				1															6
60136	Gilberts									1												1				1		1				1						1			6

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ATTACHMENT 27

Patient Origin by Physician (Total Patients)

Zip Code	Municipality	BASS, LEE M	BILLINGS, KATHLEEN R	BROWN, JEFFREY B	CHENG, CARL Y	COHRAN, VALERIA	FINLAYSON, CRAIG J	GOSAIN, ARUN K	GRABOWSKI, JULIA E	GRAYHACK, JOHN J	GREENE, MARIA	HUNTER, CATHERINE JANE	IDA, JONATHAN B	JURADO, RAY J	KABIRE, RASHMI	KAGALWALLA, AMIR F	KURUP, SUDHI P	KUTTAB, JOHNNY	LAUTZ, TIMOTHY B	LINDGREN, BRUCE W	LIU, DENNIS B	MADDALOZZO, JOHN	METS HALGRIMSON, REBECCA B	METS, MARILYN B	MOHAMMAD, SAEED	NELSON, SUZANNE P	PROZIALECK, JOSHUA D	RAHMANI, BAHRAM	REYNOLDS, MARLETA	ROWELL, ERIN E	SARWARK, JOHN F	SCHROEDER JR, JAMES W	STROPLE, JENNIFER	SWAROOP, VINEETA T	VORACHEK, ASHLEE L	WECHSLER, JOSHUA	YERKES, ELIZABETH B	YOON, HAWKE H	YOUNG, NANCY M	ZEID, JANICE LASKY	Grand Total
60176	Schiller Park		1										2							2									1												6
60455	Bridgeview	1					2																												1				2		6
60491	Homer Glen					1	1	1							1																	1						1			6
60523	Oak Brook																			1		2						2										1			6
60532	Lisle		1		1																	2										2									6
61072	Rockton		1		1																									1							2		1		6
61115	Machesney Park						1				1		1																		1	1							1		6
Zip Codes with a total of 5 or less cases		21	22	7	15	6	14	36	7	5	2	3	45	18	6	22	8	4	6	21	7	40	4	4	13	7	9	19	12	10	9	24	6	8	7	10	23	9	28	3	520
Grand Total		**210**	**807**	**122**	**272**	**78**	**293**	**189**	**133**	**87**	**94**	**62**	**463**	**197**	**155**	**180**	**99**	**73**	**48**	**253**	**110**	**616**	**67**	**36**	**50**	**160**	**96**	**159**	**182**	**159**	**69**	**592**	**75**	**90**	**88**	**94**	**178**	**99**	**227**	**56**	**7018**
Within 45-Minute Drive Time GSA		137	681	88	186	54	206	121	91	66	79	46	369	138	127	91	68	50	34	192	85	411	52	24	26	139	62	91	140	127	46	452	57	65	57	56	133	72	148	27	5094
% in GSA		65%	84%	72%	68%	69%	70%	64%	68%	76%	84%	74%	80%	70%	82%	51%	69%	68%	71%	76%	77%	67%	78%	67%	52%	87%	65%	57%	77%	80%	67%	76%	76%	72%	65%	60%	75%	73%	65%	48%	73%
In Planning Area		94	202	57	111	32	87	54	24	28	43	20	173	49	49	32	25	33	13	87	27	145	24	14	13	134	35	51	73	53	15	96	35	20	24	36	99	29	77	14	2227
% in Planning Area		45%	25%	47%	41%	41%	30%	29%	18%	32%	46%	32%	37%	25%	32%	18%	25%	45%	27%	34%	25%	24%	36%	39%	26%	84%	36%	32%	40%	33%	22%	16%	47%	22%	27%	38%	56%	29%	34%	25%	32%
2014 Total Cases		201	692	105	243	60	226	217	0	110	67	101	374	138	98	185	96	42	0	243	139	423	70	34	41	194	96	149	218	174	81	487	48	76	74	88	171	92	231	48	6132

ATTACHMENT 27

2014/2015 Outpatient Surgical Volumes at Other Hospitals and ASTCs

Provider/Facility	2014	2015	Grand Total
BASS, LEE		**1**	**1**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL		1	1
BILLINGS, KATHLEEN	**1**	**1**	**2**
NORTHSHORE UNIVERSITY HEALTHSYSTEM EVANSTON HOSPITAL		1	1
NORTHSHORE UNIVERSITY HEALTHSYSTEM GLENBROOK HOSPITAL	1		1
BROWN, JEFFREY	**2**	**1**	**3**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	2	1	3
CHENG, EARL	**44**	**42**	**86**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	44	42	86
FINLAYSON, CRAIG	**3**	**1**	**4**
NORTHSHORE UNIVERSITY HEALTHSYSTEM EVANSTON HOSPITAL	2	1	3
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	1		1
GRABOWSKI, JULIA		**5**	**5**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL		5	5
HUNTER, CATHERINE	**6**		**6**
NORTHWEST COMMUNITY HOSPITAL - ARLINGTON HEIGHTS	6		6
IDA, JONATHAN	**88**	**131**	**219**
NORTHWESTERN MEDICINE LAKE FOREST HOSPITAL	88	118	206
NORTHWESTERN MEMORIAL HOSPITAL		13	13
KABRE, RASHMI	**10**	**16**	**26**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL		1	1
NORTHWESTERN MEDICINE LAKE FOREST HOSPITAL	10	13	23
NORTHWESTERN MEMORIAL HOSPITAL		2	2
KAGALWALLA, AMIR	**1**	**2**	**3**
JOHN H STROGER JR. HOSPITAL OF COOK COUNTY	1		1
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL		2	2
LINDGREN, BRUCE	**50**	**74**	**124**
ADVOCATE LUTHERAN GENERAL HOSPITAL	2	1	3
ADVOCATE SHERMAN HOSPITAL	1		1
AMITA HEALTH ST. ALEXIUS MEDICAL CENTER, HOFFMAN ESTATES	6	2	8
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	41	71	112
LIU, DENNIS	**250**	**267**	**517**
NORTHSHORE UNIVERSITY HEALTHSYSTEM EVANSTON HOSPITAL		1	1
NORTHSHORE UNIVERSITY HEALTHSYSTEM GLENBROOK HOSPITAL		2	2
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	85	109	194
NORTHWESTERN MEDICINE LAKE FOREST HOSPITAL		11	11
RUSH UNIVERSITY MEDICAL CENTER	107	97	204
UNIVERSITY OF ILLINOIS HOSPITAL & HEALTH SCIENCES SYSTEM	58	47	105
METS, MARILYN	**1**	**3**	**4**
NORTHWESTERN MEMORIAL HOSPITAL	1	3	4
MOHAMMAD, SAEED	**1**	**1**	**2**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	1	1	2
RAHMANI, BAHRAM	**2**	**2**	**4**
NORTHWESTERN MEMORIAL HOSPITAL	2	2	4
REYNOLDS, MARLETA	**1**		**1**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	1		1
ROWELL, ERIN	**15**	**28**	**43**
NORTHWEST COMM DAY SURGERY	3	21	24
NORTHWEST COMMUNITY HOSPITAL - ARLINGTON HEIGHTS	12	7	19
YERKES, ELIZABETH	**3**	**3**	**6**
ADVOCATE LUTHERAN GENERAL HOSPITAL		1	1
NORTHSHORE UNIVERSITY HEALTHSYSTEM EVANSTON HOSPITAL	3	2	5
YOON, HAWKE	**1**		**1**
ADVOCATE LUTHERAN GENERAL HOSPITAL	1		1
Grand Total	**479**	**578**	**1057**

Source: IHA COMPdata

The following physicians did not perform any outpatient surgical procedures at other hospitals or ASTCS:

Valeria Cohran, MD
Arun K. Gosain, MD
John J Grayhack, MD
Maria Greene, MD
Ray J Jurado, DDS
Sudhi P Kurup, MD
Johnny Kuttab, DDS
Timothy B Lautz, MD
John Maddalozzo, MD
Rebecca B Mets-Halgrimson, MD
Suzanne P Nelson, MD
Joshua D Prozialeck, MD
John F Sarwark, MD
James W Schroeder Jr, MD
Jennifer Strople, MD
Vineeta T Swaroop, MD
Ashlee L Vorachek, DDS
Joshua Wechsler, MD
Nancy M Young, MD
Janice Lasky-Zeid, MD

1110.1540 (e) Service Demand – Expansion of Existing ASTC Service

NOT APPLICABLE

1110.1540 (f) Treatment Room Need Assessment

1) The 4 ORs at the Northbrook ASTC will provide a broad list of pediatric surgical services, as shown in the table below. The projected caseload and related hours are based on a shift of existing cases from Ann & Robert H. Lurie Children's Hospital of Chicago and the Lurie Children's Outpatient Surgical Center in Westchester. At a historical average annual growth rate of 7.1% per year, the Year 2015 baseline of 3,306 hours (2,454 pediatric cases) is projected to generate 4,658 hours in year 2020 (2 years after project completion) and 4,989 hours in Year 2021. Based upon the State utilization standard of 1500 hours per year per OR, the 4,658 hours justifies 3.11 ORs, or 4 ORs (rounded). Year 2021 volume of 4,989 hours justifies 3.33 hours, with continued growth anticipated through the early part of the next decade.

2) The table shows the hours per case associated with the surgical services to be provided at the Northbrook ASTC, and projected utilization through year 2021, based on historic 7.1% annual growth of outpatient surgical hours at the downtown Lurie Children's Hospital. The number of ORs required for the surgical service lines is also shown on the table. Surgical hours per procedure are based on historic experience on the downtown campus for outpatient surgery, and include procedure and clean up time.

		Surgical Hours							ORs Required	
Service Line	Hours / Case	2015 Baseline	2016	2017	2018	2019	2020*	2021	2020	2021
ORAL/MAXILLOFACIAL (DENTISTRY	2.7	422	452	484	518	555	594	637	0.40	0.42
GASTERENTEROLOGY	0.9	353	378	405	434	464	497	533	0.33	0.36
OPHTHALMOLOGY	1.5	321	344	368	394	422	452	484	0.30	0.32
ORTHOPEDIC SURG	2.5	392	420	450	482	516	553	592	0.37	0.40
OTOLARYNGOLOGY	1.0	940	1,007	1,079	1,155	1,237	1,325	1,419	0.88	0.95
GENERAL SURGERY	0.8	161	173	185	198	212	227	342	0.15	0.16
PLASTIC SURGERY	1.9	188	202	216	231	248	265	284	0.18	0.19
UROLOGY	1.8	528	565	605	648	694	744	796	0.50	0.53
Grand Total	1.3	3,306	3,541	3,792	4,061	4,350	4,658	4,989	3.11	3.33

*2 years after project completion

This table includes the larger clinical service lines.

Other services at the ASTC will be dermatology, neurology and pain management with relatively minor case volumes.

1110.1540 (g) Service Accessibility

The project proposes to improve access to care in three ways: a) functional, by establishing a pediatric ASTC; b) geographical, by providing a location closer to populations residing in the Planning Area, and c) cost efficiency, offering quality outpatient surgical care at lower cost.

While the ASTC category of service does not have sub-categories, an ASTC dedicated to pediatrics provides services in special and unique ways, different than an ASTC designed and staffed for surgery on adult patients.

A pediatric ASTC offers specialized staff expertise, special instrumentation and equipment, and a more comforting/less anxiety-producing patient treatment environment than at an adult surgery center.

First, all clinical staff are specially trained to care for pediatric patients. One of the main differences between adult and pediatric surgery is anesthesiology. Pediatric anesthesiologists treat pediatric patients all day every day, not once a week. Because of the repetition of administering anesthesiology to children, their familiarity with different conditions and their breadth of experience results in the safest anesthesia possible for pediatric patients of all ages. Their training and delivery of care exclusively to children gives them a familiarity with all kinds of conditions -- "I have seen this before." The concentration of subspecialists in the Lurie Children's environment enables them to call on experts on a real time basis. The anesthesiologists now on staff have over 200 years of collective experience taking care of children.

Lurie Children's pediatric surgeons and anesthesiologists work in an environment that promotes constant innovation, continuous learning, new techniques and ever increasing skills. They witness and contribute to advancement in the field of pediatric surgery and anesthesiology. Pediatric anesthesiologists can achieve superior pain management results, based on their familiarity with assessing, measuring and administering doses. Their colleagues who have joined practices with mostly adult patient populations with perhaps 10% pediatric cases, won't stay as current with new techniques and innovations in treating pediatric patients. For example, most general surgeons treat inguinal hernias by making incisions on both sides. Lurie Children's pediatric surgeons now use minimally invasive surgery from one side, facilitating a quicker recovery. The pediatric anesthesiologists use their special knowledge of pediatric anatomy to administer many types of numbing blocks, such as single injections at the bottom of the tailbone, to make children comfortable afterward and reduce or avoid narcotics. This is not the practice at most other hospitals. Most hospitals also perform open appendectomies, which is not the case at Lurie Children's where minimally invasive surgery is the standard. Lurie Children's is the site for training residents and fellows in pediatric surgery and anesthesia techniques. Continual improvements will be transferred to the outpatient ASTC setting.

Equally important, nurses trained in pediatric surgical nursing treat the special needs of patients and their families. They have special skills needed for assessment of pediatric patients, such as interpreting vital signs. Pain assessment is not done on a scale of 1 – 10, as is the case with adults; pediatric nurses know how to measure pain using age or behavioral-related scales.

The second major benefit to a pediatric ASTC is that the facility will have a full range of types and sizes of equipment, medical devices and supplies, which is not the practice at adult centers. Adult centers do not do enough pediatric cases to provide, for example, 3 millimeter scopes, a full range of small face masks, blade sizes to put breathing tubes through different sized voiceboxes, 10 sizes of blood pressure

cuffs, a full range of small syringes, and so on. Having the right equipment improves the quality, safety and effectiveness of care delivery.

Third, a pediatric ASTC has a different milieu than an adult ASTC. Parents can be present for the induction of anesthesia and recovery. At adult centers, usually there are restrictions that don't allow family or friends to be present. Adults understand the environment and know what to expect from the procedure. This is not the case with children. Delivering care in a pediatric setting where parents can be in the operating room until their child falls asleep and in the recovery room soon after their child's surgery reduces anxiety for patients and their families.

Finally, care delivery in an ASTC setting (for children or adults) is more efficient. Emergency and complex cases at Lurie Children's main hospital location often pre-empt or "bump" the more routine outpatient cases. At Lurie Children's, ORs function for both inpatients and outpatients. Without complex cases at the ASTC, surgical operations are on schedule, more predictable, more convenient and less stressful for the family and patients, and a more efficient overall operation.

There is only one ASTC in metropolitan Chicago dedicated to pediatric surgery – Children's Outpatient Services at Westchester. Lurie Children's Hospital is the license holder of this facility. At only one other ASTC are more than 20% of the patients 0 – 14 years of age (Loyola University Ambulatory Surgery Center in Maywood, 24%). Of the 57 ASTCs in Cook and Lake Counties, only 11 perform more than one surgery per week on average on children 0 – 14 years of age. The conclusion is obvious – there are only limited facilities and capabilities focused on the special surgical needs of pediatric patients.

Geographic access is enhanced for over 2400 patients who reside in the Planning Area. Travel from this area to Northbrook is considerably less than travel to Lurie Children's hospital in downtown Chicago or to the Lurie Children's outpatient surgery center at Westchester.

Financially, the ASTC provides a setting for the delivery of lower cost surgical services compared to the costs in the Lurie Children's surgical department. The outpatient center in Northbrook is not encumbered with many of the overhead costs associated with the downtown Chicago facility. Lower cost delivery responds to the demands by patients with higher deductibles and their insurance carriers. Providing care in lower cost settings is an integral part of Lurie's strategy to expand access for Medicaid patients by embracing Medicaid replacement products and promoting access for Illinois Exchange patients enabled through the Affordable Care Act. Charges at the Northbrook ASTC will be lower than charges at Lurie Children's Hospital.

In part because of the lower volume of specialty surgeries conducted in several of the dedicated ORs at Lurie Children's Hospital, existing ORs do not meet State utilization standards. The letter on the following page is the commitment that Lurie Children's will not increase its surgical/treatment room capacity until the proposed project's surgical rooms are operating at or above the utilization standard. The letter also affirms that charges at the ASTC will be lower than rates at the Ann & Robert H. Lurie Children's Hospital of Chicago.

Ann & Robert H. Lurie
Children's Hospital of Chicago

October 14, 2016

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

Re: Criterion 1110.1540(g)(4) - OR Utilization and Customary Rates

Dear Ms. Avery:

I hereby certify as follows:

1. That Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") will not increase its surgical/treatment room capacity until such time as the proposed project's operating rooms are operating at or above the target utilization rate (1500 hours per room per year) for a period of twelve months, and
2. That the proposed charges for comparable procedures at the ASTC will be lower than the customary rates at Lurie Children's for the same procedures.

If you have any questions, please contact Reagen Atwood, Associate General Counsel, Ann & Robert H. Lurie Children's Hospital of Chicago, at 312-227-7470 or ratwood@luriechildrens.org.

Sincerely,

Patrick M. Magoon
President and Chief Executive Officer
Ann & Robert H. Lurie Children's Hospital of Chicago
225 E. Chicago Avenue
Chicago, IL 60611

Subscribed and sworn to before me
this 14 day of October, 2016.

Signature of Notary Public

Seal

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

ATTACHMENT 27

1110.1540 (h) Unnecessary Duplication / Maldistribution

1. The proposed ASTC with 4 ORs does not result in the unnecessary duplication of service. The project accommodates a shifting of cases from Lurie Children's Hospital in Chicago to suburban Northbrook, a location more convenient to the population in northern Illinois requiring pediatric surgery.

The GSA is a set of 219 zip codes, each of which is partially or totally located within a 45 minute drive time of 1121 Techny Road, Northbrook. The total Year 2015 population of the GSA is estimated at 5,717,145 (Claritas).

The table in this section presents a listing of all hospitals and ASTCs located in the GSA. The hospitals contain a total of 707 operating rooms; the ASTCs contain 174 ORs. One method for measuring duplication of service is to compare the availability of ORs per 1000 population in the GSA to the number of ORs per 1000 population in the State. The table following this page shows that there is a total of 2260 hospital and ASTC ORs in the State of Illinois, a ratio of 0.174 ORs per 1000 population. There are 881 hospital and ASTC ORs in the GSA, a ratio of 0.154 ORs per 1000 population. These data show that there is a lower ratio of ORs to population in the GSA of the project than is the case in the entire State of Illinois, and supports the finding that the project does not result in an unnecessary duplication of service.

A relevant consideration is that this project proposes to establish a *pediatric* ASTC. While the ASTC category of service does not have sub-categories of service, an ASTC dedicated to pediatrics provides surgical services in special and unique ways, different than an ASTC designed and staffed for surgery on adult patients. These differences are explained in *Purpose of the Project* and section *1110.1540 g Service Accessibility* and are not repeated here.

There is only one ASTC in metropolitan Chicago dedicated to pediatric surgery – Children's Outpatient Services at Westchester. Lurie Children's Hospital is the license holder of this facility. At only one other ASTC are more than 20% of the patients 0 – 14 years of age (Loyola University Ambulatory Surgery Center in Maywood, 24%). Of the 57 ASTCs in Cook and Lake Counties, only 11 perform more than one surgery per week on average on children 0 – 14 years of age. The conclusion is obvious that there are only limited facilities and capabilities focused on the special surgical needs of pediatric patients. Considering that the proposed project specializes in pediatric surgery, it does not duplicate other facilities.

2. The proposed project does not result in a maldistribution of service. One of the State's criteria for determining maldistribution is a specific quantitative test. Maldistribution occurs when the number of facilities in an identified geographic area exceeds one and one half times the State average. Maldistribution would exist if, in the identified planning area (the GSA), the ratio of Operating Rooms exceeds 1.5 times the State average. The analysis uses the same information referenced above. Based on the table's information, the current ratio of ORs in the GSA is 0.154 per 1000 population. If the project is approved, the ratio increases slightly to 0.155 ORs per 1000 population in the GSA. This ratio is significantly under the current ratio of 0.174 ORs per 1000 population for the State of Illinois, and well below 0.261, which is 1.5 times the State average and the test indicator for maldistribution. As a result, there is no maldistribution associated with the proposed project. See the Table "Analysis to Confirm No Maldistribution of Service."

3. The only impact this project will have on other area providers of surgical services is the impact on the Ann & Robert H. Lurie Children's Hospital of Chicago and Lurie Children's outpatient surgical center in Westchester. That is because the entire volume of cases and hours at the proposed ASTC are due to a shift in cases from Lurie Children's downtown and Westchester for those patients residing in the Planning Area. It will have the effect of lowering utilization at these two facilities.

Once again, the uniqueness of the services provided at Lurie Children's Hospital is relevant to the issue of OR utilization.

Several of the Operating Rooms at the new Ann & Robert H. Lurie Children's Hospital of Chicago are dedicated. They are equipped and used for special surgical cases. Because of their size and/or unique equipment, they are not able to be used for other types of surgery. Even though pediatric patients are referred to Lurie Children's by physicians and hospitals from throughout the region and beyond for specialized procedures, there are not enough of these unique procedures to meet the 1500 hours per OR per year standard.

For example, OR #12 has a ceiling mounted microscope that enables surgery not done at other hospitals: treatment of retinal blastomas and globe injuries on patients that are transferred to Lurie Children's. These conditions are not so prevalent that they support even an average of 4 – 6 hours of OR utilization per day. The OR was designed for these specialized ophthalmology cases. It is small, and cannot accommodate additional equipment required in standard ORs. Its utilization is well below 1500 hours per year.

Another OR is dedicated to urological surgery. It contains a robot that is large and delicate; there is risk of damage if this equipment would be moved to other rooms. As a result this room is used exclusively for urology. It is not equipped to do spine, heart, GI or other surgery. Specialized volumes are not sufficient to achieve 1500 hours per year in this dedicated room.

Other dedicated rooms also have specialized equipment that limits their use for other functions. For example, there are two large cardiac rooms containing heart/lung machines. A large neurosurgery OR has a microscope that is required for neurosurgery but restricts the use of this OR for other cases. An ENT room was designed for accommodating specialized equipment, including tube storage and other equipment needed for airway work.

Almost half of the ORs at Lurie Children's are restricted to dedicated subspecialty surgery. For several of these, there is not sufficient volume in the region to achieve 1500 hours per year utilization. Yet it is important for public access that these services are available. As a pediatric subspecialty center and the pediatric teaching site for the Northwestern University Feinberg School of Medicine, Lurie Children's plays the role of a critical access hospital for subspecialty services not available at other pediatric centers in the Chicago region.

The establishment of an ASTC in Northbrook will shift some of the outpatient surgery cases from the main Lurie surgical department. This will reduce OR utilization at Lurie Children's. Consideration can be given to closing some ORs at Lurie Children's, if required to achieve better OR utilization in support of the proposed project. However, such decisions would need to be guided by operational limitations due to unique services provided and dedicated functions available in the unique ORs at Lurie Children's.

Table: Analysis to Confirm No Maldistribution of Service

	State of Illinois	GSA
Yr 2015 Estimated Population	12,978,800 (1)	5,717,145 (2)
Hospital ORs		
- Number of ORs	1842 (3)	707 (4)
- Ratio of ORs per 1000 population	0.142	0.124
ASTC ORs		
- Number of ASTC ORs	418 (5)	174 (6)
- Ratio of A5TC ORs per 1000 population	0.032	0.030
TOTAL ORs		
- Total	2260	881
- Ratio of total ORs per 1000 population	0.174	0.154
Ratio of ORs per 1000 population if project is approved	0.174	0.155

Footnotes:

(1) *Population Projections: Illinois, Chicago and Illinois Counties by Age and Sex: July 1, 2010 to July 1, 2025* Table 1 (2014 Edition) released by IDPH, Office of Health Informatics, Illinois Center for Health Informatics, February, 2015

(2) Claritas

(3) Illinois Hospitals Data Summary, CY 2014, IDPH, page 2 11/19/2015

(4) Hospital Data Profiles and Annual Bed Report, Year 2014; 11/19/2015

(5) Inventory of Health Care Facilities and Services and Need Determinations, Non-Hospital Based Ambulatory Surgery Category of Service by HSA, page B-4; 8/4/2015

(6) Ambulatory Surgery Treatment Center Data Profiles 2014

Table: Hospitals and ASTCs within 45 minutes adjusted travel time fr from 1121 Techny Road, Northbrook

Provider Facility	Address	City	Zip Code	Distance	Travel Time	Adj Trav Time	# of ORs	Procedure Rms
Hospitals								
Adventist GlenOaks Hospital	701 Winthrop Ave.	Glendale Heights	60139	31.7	37	43	5	3
Adventist Hinsdale Hospital	120 N. Oak St.	Hinsdale	60521	26.5	35	40	12	5
Adventist La Grange Memorial Hospital	5101 S. Willow Springs Rd.	La Grange	60525	26.5	33	38	11	4
Advocate Condell Medical Center	801 S. Milwaukee Ave.	Libertyville	60048	17.2	22	25	12	6
Advocate Good Samaritan Hospital	3815 Highland Ave.	Downers Grove	60515	29.2	33	38	15	8
Advocate Good Shepherd Hospital	450 West Highway 22	Barrington	60010	21.3	37	43	11	7
Advocate Illinois Masonic Medical Center	836 W. Wellington Ave.	Chicago	60657	19.2	31	36	14	8
Advocate Lutheran General Hospital	1775 Dempster Street	Park Ridge	60068	5.6	12	14	24	8
Alexian Brothers Medical Center	800 Biesterfield Rd.	Elk Grove Village	60007	20.9	30	35	15	10
Ann & Robert H. Lurie Children's Hospital of Chicago	225 East Chicago Ave.	Chicago	60611	22.0	32	37	18	2
Community First Medical Center	5645 West Addison Street	Chicago	60634	15.3	24	28	9	4
Elmhurst Memorial Hospital	155 E. Brush Hill Road	Elmhurst	60126	25.9	30	35	15	6
Gottlieb Memorial Hospital	701 West North Avenue	Melrose Park	60160	20.2	31	36	9	2
Holy Cross Hospital	2701 W. 68th Street	Chicago	60629	32.4	44	51	7	5
John H. Stroger, Jr. Hospital of Cook County	1901 West Harrison Street	Chicago	60612	23.2	28	32	20	8
Kindred Hospital Chicago	2544 W. Montrose	Chicago	60618	15.4	30	35	1	0
Loretto Hospital	645 South Central Avenue	Chicago	60644	27.7	33	38	5	2
Loyola University Medical Center	2160 South First Avenue	Maywood	60153	27.1	33	38	27	10
Louis A. Weiss Memorial Hospital	4646 North Marine Drive	Chicago	60640	16.8	36	41	10	4
MacNeal Hospital	3249 S. Oak Park Avenue	Berwyn	60402	30.9	40	46	18	7
Mercy Hospital and Medical Center	2525 S. Michigan Avenue	Chicago	60616	25.3	33	38	6	6
Methodist Hospital of Chicago	5025 N. Paulina Street	Chicago	60640	15.4	32	37	4	2
Midwestern Regional Medical Center	2520 Elisha Avenue	Zion	60099	35.3	41	47	5	2
Mount Sinai Hospital Medical Center	2750 W. 15th Street	Chicago	60608	23.0	37	43	9	4
NorthShore University HealthSystem Evanston Hospital	2650 Ridge Avenue	Evanston	60201	8.6	20	23	16	9
NorthShore University HealthSystem Glenbrook Hospital	2100 Pfingsten Road	Glenview	60026	4.0	9	10	9	8
NorthShore University HealthSystem Highland Park Hospital	777 Park Avenue West	Highland Park	60035	8.6	15	17	11	7
NorthShore University HealthSystem Skokie Hospital	9600 Gross Point Road	Skokie	60076	6.6	14	16	10	7
Northwest Community Hospital	800 West Central Road	Arlington Heights	60005	14.0	27	31	14	9
Northwestern Lake Forest Hospital	660 N. Westmoreland Road	Lake Forest	60045	13.6	19	22	8	7
Northwestern Memorial Hospital	251 East Huron Street	Chicago	60611	22.1	29	33	62	15
Norwegian American Hospital	1044 N. Francisco Avenue	Chicago	60622	18.9	30	35	5	2
Presence Holy Family Medical Center	100 North River Road	Des Plaines	60016	9.3	15	17	5	4
Presence Resurrection Medical Center	7435 West Talcott Avenue	Chicago	60631	10.0	25	29	14	10
Presence St Francis Hospital	355 Ridge Avenue	Evanston	60202	12.4	24	28	14	4
Presence St Joseph Hospital, Chicago	2900 N. Lake Shore Drive	Chicago	60657	19.8	36	41	12	7
Presence St Elizabeth Hospital	1431 N. Claremont Avenue	Chicago	60622	18.7	28	32	5	1
Presence St Mary of Nazareth Hospital	2233 W. Division Street	Chicago	60622	19.1	29	33	8	3
Provident Hospital of Cook County	500 E. 51st Street	Chicago	60615	27.7	35	40	8	0
Rush Oak Park Hospital	520 S. Maple Street	Oak Park	60304	28.4	35	40	9	3
Rush University Medical Center	1653 W. Congress Parkway	Chicago	60612	22.6	32	37	31	10
Shriners Hospitals for Children-Chicago	2211 N. Oak Park Avenue	Chicago	60707	18.7	35	40	4	0

Provider Facility	Address	City	Zip Code	Distance	Travel Time	Adj Trav Time	# of ORs	Procedure Rms
St. Alexius Medical Center	1555 Barrington Road	Hoffman Estates	60169	23.6	36	41	11	9
St. Anthony Hospital	2875 W. 19th St.	Chicago	60623	25.5	36	41	4	1
St. Bernard Hospital	326 W. 64th Street	Chicago	60621	28.7	37	43	6	0
Swedish Covenant Hospital	5145 N. California Avenue	Chicago	60625	14.7	24	28	10	4
Thorek Memorial Hospital	850 West Irving Park Road	Chicago	60613	18.2	31	36	70	5
University of Chicago Hospitals and Clinics	5841 S. Maryland	Chicago	60637	29.0	36	41	34	15
University of Illinois Hospital at Chicago	1740 W. Taylor Street, Ste. 1400	Chicago	60612	23.1	32	37	20	8
VHS West Suburban Medical Center	3 Erie Court	Oak Park	60302	19.5	35	40	8	4
VHS Westlake Hospital	1225 Lake Street	Melrose Park	60160	21.5	34	39	6	3
Vista Medical Center East	1324 N. Sheridan Road	Waukegan	60085	25.2	34	39	11	1
Vista Medical Center West	2615 W. Washington	Waukegan	60085	22.5	28	32	0	0
Total Hospitals:							707	279
Ambulatory Surgery Treatment Centers								
25 East Same Day Surgery	25 East Washington	Chicago	60602	21.9	36	41	4	0
Advanced Ambulatory Surgical Center	2333 North Harlem Avenue	Chicago	60707	20.7	31	36	3	0
Advocate Condell ASTC	825 S. Milwaukee Rd.	Libertyville	60048	17.2	23	26	2	0
Advantage Health Care, Ltd.	203 E. Irving Park Road	Wood Dale	60191	20.5	30	35	2	0
Aiden Center for Day Surgery, LLC	1580 W. Lake Street	Addison	60101	24.3	34	39	4	0
Albany Medical Surgical Center	5086 North Elston Avenue	Chicago	60630	12.4	16	18	2	0
Ambulatory Surgicenter of Downers Grove, Ltd.	4333 Main Street	Downers Grove	60515	30.0	37	43	3	0
Apollo Surgical Center	2750 South River Road	Des Plaines	60018	12.9	25	29	2	0
Ashton Center for Day Surgery	1800 McDonough Road Suite 100	Hoffman Estates	60192	26.1	38	44	4	0
Barrington Pain and Spine Institute, LLC	600 Hart Road Suite 300	Barrington	60010	19.5	35	40	2	1
Belmont/Harlem Surgery Center, LLC	3101 North Harlem Avenue	Chicago	60634	17.6	32	37	4	0
Chicago Endoscopy Center, ASTC	3536 W. Fullerton Avenue	Chicago	60647	16.7	25	29	0	1
Chicago Prostate Cancer Surgery Center	815 Pasquinelli Drive	Westmont	60559	27.7	33	38	2	0
Children's Outpatient Services at Westchester	2301 Enterprise Drive	Westchester	60154	24.9	29	33	3	0
DMG Surgical Center, LLC	2725 S. Technology Drive	Lombard	60148	27.2	37	43	5	3
Dupage Eye Surgery Center, LLC	2015 North Main Street	Wheaton	60187	31.4	45	52	3	2
Elmhurst Medical & Surgical Center P.C.	340 West Butterfield Road Suite 1B	Elmhurst	60126	26.8	33	38	1	0
Elmhurst Outpatient Surgery Center	1200 South York Road Suite 1400	Elmhurst	60126	25.4	31	36	4	4
Elmwood Park Same Day Surgery, LLC	1614 North Harlem Avenue	Elmwood Park	60707	21.5	34	39	3	0
Eye Surgery Center of Hinsdale, LLC	950 North York Road, Suite 203	Hinsdale	60521	26.8	30	35	2	1
Fullerton Kimball Medical & Surgical Center	3412 West Fullerton Avenue	Chicago	60647	16.5	23	26	2	0
Fullerton Surgery Center	4849 West Fullerton	Chicago	60639	16.0	27	31	3	0
Gold Coast Surgicenter, LLC	845 N. Michigan Avenue Suite 985W	Chicago	60611	22	29	33	3	1
Grand Avenue Surgical Center	17 West Grand Avenue	Chicago	60654	21.6	29	33	3	0
Hawthorn Place Outpatient Surgery Center LP	240 Center Drive	Vernon Hills	60061	14.2	21	24	4	0
Hawthorne Surgery Center	1900 Hollister Drive Ste 100	Libertyville	60048	14.1	20	23	3	0
Hinsdale Surgical Center, LLC	908 N. Elm Street Suite 401	Hinsdale	60521	26.4	30	35	4	2
Hoffman Estates Surgery Center, LLC	1555 Barrington Road Suite 0400	Hoffman Estates	60194	23.6	36	41	3	1
Hyde Park Surgery Center	1644 E. 53rd. Street	Chicago	60615	29.0	33	38	1	0
Illinois Hand & Upper Extremity Center	515 West Algonquin Road	Arlington Heights	60005	20.3	26	30	1	0
Illinois Sports Medicine & Orthopedic Surgery Center, LLC	9000 Waukegan Road Suite 120	Morton Grove	60053	5.3	11	13	4	1
Lakeshore Surgery Center, LLC	7200 North Western Avenue	Chicago	60645	13.9	24	28	2	0
Golf Surgical Center, LLC	8901 Golf Road	Des Plaines	60016	6.8	15	17	5	3
Lindenhurst Surgery Center	1050 Red Oak Lane	Lindenhurst	60046	28.6	34	39	4	2

Provider Facility	Address	City	Zip Code	Distance	Travel Time	Adj Trav Time	# of ORs	Procedure Rms
Loyola Ambulatory Surgery Center at Oakbrook	1 South 224 Summit suite 201	Oakbrook Terrace	60181	26.9	35	40	3	0
Loyola University Ambulatory Surgery Center	2160 South First Avenue, Bldg. 201	Maywood	60153	28.2	34	39	8	0
Midwest Center for Day Surgery	3811 Highland Avenue	Downers Grove	60515	29.8	36	41	5	0
North Shore Surgical Center	3725 W. Touhy Avenue	Lincolnwood	60712	11.3	16	18	3	0
Northshore Endoscopy Center	101 South Waukegan Road suite 980	Lake Bluff	60044	15.8	19	22	0	2
Northwest Community Day Surgery Center	675 West Kirchoff Road	Arlington Heights	60005	14.0	29	33	10	1
Northwest Surgicare	1100 West Central Road, Ste L-4	Arlington Heights	60005	14.2	30	35	4	2
Northwestern Grayslake Ambulatory Surgery Center	1475 East Belvidere Road	Grayslake	60030	23.8	26	30	4	0
Northwestern Grayslake Endoscopy Center	1475 E. Belvidere Road Suite 303	Grayslake	60030	23.8	26	30	0	2
Novamed Surgery Center of Chicago Northshore, LLC	3034 West Peterson	Chicago	60659	12.7	22	25	1	0
NovaMed Surgery Center of River Forest, LLC	7427 West Lake Street	River Forest	60305	22.6	36	41	2	0
Oak Brook Surgical Centre, Inc. The	2425 West 22nd Street Suite 101	Oak Brook	60521	26.9	36	41	5	0
Peterson Medical Surgi-Center	2300 W. Peterson Ave	Chicago	60659	13.7	26	30	2	2
Presence Lakeshore Gastroenterology	150 N. River Road	Des Plaines	60016	9.3	16	18	0	2
Ravine Way Surgery Center	2350 Ravine Way Suite 500	Glenview	60025	1.9	3	4	3	1
Regenerative Surgery Center	1455 Golf Road, Suite 134	Des Plaines	60016	9.5	17	20	3	0
River North Same Day Surgery Center, LLC	One East Erie Suite 300	Chicago	60611	21.5	27	31	4	0
Rogers Park One Day Surgery Center, Inc.	7616 N. Paulina	Chicago	60626	14.3	28	32	2	0
Rush Surgicenter at the Professional Bldg. Ltd.	1725 West Harrison Street Suite 556	Chicago	60612	22.8	28	32	4	0
Salt Creek Surgery Center	530 N. Cass Avenue	Westmont	60559	28.8	36	41	0	4
Six Corners Same Day Surgery, LLC	4211 North Cicero Avenue Suite 400	Chicago	60641	13.5	17	20	4	1
South Loop Endoscopy & Wellness Center LLC	2334-40 S. Wabash	Chicago	60616	25.4	30	35	0	1
The Glen Endoscopy Center, LLC	2551 Compass Road, Suite 115	Glenview	60026	2.9	5	6	0	3
The Surgery Center at 900 North Michigan Ave, LLC	60 East Delaware, 15th Floor	Chicago	60611	22.1	28	32	5	2
United Shockwave Services	120 N. La Grange Road	La Grange	60525	28.2	33	38	1	0
Vernon Square Surgicenter	230 Center Drive	Vernon Hills	60061	14.2	20	23	2	0
Western Diversey Surgical Center	2744 North Western Avenue	Chicago	60647	16.9	21	24	2	0
Winchester Endoscopy Center	1870 W. Winchester Rd	Libertyville	60048	19.4	27	31	0	2
Total ASTC:							**174**	**47**

Sources:

- Hospital Data Profiles and Annual Bed Report, 2014; revised 11/19/2015
- Ambulatory Surgical Treatment Center Data Profiles, 2014 posted August 26, 2015

1110.1540 (i) Staffing

Physicians and dentists now affiliated with the Ann & Robert H. Lurie Children's Hospital of Chicago will perform surgeries and procedures at the Lurie Children's Outpatient Services and Surgical Center in Northbrook. Most will remain active on the downtown campus and have scheduled rotations at the Northbrook ASTC.

Most of its staffing needs will be met by staff from Ann & Robert H. Lurie Children's Hospital of Chicago. The following staffing plan lists Full Time Equivalent personnel by position at time of opening in 2018:

OR Support Positions	FTE
Manager, patient care operations	1.0
Registered Nurse	12.0
Surgical Technician	2.0
Surgical Processing Technician	2.0
Anesthesia Technician	2.0
Administrative Assistant	0.5
Dental Technician	0.5
Stationary Engineer	1.25
Child Life Specialist Sr	1.00
Clinical Educator	1.00
Point of Service Representative	2.00
Total FTEs	25.25

A Medical Director will be appointed several months ahead of the opening of the facility.

1110.1540 (j) Charge Commitment

The table on the following page compares current charges at the Ann & Robert H. Lurie Children's Hospital of Chicago for outpatient surgery procedures, and proposed charges for these procedures at the ASTC in Northbrook. The letter in this section affirms that charges at the ASTC will not be increased for at least the first two years of operation of the ASTC.

Comparison of ASTC Charges and Hospital Charges

CPT Code	CPT Description	ASTC Charges	Hospital Charges
11100	BIOPSY SKIN LESION	$ 13,803	$ 15,420
11402	EXC TR-EXT B9+MARG 1.1-2 CM	$ 9,661	$ 12,576
11420	EXC H-F-NK-SP B9+MARG 0.5 <	$ 10,282	$ 12,381
11421	EXC H-F-NK-SP B9+MARG 0.6-1	$ 10,581	$ 14,128
11441	EXC FACE-MM B9+MARG 0.6-1 CM	$ 9,735	$ 11,668
15850	REMOVAL OF SUTURES	$ 4,552	$ 6,281
17106	DESTRUCTION OF SKIN LESIONS	$ 4,656	#N/A
17107	DESTRUCTION OF SKIN LESIONS	$ 4,613	#N/A
17108	DESTRUCTION OF SKIN LESIONS	$ 4,963	#N/A
20680	REMOVAL OF SUPPORT IMPLANT	$ 15,295	$ 17,186
26055	INCISE FINGER TENDON SHEATH	$ 10,835	$ 13,199
29807	SHOULDER ARTHROSCOPY/SURGERY	$ 22,645	$ 30,869
29851	KNEE ARTHROSCOPY/SURGERY	$ 23,372	#N/A
29874	KNEE ARTHROSCOPY/SURGERY	$ 16,267	$ 18,880
29875	KNEE ARTHROSCOPY/SURGERY	$ 15,953	$ 22,955
29882	KNEE ARTHROSCOPY/SURGERY	$ 20,174	$ 38,171
29888	KNEE ARTHROSCOPY/SURGERY	$ 30,135	$ 34,046
31238	NASAL/SINUS ENDOSCOPY SURG	$ 10,465	$ 18,713
41010	INCISION OF TONGUE FOLD	$ 4,502	$ 5,276
41115	EXCISION OF TONGUE FOLD	$ 4,781	$ 4,986
41520	RECONSTRUCTION TONGUE FOLD	$ 8,662	$ 10,842
41899	DENTAL SURGERY PROCEDURE	$ 14,389	$ 17,570
42820	REMOVE TONSILS AND ADENOIDS	$ 12,882	$ 17,002
42821	REMOVE TONSILS AND ADENOIDS	$ 12,948	$ 17,225
42825	REMOVAL OF TONSILS	$ 12,715	$ 15,653
42830	REMOVAL OF ADENOIDS	$ 11,575	$ 12,936
42831	REMOVAL OF ADENOIDS	$ 11,981	$ 13,757
42835	REMOVAL OF ADENOIDS	$ 13,896	$ 17,067
43239	UPPER GI ENDOSCOPY BIOPSY	$ 11,314	$ 12,591
43254	EGD ENDO MUCOSAL RESECTION	$ 10,887	$ 12,212
45380	COLONOSCOPY AND BIOPSY	$ 10,466	$ 13,645
49500	RPR ING HERNIA INIT REDUCE	$ 15,537	$ 16,050
49507	PRP I/HERN INIT BLOCK >S YR	$ 15,927	$ 22,868
49580	RPR UMBIL HERN REDUC < 5 YR	$ 12,107	$ 14,331
52000	CYSTOSCOPY	$ 12,368	$ 14,687
52005	CYSTOSCOPY URETER CATHETER	$ 12,645	$ 17,764
52310	CYSTOSCOPY AND TREATMENT	$ 9,720	$ 10,709
53450	REVISION OF URETHRA	$ 9,684	$ 10,611
54060	EXCISION OF PENIS LESION(S)	$ 6,638	$ 9,558
54150	CIRCUMCISION W/REGIONL BLOCK	$ 7,015	$ 8,119
54161	CIRCUM 28 DAYS OR OLDER	$ 11,607	$ 12,358

Comparison of ASTC Charges and Hospital Charges

CPT Code	CPT Description	ASTC Charges	Hospital Charges
54162	LYSIS PENIL CIRCUMIC LESION	$ 7,269	$ 7,860
54163	REPAIR OF CIRCUMCISION	$ 6,466	$ 11,808
54300	REVISION OF PENIS	$ 13,802	$ 17,050
54304	REVISION OF PENIS	$ 16,645	$ 18,621
54322	RECONSTRUCTION OF URETHRA	$ 6,780	$ 14,991
54324	RECONSTRUCTION OF URETHRA	$ 15,428	$ 23,043
54640	SUSPENSION OF TESTIS	$ 16,651	$ 18,497
54692	LAPAROSCOPY ORCHIOPEXY	$ 21,870	$ 26,021
55500	REMOVAL OF HYDROCELE	$ 14,959	$ 16,104
55530	REVISE SPERMATIC CORD VEINS	$ 19,146	$ 19,988
67311	REVISE EYE MUSCLE	$ 14,321	$ 18,009
67314	REVISE EYE MUSCLE	$ 13,510	$ 16,990
67412	EXPLORE/TREAT EYE SOCKET	$ 11,066	$ 13,916
67840	REMOVE EYELID LESION	$ 9,448	$ 13,763
67904	REPAIR EYELID DEFECT	$ 15,703	$ 19,747
68811	PROBE NASOLACRIMAL DUCT	$ 7,464	$ 9,386
68815	PROBE NASOLACRIMAL DUCT	$ 11,932	$ 15,006
68816	PROBE NL DUCT W/BALLOON	$ 9,459	$ 13,190
69145	REMOVE EAR CANAL LESION(S)	$ 12,160	$ 15,816
69421	INCISION OF EARDRUM	$ 8,203	$ 18,159
69424	REMOVE VENTILATING TUBE	$ 7,447	$ 10,489
69436	CREATE EARDRUM OPENING	$ 8,283	$ 9,536
69610	REPAIR OF EARDRUM	$ 7,807	$ 9,442
69631	REPAIR EARDRUM STRUCTURES	$ 25,040	$ 25,298
69641	REVISE MIDDLE EAR MASTOID	$ 32,376	$ 33,760

Data based on single procedures performed. Prices listed represent charges as of September 1, 2017.
#N/A denotes not enough data to report.

Ann & Robert H. Lurie
Children's Hospital of Chicago

October 14, 2016

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

Re: Criterion 1110.1540(j) – Charge Commitment

Dear Ms. Avery:

I hereby certify and attest to the understanding that facility charges at the new ASTC will not be increased, at a minimum, for at least the first two years of the facility's operation, unless a permit is first obtained pursuant to 77 Ill. Administrative Code § 1130.310(a).

If you have any questions, please contact Reagen Atwood, Associate General Counsel, Ann & Robert H. Lurie Children's Hospital of Chicago at 312-227-7470 or ratwood@luriechildrens.org.

Sincerely,

Ron Blaustein
Chief Financial Officer
Ann & Robert H. Lurie Children's Hospital of Chicago
225 E. Chicago Avenue
Chicago, IL 60611

Subscribed and sworn to before me
this 14 day of October, 2016.

Signature of Notary Public

Seal

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

ATTACHMENT 27

1110.1540 (k) Assurances

The letter in this section commits that a peer review program will be established, and that the Northbrook ASTC will meet or exceed the utilization standards for ASTCs, as documented in 1110.1540 d, Service Demand: Establishment of an ASTC.

Ann & Robert H. Lurie
Children's Hospital of Chicago

October 14, 2016

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

Re: Criterion 1110.1540(k) – Peer Review Program and Utilization Certification

Dear Ms. Avery:

I hereby certify and attest that Ann & Robert H. Lurie Children's Hospital of Chicago, as the license holder for the ASTC, will implement a peer review program for the ASTC services to evaluate whether patient outcomes are consistent with quality standards established by professional organizations for ambulatory surgical treatment centers, and if outcomes do not meet or exceed those quality standards, that a quality improvement plan will be initiated.

I also affirm that the ASTC will meet or exceed the utilization standard specified in 77 Ill Administrative Code 110. Documentation submitted with this permit application supports this statement, based on historic growth of outpatient surgical cases being shifted to the Northbrook site, and commitments by Lurie Children's surgeons to conduct surgery at the ASTC.

If you have any questions, please contact Reagen Atwood, Associate General Counsel, Ann & Robert H. Lurie Children's Hospital of Chicago, at 312-227-7470 or ratwood@luriechildrens.org.

Sincerely,

Patrick M. Magoon
President and Chief Executive Officer
Ann & Robert H. Lurie Children's Hospital of Chicago
225 E. Chicago Avenue
Chicago, IL. 60611

Subscribed and sworn to before me
this 14 day of October, 2016.

Signature of Notary Public

Seal

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

ATTACHMENT 27

Audited Financial Statements

Children's Hospital of Chicago Medical Center and Affiliated Corporations

Consolidated Financial Statements
August 31, 2015 and 2014

Children's Hospital of Chicago Medical Center and Affiliated Corporations
Index
August 31, 2015 and 2014

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Independent Auditor's Report

To the Board of Directors of
Children's Hospital of Chicago Medical Center

We have audited the accompanying consolidated financial statements of Children's Hospital of Chicago Medical Center and Affiliated Corporations (the 'Medical Center') which comprise the consolidated balance sheets as of August 31, 2015 and 2014, and the related consolidated statements of operation and change in net assets and of cash flow for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Medical Center's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Medical Center and its subsidiaries as of August 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP, One North Wacker, Chicago, IL 60606
T: (312) 298 2000, F: (312) 298 2001, www.pwc.com/us

pwc

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information presented on pages 36-39 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies.

PricewaterhouseCoopers LLP

December 2, 2015

Children's Hospital of Chicago Medical Center and Affiliated Corporations
Consolidated Balance Sheets
August 31, 2015 and 2014

	2015	2014
Assets		
Current assets		
Cash and cash equivalents	$ 27,695,157	$ 24,823,702
Current portion of self-insurance trust	8,600,000	16,685,000
Accounts receivable, net of allowance for uncollectible accounts of $15,918,000 and $12,846,000 in 2015 and 2014, respectively	85,799,395	64,741,849
Other current assets	51,182,355	52,658,099
Total current assets	173,276,907	158,908,650
Investments	1,102,969,535	1,039,944,962
Property and equipment, at cost		
Land	41,514,151	41,514,151
Buildings and improvements	1,109,963,591	1,104,962,956
Equipment	304,522,244	290,134,383
Construction in progress	8,438,812	5,005,708
Total property and equipment, at cost	1,464,438,798	1,441,617,198
Less: Accumulated depreciation	540,739,975	477,023,810
Property and equipment, net	923,698,823	964,593,388
Other assets		
Pledges receivable restricted by donors, net	36,389,805	58,325,462
Unamortized bond issuance costs	6,860,156	7,194,872
Other	18,853,221	19,266,129
Total other assets	62,103,182	84,786,463
Total assets	$ 2,262,048,447	$ 2,248,233,463
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 114,725,105	$ 109,533,047
Current portion of self-insurance liability	8,600,000	16,685,000
Due to third-party payors	13,509,265	11,290,133
Current portion of long-term debt	4,645,000	4,415,000
Total current liabilities	141,479,370	141,923,180
Other liabilities		
Self-insurance liability	98,532,410	88,431,074
Other noncurrent liabilities	44,688,715	41,074,890
Total other liabilities	143,221,125	129,505,964
Long-term debt	368,758,475	373,297,036
Total liabilities	653,458,970	644,726,180
Net assets		
Unrestricted	1,242,455,854	1,237,116,079
Temporarily restricted	203,100,374	209,535,724
Permanently restricted	163,033,249	156,855,480
Total net assets	1,608,589,477	1,603,507,283
Total liabilities and net assets	$ 2,262,048,447	$ 2,248,233,463

The accompanying notes are an integral part of these consolidated financial statements.

Children's Hospital of Chicago Medical Center and Affiliated Corporations

Consolidated Statements of Operation and Change in Net Assets

Years Ended August 31, 2015 and 2014

	2015	2014
Operating revenue		
Patient service revenue, net of contractual allowance and discounts	$ 737,265,139	$ 715,598,136
Provision for doubtful accounts	11,513,380	9,425,400
Net patient service revenue	725,751,759	706,172,736
Net assets released from restriction		
Contributions and philanthropy used for program purposes	26,318,098	23,114,193
Grants and other restricted income used for program purposes	38,436,659	35,268,080
Board-designated endowment income	6,752,643	4,056,384
Other operating revenue	57,597,477	57,230,630
Total operating revenue	854,856,636	825,842,023
Operating expenses		
Salaries, wages, and employee benefits	461,559,654	439,374,720
Supplies and services	269,100,714	262,012,556
Depreciation	63,898,878	63,410,817
Total operating expenses	794,559,246	764,798,093
Income from operations before interest and amortization	60,297,390	61,043,930
Interest and amortization of financing costs	22,434,061	23,464,070
Income from operations	37,863,329	37,579,860
Nonoperating income (expense)		
Investment return (loss) gains	(15,702,896)	90,822,951
Unrestricted contributions and bequests	17,030,587	17,561,946
Fund-raising expense	(16,209,674)	(15,403,210)
Loss on disposal of fixed assets	(175,023)	(137,284)
Other	(5,351,254)	(2,838,738)
Total nonoperating (loss) income	(20,408,260)	90,005,665
Excess of revenue over expenses	$ 17,455,069	$ 127,585,525

The accompanying notes are an integral part of these consolidated financial statements.

Children's Hospital of Chicago Medical Center and Affiliated Corporations

Consolidated Statements of Operation and Change in Net Assets

Years Ended August 31, 2015 and 2014

	2015	2014
Unrestricted net assets		
Excess of revenue over expenses	$ 17,455,069	$ 127,585,525
Net assets released from restriction used for purchase and construction of property and equipment	371,837	562,626
Retirement plan related change other than net periodic retirement plan expense	(12,581,851)	(7,065,378)
Net assets transferred from newly affiliated organization	-	1,897,480
Other	94,720	65,592
Increase in unrestricted net assets	5,339,775	123,045,845
Temporarily restricted net assets		
Contributions	20,131,702	33,115,611
Grants and other restricted income	41,386,422	37,964,364
Investment return	(28,464)	17,172,922
Pledge receivable write-offs, net of change in allowance	(2,233,200)	(247,042)
Net assets transferred from newly affiliated organization	-	149,449
Net assets released from restriction		
Contributions and philanthropy used for program purposes	(26,318,098)	(23,114,193)
Grants and other restricted income used for program purposes	(38,436,659)	(35,268,080)
Purchase of property and equipment	(371,837)	(562,626)
Transfers and other	(565,216)	(263,239)
(Decrease) increase in temporarily restricted net assets	(6,435,350)	28,947,166
Permanently restricted net assets		
Contributions	7,629,604	3,135,144
Net assets transferred from newly affiliated organization	-	1,691,424
Change in fair value of perpetual trusts	(2,017,051)	3,223,000
Transfers and other	565,216	263,239
Increase in permanently restricted net assets	6,177,769	8,312,807
Increase in net assets	5,082,194	160,305,818
Net assets		
Beginning of year	1,603,507,283	1,443,201,465
End of year	$ 1,608,589,477	$ 1,603,507,283

The accompanying notes are an integral part of these consolidated financial statements.

Children's Hospital of Chicago Medical Center and Affiliated Corporations
Consolidated Statements of Cash Flow
Years Ended August 31, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Increase in net assets	$ 5,082,194	$ 160,305,818
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized loss (gains) on investments	15,702,896	(90,822,951)
Restricted contributions and restricted investment return	(14,554,163)	(44,742,032)
Loss on disposal of fixed assets	175,023	137,284
Receipt of contributed securities	(8,012,109)	(8,938,776)
Retirement plan - related change other than net periodic retirement plan expense	12,581,851	7,065,378
Depreciation and amortization	64,340,034	64,408,206
Provision for bad debts	11,513,380	9,425,400
Net assets transferred from newly affiliated organization	-	(3,738,353)
Net changes in assets and liabilities		
Accounts receivable, net	(32,570,926)	(17,773,179)
Accounts payable and accrued expenses	5,521,599	1,218,340
Due to third-party payors	2,219,132	(91,164)
Self-insurance liability	2,016,336	8,054,321
Other assets and liabilities	14,856,282	1,669,153
Net cash provided by operating activities	78,871,529	86,177,445
Cash flows from investing activities		
Capital expenditures	(23,508,877)	(19,448,068)
Sale of investments	3,504,762,703	1,154,690,656
Purchases of investments	(3,570,912,719)	(1,164,803,148)
Cash received in conjunction with affiliation	-	241,003
Net cash used in investing activities	(89,658,893)	(29,319,557)
Cash flows from financing activities		
Principal payments under long-term debt obligations	(4,415,000)	(79,387,759)
Proceeds from restricted contributions and restricted investment income	18,073,819	25,772,970
Net cash provided (used) in financing activities	13,658,819	(53,614,789)
Increase in cash and cash equivalents	2,871,455	3,243,099
Cash and cash equivalents		
Beginning of year	24,823,702	21,580,603
End of year	27,695,157	24,823,702
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	$ 20,148,000	$ 21,001,000
Noncash additions to property and equipment	$ 4,308,000	$ 4,638,000

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Nature of Operations

Children's Hospital of Chicago Medical Center, (the 'Medical Center'), an Illinois not-for-profit corporation, is the sole member of Ann & Robert H. Lurie Children's Hospital of Chicago (the 'Hospital'), a not-for-profit corporation. The Hospital, the first member of the Medical Center, was founded in 1882 by Julia Foster Porter to provide medical care for all children. Today, the Medical Center remains an independent, freestanding academic institution dedicated to the health and well-being of all children. The Medical Center is also the sole member of the Stanley Manne Children's Research Institute ('Research Center'), Ann & Robert H. Lurie Children's Hospital of Chicago Foundation (the 'Foundation'), Pediatric Faculty Foundation, Inc. ('PFF'), and Almost Home Kids ('AHK'), all Illinois not for-profit corporations. Lurie Children's Medical Group, LLC ('LCMG') and Lurie Children's Health Partners Care Coordination, LLC (the 'CCE'), controlled affiliates of the Medical Center, are Illinois limited liability corporations. The Medical Center is also the parent of CMMC Insurance Co. Ltd. ('CMMC Insurance'), a captive, offshore insurance entity under the laws of the Cayman Islands.

The Hospital owns and operates a pediatric hospital with a licensed capacity of 288 beds in Chicago, Illinois. The Hospital provides a complete range of pediatric health services, including pediatric inpatient medical and surgical care, tertiary care services, and emergency services. The Hospital also operates more than 50 specialty and primary care outpatient clinics at its main campus in the Streeterville neighborhood and other Chicago area locations, as well as two ambulatory care facilities and twelve outpatient specialty centers in the surrounding metro Chicago areas.

Ann & Robert H. Lurie Children's Hospital of Chicago Research Center was renamed the "Stanley Manne Children's Research Institute," effective June 30, 2014 in recognition of a philanthropic commitment. The Research Center was established to improve pediatric health and health services through research and education.

The Foundation carries out fund-raising and other related development activities in support of the Medical Center and its affiliated corporations.

PFF provides physician services to a broad pediatric population in Chicago and surrounding counties and across the State of Illinois totaling more than 440 pediatric care and subspecialty physicians. LCMG, with more than 55 employed physicians, provides pathology, medical imaging, psychiatry, and dentistry services to the Hospital and its patients.

AHK is a unique organization providing transitional and respite care for medically complex children outside the acute care setting.

CMMC Insurance is a captive, offshore insurance entity whose sole function is to purchase reinsurance for the purpose of reducing risk and cost. It does not retain risk. CMMC Insurance has no employees and is managed on behalf of the Hospital by an independent Cayman Islands based management company.

In June 2012, the Ann & Robert H. Lurie Children's Hospital of Chicago opened, moving the majority of hospital operations from Lincoln Park to the Streeterville facility in downtown Chicago. The Lincoln Park facility was closed as of June 2012 and is currently decommissioned and idle. The building is expected to be sold in the upcoming fiscal year.

In keeping with the Medical Center's mission and in response to the State of Illinois' mandate to have 50% of Medicaid recipients enrolled in coordinated care entities by January 1, 2015, the Medical Center is participating in two entities covering Medicaid lives. As of March 6, 2014, the Medical Center became the sole member of Lurie Children's Health Partners Care Coordination, LLC (the 'CCE'), which is a wholly owned entity. The CCE exists for the provision and coordination of medical care of medically complex children. The Medical Center is partnering with Federally Qualified Healthcare Facilities and other providers to optimize health outcomes and enhance the quality of life of this population in a cost effective manner. The CCE is a fully consolidated entity.

The State of Illinois is no longer supporting Care Coordination Entities ('CCEs') after December 31, 2015. The CCE will lose its State Medicaid contract as of that date. The approximately 2,000 enrollees the CCE attained during FY2015 will either self-enroll or be assigned by the State to one of the Medicaid Medical Care Organizations ('MCOs'). The CCE will continue to exist. It will contract with MCOs and commercial health plans to provide care coordination services to children within their plans that have complex medical needs.

As of April 24, 2014, the Medical Center became one of eleven partners of Accountable Care Chicago, LLC, doing business as MyCare Chicago ('MCC'). MCC is designed to provide care coordination to Medicaid adults and children, and facilitate care coordination through the use of data analytics and health IT infrastructure. MCC is under contract with the Illinois Department of Health and Family Services to provide a provider network and care coordination services to an enrolled Medicaid population and has achieved an enrollment of 61,000 to date. The Medical Center holds a minority position and does not have governance control. The Medical Center's investment in MyCare Chicago is $30,000 as of August 31, 2015.

In June 2014, the Medical Center, Children's Community Physicians Association ('CCPA'), and Children's Faculty Practice Plan ('FPP') began the Lurie Children's Health Partners Clinically Integrated Network, LLC (the 'CIN'). The CIN is an integrated healthcare network focused on creating value-based reimbursement programs with payors that support improving the health and well-being of children and their families. The CIN has a twelve member board of which CCPA appoints six, FPP appoints four, and the Medical Center appoints two. CCPA and FPP are committed to a 5% capital position and the Medical Center is committed to a 90% capital position of which $1.8 million was expensed during fiscal year 2015. As the Medical Center does not have governance control, the CIN is not a consolidating entity but rather accounted for under the Equity Method.

Consolidation
The accompanying consolidated financial statements of the Medical Center include the accounts of the Medical Center, the Hospital, the Research Center, the Foundation, PFF, LCMG, AHK, CCE, and CMMC Insurance. Intercompany transactions and accounts have been eliminated.

2. Summary of Significant Accounting Policies

Accounting Pronouncements
In October 2012, the FASB issued Accounting Standards Update No. 2012-05, *Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows.* The amendments in this update require classifying cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any imposed limitations for sale and were converted nearly immediately into cash. This

update was adopted as of August 31, 2014. The updated guidance did not have a material impact on the Medical Center's financial statements.

In December 2013, the FASB issued Accounting Standards Update No. 2013-12, *Definition of a Public Business Entity*. This ASU defines a public business entity. The definition of a public business entity will be used in considering the scope of new financial guidance and will identify whether the guidance does or does not apply to public business entities. Not-for-profit entities are excluded from the definition of a public business entity. The FASB will consider user needs for not-for-profit entities on a standard-by-standard basis. As of August 31, 2015 this guidance did not impact the Medical Center's financial statements.

In May 2015, the FASB issued Accounting Standards Update No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share* (or its equivalent). This guidance removes the requirement to categorize within the fair value hierarchy investments whose fair values are measured at Net Asset Value (NAV) (or its equivalent) under the practical expedient in the FASB's fair value measurement guidance. The amendments under this update are effective for fiscal years beginning after December 15, 2016. The Medical Center did not early adopt the updates as of August 31, 2015.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Medical Center to make assumptions, estimates, and judgments that affect the amounts reported in the consolidated financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. The Medical Center considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its consolidated financial statements, including the following: recognition of net patient service revenue, which includes contractual allowances, third-party payor settlements, and provisions for bad debt; reserves for losses and expenses related to health care professional and general liabilities; valuation of alternative investments; and risks and assumptions in the measurement of pension liabilities. Management relies on historical experience, other assumptions believed to be reasonable under the circumstances, and recommendations made by the Medical Center external advisors and actuaries in making its judgments and estimates. Actual results could differ from these estimates.

Cash and Cash Equivalents
Cash and cash equivalents include unrestricted, undesignated marketable securities with original maturities of three months or less that are held for short-term cash management. Cash and cash equivalents are reported at their approximate fair value.

Other Current Assets
Other current assets for fiscal year 2015 and 2014 are as follows:

	2015	2014
Outreach Hospitals and Practice Plan Receivables	$ 15,310,825	$ 16,357,153
Prepaid expenses	13,432,126	12,506,932
Inventory	6,635,681	7,045,592
Insurance recoverables	11,272,266	11,494,379
Other	4,531,457	5,254,043
Total other current assets	$ 51,182,355	$ 52,658,099

Investments
The Medical Center pools its donor restricted, self-insurance, undesignated and board-designated investments. Investment returns are allocated among unrestricted, temporarily restricted, and permanently restricted net assets based on the pro-rata share of the balance in each fund to the total investment pool as of the end of each accounting period.

Investment income earned, at a fixed rate, on certain funds that are board-designated for patient care, education and the self-insurance trust are reported as other operating revenue. All other investment income and losses (including interest and dividends, realized gains and losses, and unrealized gains and losses) are reported as nonoperating income (loss) unless the income or loss is restricted by donor or law. Investment returns on permanently restricted net assets are allocated to the purposes specified by the donor or law, either as temporarily restricted or unrestricted, as applicable.

Fair Value of Financial Instruments
Financial instruments consist primarily of cash and cash equivalents, investments, accounts receivable, pledges receivable, accounts payable, accrued expenses, estimated third party payor settlements, and long-term debt. Except as otherwise disclosed, the fair value of financial instruments approximates their financial statement carrying amount.

Inventories
Inventories, which primarily consist of medical supplies and pharmaceuticals used for patient care, are stated at the lower of cost (first-in, first-out) or market value.

Property and Equipment
Property and equipment is recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. One-half year's depreciation is taken in the year of acquisition, except for significant asset additions such as the Lurie Children's facility, which is depreciated based on the actual date placed into service. The useful lives of the major asset classifications are as follows:

Buildings	40-80 years
Building improvements	15-20 years
Equipment	5-20 years
Computer hardware and software	3-5 years

In 2015 and 2014, the Medical Center disposed of approximately $397,000 and $298,000, respectively, of property, equipment and software that was no longer in use.

The Medical Center continually evaluates whether circumstances have occurred that would indicate the remaining estimated useful life of long-lived assets warrants revision or may not be recoverable. When factors indicate that such assets should be evaluated for possible impairment, the Medical Center uses an estimate of the undiscounted cash flows over the remaining life of the asset in measuring whether the asset is recoverable.

Pledges Restricted by Donors
As of August 31, 2015, approximately 36% of pledges restricted by donors are receivable within one year, 43% between two and five years, and 21% receivable beyond five years. Pledges are recorded at present value of estimated future cash flow, net of allowances for uncollectible pledges of approximately $3,255,000 and $1,527,000 at August 31, 2015 and 2014, respectively, and present value discounts of approximately $14,244,000 and $9,861,000 at August 31, 2015 and 2014, respectively. Estimated future cash flows due after one year are discounted using interest rates of 5% to 8% commensurate with estimated collection risks.

Unamortized Bond Issuance Costs
Bond issuance costs are deferred and amortized using the effective interest method over the life of the related debt as an increase to interest expense.

Self-Insurance Trust
The self-insurance trust and corresponding liability are reviewed annually by an independent actuary. The Medical Center contributes to the self-insurance trust estimated amounts determined by the actuary to be sufficient to pay for expected future losses. Provisions for the professional liability are based on an actuarial estimate of losses using the Medical Center's actual loss data adjusted for industry trends and current conditions. The provision includes estimates of costs for both reported claims and claims incurred but not reported.

Other Noncurrent Liabilities
Other noncurrent liabilities for fiscal year 2015 and 2014 are as follows:

	2015	2014
Accrued pension liabilities	$ 35,134,682	$ 30,779,440
Lease obligations	9,316,814	9,577,232
Other	237,219	718,218
Total other noncurrent liabilities	$ 44,688,715	$ 41,074,890

Net Assets
Net assets are classified based upon donor restrictions, if any, as follows:

Unrestricted
Unrestricted net assets represent net assets which are free of donor-imposed restrictions, including all revenue, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted
Temporarily restricted net assets represent net assets whose use is limited by donor-imposed stipulations, time restricted stipulations and those stipulations that can be fulfilled or otherwise removed by actions of the Medical Center.

Temporarily restricted net assets held outside the endowment fund primarily relate to pledges receivable, grants and program support.

Permanently Restricted
Permanently restricted net assets represent net assets whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Medical Center.

Refer to Note 6 for further disclosure on endowments and related investment and spending policies.

Net Patient Service Revenue
Substantially all of the Medical Center's net patient service revenue in fiscal 2015 and 2014 was derived from third-party payors that provide for payments to the Medical Center at various contracted rates. Payment arrangements include reimbursed costs (as contractually defined), discounted charges and per diem payments. Reimbursement from certain programs is subject to audit. Settlements under these programs are accrued on an estimated basis in the period the related services are rendered and adjusted in subsequent periods as final settlements are determined. Provision is made on a current basis for the difference between charges for services rendered and the expected payments under these agreements and programs and is adjusted in future periods as final settlements are determined. As a result of the complex laws and regulations governing third-party payor programs, recorded estimates are subject to change in the future.

Approximately 32% and 31%, respectively of the Medical Center's net patient service revenue in fiscal 2015 and 2014 was derived from the Illinois Medicaid program.

In December 2008, the Centers for Medicare and Medicaid Services approved the Illinois Hospital Assessment Program to improve Medicaid reimbursement for Illinois hospitals. Originally, the Provider Assessment and Medicaid Program payments were in effect for the state fiscal years ended June 30, 2009 through December 31, 2014.

In October 2013, the Centers for Medicare and Medicaid Services notified the Illinois Department of Healthcare and Family Services of its approval of the enhanced hospital assessment program. The assessment program was extended until June 30, 2018. Additionally the Affordable Care Act ('ACA') payments were approved and received by the Medical Center. During the Medical Center's fiscal year ended August 31, 2015, the Medical Center recorded a net benefit of $35,498,000 of which $32,066,000 related to state fiscal year 2015 and $3,431,000 related to the state fiscal year 2016. The state fiscal year is July 1 through June 30th. Included in the net benefit of $35,498,000 are ACA payments received of $11,922,000 of which $773,000 related to the prior fiscal year and $11,149,000 related to fiscal year 2015. According to ACA regulations the federal government will pay 100% of ACA funds for the first three years and 90% thereafter until 2022.

During the Medical Center's fiscal year ended August 31, 2014, the Medical Center recorded a net benefit of $30,889,000, of which $1,078,000 related to state fiscal year 2013, $25,552,000 related to state fiscal year 2014 and $4,259,000 related to state fiscal year 2015. Due to the tax assessment provisions contained in the legislation, implementation of the program affected both

operating revenues and expenses in the consolidated statements of operation and change in net assets. For the year ended August 31, 2015 the Medicaid payment of $52,401,000 was included in net patient service revenue and the tax assessment of $16,903,000 was included in supplies and services expense. For the year ended August 31, 2014, the Medicaid payment of $50,840,000 was included in net patient service revenue and the tax assessment of $19,951,000 was included in supplies and services expense.

The Medical Center also receives disproportionate share and add-on payments. The amount of disproportionate share and other special payments from Medicaid, if any, that will be made to hospitals in the future, is uncertain. The absence of such payments could have a material adverse effect on the Medical Center's operating results. Effective July 1, 2014, the Illinois Department of Healthcare and Family Services implemented a new reimbursement methodology shifting inpatient payments from a primarily per diem basis to an admission diagnosis basis, and shifting outpatient payments from fixed payments to activity based payments.

In fiscal 2015 and 2014, the Medical Center received approximately $7,352,000 and $8,717,000, respectively, in graduate medical education reimbursement. The Children's Hospital Graduate Medical Education ('CHGME') program provides federal funds to freestanding children's hospitals to help them maintain graduate medical programs that train resident physicians. The program is administered by the HealthCare Resource Service Administration, a branch of the U.S. Department of Health and Human Services. The amount of future graduate medical education reimbursement funding is uncertain.

Statement of Operations
All activities of the Medical Center deemed by management to be ongoing, major and central to the provision of healthcare services are reported as operating revenues and expenses. Other activities deemed to be nonoperating include, unrestricted gifts, fundraising expenses and certain investment income (including realized gains and losses).

The Medical Center recognizes changes in accounting estimates related to net patient service revenue reserves and third-party payor settlements in the year such changes are known. Adjustments to prior year estimates for these items resulted in an increase in net patient service revenues of approximately $986,000 and $2,381,000, respectively, in fiscal year 2015 and 2014.

The consolidated statements of operation and change in net assets include the excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from the excess of revenue over expenses, consistent with industry practice, include contributions of long-lived assets and pension benefit changes other than net periodic expense.

Grants and Contributions
Unrestricted contributions are included in nonoperating income (expense) when received. Unrestricted pledges of amounts to be received in future periods are recorded as temporarily restricted net assets and reflected as changes in unrestricted net assets when received. Grants and contributions restricted for a specific operating purpose are recorded as temporarily restricted net assets and reflected in unrestricted revenue when the funds are expended in accordance with the specifications of the grantor or donor. Contributions for capital expenditures, recorded as temporarily restricted net assets when received, are recorded as net assets released from restrictions when expended and placed into service.

Interest in Trustee-Held Funds
The Medical Center recognizes an interest in trustee-held funds held at various financial institutions in which the Medical Center has a beneficial interest. Annually, the financial institutions distribute a portion of the income earned on these funds to the Medical Center to be used in support of operations. At August 31, 2015 and 2014, the Medical Center's interests in these trustee-held funds at fair value totaled approximately $28,906,000 and $30,923,000, respectively, and are included in permanently restricted net assets. The change in fair value of these funds amounted to a loss of $2,017,000 and a gain of $3,223,000, for the years ended August 31, 2015 and 2014, respectively, which is included in permanently restricted net assets. In 2014, a perpetual trust valued at $1,691,000 was included as part of the acquisition of AHK and is reflected in permanently restricted net assets as net assets transferred from newly affiliated organization. In 2014 the $1,691,000 in addition to the $3,223,000 comprises the change in interest in trustee-held funds shown in Note 4.

Income Taxes
The Internal Revenue Service has determined that the Medical Center, the Hospital, the Research Center, the Foundation, PFF, and AHK are all not-for-profit organizations under Section 501(c) (3) of the Internal Revenue Code (the 'Code') and are exempt from federal income taxes on related income. LCMG and the CCE are described as disregarded entities and are treated as branches or divisions of the Medical Center, therefore, financial and other information applicable to LCMG and the CCE are reported under the Medical Center.

3. Community Benefit

Consistent with its mission, the Medical Center maintains a policy that sets forth the criteria pursuant to which health care services are provided free of charge or at a reduced rate to children whose families are unable to pay for the charges associated with their medical care. These services represent charity care. Charges are shown as revenue however they are netted down with a charity care discount.

The Medical Center also provides a broad range of services and activities to support its charitable mission. These services include the following:

- Participation in the Medicaid program at a loss (net reimbursement less allocated cost incurred);
- Support of community medical needs through a variety of outreach programs and educational programs;

- Comprehensive research programs specifically targeted toward pediatric health to advance knowledge about the causes, treatment and prevention of childhood diseases; and

- Training of medical students, pediatric residents, fellows and subspecialists.

Funding for these services comes from Hospital operating income, Foundation philanthropy, CHGME, and federal awards and grants. The Medical Center has an established charity care policy and maintains records to identify and monitor the level of charity provided. These records include the estimated cost of unreimbursed services provided under its charity care policy and the excess of cost over reimbursement for Medicaid patients. The Medical Center also monitors the unreimbursed cost of patient bad debts. Because the Illinois All Kids program provides coverage for most Illinois uninsured children, the Medical Center has a relatively low number of requests for charity care.

The Medical Center determines the costs associated with providing charity care by aggregating the overall cost to charge ratio, including salaries, wages, benefits, supplies, and other operating expenses. The cost to charge ratio is then applied to the charity care charges to calculate the charity care cost amount reported below.

Costs of unreimbursed charity care and community benefit programs for fiscal 2015 and 2014 are as follows:

	2015	2014
Excess of allocated cost over reimbursement for services provided to Medicaid patients	$ 118,710,166	$ 114,006,222
Net benefit under the Illinois Hospital Assessment Program	(35,497,615)	(30,888,947)
Excess of allocated cost over reimbursement for services provided to hospital Medicaid patients, net of benefit under the Illinois Hospital Assessment Program	83,212,551	83,117,275
Estimated costs and expenses incurred to provide charity care	1,900,397	1,604,032
Unreimbursed cost of charity care	85,112,948	84,721,307
Cost of patient bad debts	3,926,173	3,260,328
Funds allocated to research from unrestricted funds	7,413,176	7,655,594
Resident and fellows expense	16,691,919	16,760,223
Community clinic support	3,173,790	2,803,812
Child advocacy programs	2,042,693	1,683,676
Family support and interpretation services	9,087,852	7,936,412
Total cost of unreimbursed charity care and community benefit programs	$ 127,448,551	$ 124,821,352

The Medical Center also reports community benefits on the IRS Form 990 and the Beneficial Activities for the Property Affidavit. As a result of differences in definitions and criteria between these reports the amounts calculated will vary.

4. Investments

The Medical Center maintains a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

As of August 31, 2015 and 2014, investments consisted of the following, which includes the current portion of the self-insurance trust of $8,600,000 and $16,685,000, respectively:

	2015	2014
Short-term investments	$ 96,729,912	$ 75,930,320
Common and preferred stock	400,968,941	434,581,491
Alternative investments	379,453,836	369,265,260
U.S. Government and agency securities	58,647,327	63,937,300
Corporate and municipal bonds	175,048,869	112,279,010
Accrued interest	720,650	636,581
Total investments	$ 1,111,569,535	$ 1,056,629,962

Short-term investments include cash and cash equivalents, certificates of deposit, money market funds, and securities with short-term maturities.

Common and preferred stock include public equities traded in both domestic and international markets excluding those investments classified as alternatives.

Alternative investments include hedge funds, some publicly traded equities held in limited partnerships, and private equity investments. These include credit-oriented strategies, multi-strategy funds where the manager has a broad mandate to invest opportunistically, and event driven funds where managers seek opportunity in various forms of arbitrage strategies as well as in corporate activities such as mergers and acquisitions. The Medical Center's investment in private equity is committed under contract to periodically advance additional funding as capital calls are exercised (Note 14). At August 31, 2015, $23,941,000 had been advanced against a total commitment of $40,000,000.

All Medical Center investments are invested with external managers.

The Medical Center pools its unrestricted, board-designated and donor-restricted investments. As of August 31, 2015 and 2014, donor-restricted and unrestricted investments are as follows:

	2015	2014
Donor - restricted investments and other assets limited as to use		
Endowments	$ 133,129,087	$ 124,447,185
Specific purpose	167,864,622	153,020,983
Self-insurance trust	81,695,461	87,125,079
Interest in trustee-held funds	28,905,835	30,922,886
Interest in Accountable Care Entity and CIN	1,830,000	30,000
Total restricted investments	413,425,005	395,546,133
Unrestricted investments		
Undesignated and board-designated investments	698,144,530	661,083,829
Total unrestricted investments	698,144,530	661,083,829
Total investments	$ 1,111,569,535	$ 1,056,629,962

The composition and presentation of investment return as reflected in the accompanying consolidated statements of operation and change in net assets for the years ended August 31, 2015 and 2014 are as follows:

	2015	2014
Unrestricted investment return		
Interest and dividend income	$ 10,539,188	$ 8,650,939
Realized gains on sales of investments	28,602,299	23,749,430
Unrealized (loss) gains on investments	(56,364,693)	29,863,063
Alternative investment gains	12,059,498	37,208,711
Total unrestricted investment return	$ (5,163,708)	$ 99,472,143
Reported as		
Board-designated endowment income	$ 6,752,643	$ 4,056,384
Other operating investment return	3,786,545	4,592,808
Nonoperating investment return (loss) gains	(15,702,896)	90,822,951
Total unrestricted investment return	(5,163,708)	99,472,143
Temporarily and permanently restricted investment return		
Interest and dividend income	1,474,141	1,426,860
Net realized and unrealized (loss) gains on investments	(3,519,656)	18,969,062
Total restricted investment return	(2,045,515)	20,395,922
Total investment return	$ (7,209,223)	$ 119,868,065

Typical redemption terms by asset class and type of investments are shown below:

Investment	Redemption Terms	Redemption Restrictions and Terms	Redemption Restrictions in Place at Year End
Short-term investments	Daily	None	None
Common and preferred stock	Daily to monthly with notice periods of 1 to 10 days	None	None
Alternative investments	Quarterly to annually with varying notice periods	Lock-up provisions ranging from 0 to 3 years, Private Equity investments and a portion of some hedge funds are in sidepockets with no redemptions permitted	Approximately $0.7 million of investments are in liquidating funds
U.S. Government and agency securities; Corporate and municipal bonds and Accrued interest	Daily	None	None

5. Fair Value Measurements

The Medical Center follows the provisions of the Financial Accounting Standards Board (FASB) official pronouncement on Fair Value Measurements for financial instruments. The pronouncement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Medical Center for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following table presents the investments carried at fair value as of August 31, 2015, by caption, including the current portion of the self-insurance trust of $8,600,000, by the valuation hierarchy defined above:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Short-term investments	$ 96,729,912	$ -	$ -	$ 96,729,912
Common and preferred stock	346,612,245	54,356,696	-	400,968,941
Alternative investments	-	46,017,141	333,436,695	379,453,836
U.S. Government and agency securities	-	58,647,327	-	58,647,327
Corporate and municipal bonds	17,481,216	157,567,653	-	175,048,869
Accrued interest	-	720,650	-	720,650
Total assets at fair value	$ 460,823,373	$ 317,309,467	$ 333,436,695	$ 1,111,569,535

The following table presents the investments carried at fair value as of August 31, 2014, by caption, including the current portion of the self-insurance trust of $16,685,000, by the valuation hierarchy defined above:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Short-term investments	$ 75,930,320	$ -	$ -	$ 75,930,320
Common and preferred stock	376,135,003	58,446,488	-	434,581,491
Alternative investments	-	61,368,082	307,897,178	369,265,260
U.S. Government and agency securities	-	63,937,300	-	63,937,300
Corporate and municipal bonds	17,771,586	94,507,424	-	112,279,010
Accrued interest	-	636,581	-	636,581
Total assets at fair value	$ 469,836,909	$ 278,895,875	$ 307,897,178	$ 1,056,629,962

The following is a description of the Medical Center's valuation methodologies for assets and liabilities measured at fair value.

Fair value for cash equivalents, corporate stocks, international stocks, U.S. Government bonds, corporate bonds, municipal bonds and mortgage and asset backed securities are measured using quoted market prices at the reporting date multiplied by the quantity held.

Interests in trustee-held funds are valued at the fair value of the Hospital's interests at year-end based upon current market value of the underlying securities.

The Medical Center has certain investments, principally limited liability corporations, partnerships, and absolute return strategy funds for which a portion of quoted market prices are not available. These investments are considered alternative investments. Because of the inherent uncertainty of valuations, values may differ from the values that would have been used had a ready market existed. The value of these alternative investments represents the ownership interest in the net asset value of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. Investments included in Level 3 consist of the Medical Center's ownership in alternative investments. Management has not developed quantitative inputs nor adjusted the fair values obtained from general partners for the alternative investments.

During 2015 and 2014, there were no transfers between investment Levels 1 and 2 which are material to the financial statements.

The following table is a rollforward of the August 31, 2015 balance sheet amounts for financial instruments classified by the Medical Center within Level 3 of the fair value hierarchy defined ri

	Level 3 Assets Alternative Investments
Assets	
Beginning balance September 1, 2014	$ 307,897,178
Reclassification from Level 2 to Level 3	20,201,991
Total net unrealized gains	16,216,909
Purchases	7,161,213
Sales	(18,040,596)
Ending balance August 31, 2015	$ 333,436,695

During fiscal year 2015, an alternative investment was reclassified from a Level 2 to a Level 3 due to changes in redemption restrictions.

Of the total net unrealized gains related to alternative investments reflected above, $12,211,000 represents the unrestricted portion. This is reflected in the accompanying statements of operation and change in net assets.

The following table is a rollforward of the August 31, 2014 balance sheet amounts for financial instruments classified by the Medical Center within Level 3 of the fair value hierarchy defined above:

	Level 3 Assets
	Alternative Investments
Assets	
Beginning balance September 1, 2013	$ 254,839,155
Total net unrealized gains	36,858,284
Purchases	22,416,283
Sales	(6,216,544)
Ending balance August 31, 2014	$ 307,897,178

Of the total net unrealized gains related to alternative investments reflected above, $28,108,000 represents the unrestricted portion. This is reflected in the accompanying statements of operation and change in net assets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value nor reflective of future fair values. Furthermore, while the Medical Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date.

The significant unobservable inputs used in the fair value measurement of the Medical Center's partnership investments include a combination of cost, discounted cash flow analysis, industry comparables and outside appraisals. Significant increases or decreases in any inputs used by investment managers in determining net asset values in isolation would result in a significantly lower or higher fair value measurement.

6. Endowments

The Medical Center's endowment fund consists of individual donor-restricted endowment funds and funds designated by its Board to function as endowments. The net assets associated with endowment funds, including those funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Illinois passed the 'Uniform Prudent Management of Institutional Funds Act' ('UPMIFA'). The Medical Center has interpreted UPMIFA as sustaining the preservation of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Medical Center classifies as permanently restricted net assets, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as a temporarily restricted net asset until amounts are appropriated for expenditure by the Medical Center in a manner consistent with the donor intent and standard of prudence prescribed by UPMIFA. Where the Board designates unrestricted funds to function as endowments they are classified as unrestricted net assets.

The Medical Center had the following board-designated and donor-restricted endowment balances during the year ended August 31, 2015 delineated by net asset class:

	Board Designated Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 176,831,390	$ 76,965,142	$ 156,855,480	$ 410,652,012
Investment return				
Investment income	-	1,474,141	-	1,474,141
Realized and unrealized loss	-	(1,502,605)	(2,017,051)	(3,519,656)
Total investment return	-	(28,464)	(2,017,051)	(2,045,515)
Contributions	-	-	7,629,605	7,629,605
Spend rate allocation	5,226,268	-	-	5,226,268
Appropriation of endowment assets for expenditure	(3,580,345)	(5,372,529)	-	(8,952,874)
Other	(1,477,605)	247,687	565,216	(664,702)
Endowment net assets at end of year	$ 176,999,708	$ 71,811,836	$ 163,033,250	$ 411,844,794

Description of Amounts Classified as Permanently Restricted Net Assets and Temporarily Restricted Net Assets (Endowments Only):

	Temporarily Restricted	Permanently Restricted	Total
Restricted for Research	$ 18,644,178	$ 13,658,383	$ 32,302,561
Restricted for Pediatric Programs	53,167,658	149,374,867	202,542,525
	$ 71,811,836	$ 163,033,250	$ 234,845,086

The Medical Center had the following board-designated and donor-restricted endowment balances during the year ended August 31, 2014 delineated by net asset class:

	Board Designated Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 176,570,939	$ 65,155,997	$ 148,542,673	$ 390,269,609
Investment return				
Investment income	-	1,426,860	-	1,426,860
Realized and unrealized gains	-	15,746,062	3,223,000	18,969,062
Total investment return	-	17,172,922	3,223,000	20,395,922
Contributions	235,498	-	4,826,568	5,062,066
Spend rate allocation	5,250,079	-	-	5,250,079
Appropriation of endowment assets for expenditure	(3,324,051)	(5,214,380)	-	(8,538,431)
Other	(1,901,075)	(149,397)	263,239	(1,787,233)
Endowment net assets at end of year	$ 176,831,390	$ 76,965,142	$ 156,855,480	$ 410,652,012

Description of Amounts Classified as Permanently Restricted Net Assets and Temporarily Restricted Net Assets (Endowments Only):

	Temporarily Restricted	Permanently Restricted	Total
Restricted for Research	$ 20,064,150	$ 13,658,383	$ 33,722,533
Restricted for Pediatric Programs	56,900,992	143,197,097	200,098,089
	$ 76,965,142	$ 156,855,480	$ 233,820,622

Investment and Spending Policies
The Medical Center has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs while seeking to maintain the purchasing power of endowment assets. To achieve its long-term rate of return objectives, the Medical Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). An endowment spending rate is established annually by the Investment Committee of the Board, which considers the following factors, specified by the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"):

- The duration and preservation of the endowment
- The Medical Center's institutional mission and purposes of its endowed funds
- General economic conditions
- The possible effect of inflation or deflation

- The expected total return from income and appreciation of investments
- Other available resources of the Medical Center
- The investment policy of the Medical Center

The spending rate for endowment funds in fiscal 2015 and 2014 was 4%. Management and the Board have determined that excess investment return may be spent, consistent with the donor's intention, to support hospital and faculty practice plan growth and operations. Any spending of the excess reserve outside the normal annual spend rate must be approved by the Executive Committee of the Medical Center.

Substantially all temporarily and permanently restricted net assets are restricted for capital, research and programs. Substantially all net assets released from restrictions in fiscal 2015 and 2014 are related to expenses incurred for capital, research and programs.

7. Concentration of Credit Risk

The Medical Center grants credit without collateral to its patients, most of whom are local residents. The mix of receivables from patients and third-party payors at August 31, 2015 and 2014, was as follows:

	2015	2014
Managed care	47 %	53 %
Illinois Medicaid	23	34
Medicaid Managed Care	22	5
Other (Medicare, Tri-Care, out-of-state Medicaid)	2	2
Patient self-pay	4	4
Commercial insurance	2	2
	100 %	100 %

During fiscal year 2015, the Medical Center's mix of accounts receivable shifted primarily from traditional Medicaid to Medicaid Managed Care due to the changes in the State's Medicaid program.

As a result of the State of Illinois' financial condition, the state slowed Medicaid and Medicaid Managed Care payments to healthcare providers. Payments to the Medical Center have been delayed since the start of the State's 2016 fiscal year. To date, the State of Illinois' has yet to approve their 2016 fiscal year budget.

8. Retirement Plans

The Medical Center has retirement plans covering substantially all full-time employees, including employees of affiliated corporations. The Medical Center has two defined contribution plans available to eligible employees and a frozen noncontributory defined benefit plan, the Value Growth Plan ('VGP').

There is a 403(b) defined contribution plan available only to eligible pediatric faculty within PFF and a hospital plan available to all other eligible employees of the Medical Center. All nonPFF faculty employees, who have worked more than 1000 hours in a calendar year and elect to participate are considered participants of the Hospital plan.

Participants of the PFF plan are required to make mandatory contributions of 5 percent of compensation. Each year that a mandatory contribution is made by a participant, PFF will make a matching contribution equal to 10 percent of compensation.

All nonPFF employees, who have worked more than 1000 hours in a calendar year and elect to participate are considered participants of the Hospital plan. Participants of the Hospital plan may participate in a 403(b) deferred contribution plan by entering into a salary reduction agreement to contribute a percent of their compensation to the plan. The Hospital matches 100 percent of the employee's contribution up to 5 percent of compensation. Prior to January 2014, the maximum Hospital match was 2%.

The Medical Center's matching expense under both defined contribution plans totaled $18,843,000 and $15,258,000 in fiscal 2015 and 2014, respectively.

The VGP defined benefit plan is a cash balance plan and was frozen effective January 2014. The effect of the freeze on lowering service costs is shown in the table below. Previously accrued balances will continue to accrue interest; however, no further credits to these balances will be made. The interest, or earnings credit rate, is generally 4.5 percent annually.

The Medical Center also sponsors a nonqualified supplemental defined benefit retirement plan (SERP) for certain key executives. The plan is not funded and, therefore, has no plan assets. Benefits under the SERP are paid when incurred from the Medical Center's unrestricted net assets.

Pension expense for the VGP and SERP plans, as determined by an independent actuary, includes the following components:

	SERP		VGP	
	2015	2014	2015	2014
Service cost, benefits earned during the year	$ 142,607	$ 152,452	$ -	$ 3,231,093
Interest on projected benefit obligation	350,899	563,976	7,025,540	7,493,734
Expected return on assets	-	-	(12,028,436)	(10,402,087)
Amortization of actuarial loss	334,759	365,418	661,046	555,483
Amortization of prior service cost	177,565	177,565	109,660	109,660
Total pension related expense	$ 1,005,830	$ 1,259,411	$ (4,232,190)	$ 987,883

The funded status of the VGP and SERP plans at the end of the year was as follows:

	SERP		VGP	
	2015	2014	2015	2014
Funded status at end of year				
Projected benefit obligation	$ (6,709,050)	$ (10,930,602)	$ (175,589,136)	$ (177,028,059)
Plan assets at fair market value	-	-	148,518,459	155,976,199
Deficiency of plan assets over projected benefit obligation	$ (6,709,050)	$ (10,930,602)	$ (27,070,677)	$ (21,051,860)
Amounts recognized in the consolidated balance sheet consist of				
Current liability	$ (2,536,117)	$ (5,080,435)	$ -	$ -
Noncurrent liability	(4,172,933)	(5,850,167)	(27,070,677)	(21,051,860)
	$ (6,709,050)	$ (10,930,602)	$ (27,070,677)	$ (21,051,860)

All previously unrecognized actuarial gains and losses and prior service costs are reflected in the consolidated balance sheet. An estimate of $948,270 of this amount is included as a component of pension expense in fiscal 2015.

The change in the projected benefit obligation during fiscal 2015 and 2014 is summarized as follows:

	SERP		VGP	
	2015	2014	2015	2014
Projected benefit obligation at beginning of measurement year	$ 10,930,602	$ 12,179,400	$ 177,028,059	$ 155,299,967
Service cost	142,607	152,452	-	3,231,093
Interest cost	350,899	563,976	7,025,540	7,493,734
Actuarial loss (gain)	531,313	(18,384)	(3,301,480)	16,223,803
Benefits paid	(5,246,371)	(1,946,842)	(5,162,983)	(5,220,538)
Projected benefit obligation at end of measurement year	$ 6,709,050	$ 10,930,602	$ 175,589,136	$ 177,028,059

The accumulated benefit obligation for the VGP was $175,589,000 and $177,028,000 at August 31, 2015 and 2014, respectively. The accumulated benefit obligation for the SERP plan was $5,624,000 and $8,800,000 at August 31, 2015 and 2014, respectively.

The change in plan assets during fiscal 2015 and 2014 is summarized as follows:

	VGP	
	2015	2014
Plan assets, at fair value at beginning of measurement year	$ 155,976,199	$ 135,582,562
Actual return on plan assets	(4,194,757)	18,814,175
Employer contributions	1,900,000	6,800,000
Benefits paid	(5,162,983)	(5,220,538)
Plan assets, at fair value at end of measurement year	$ 148,518,459	$ 155,976,199

The following table presents the plan investments carried at fair value as of August 31, 2015, by caption, by the valuation hierarchy defined in Note 5:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Short-term investments	$ 719,440	$ -	$ -	$ 719,440
Common and preferred stock	75,286,203	19,432,957	-	94,719,160
Alternative investments	-	-	3,358,278	3,358,278
Corporate and municipal bonds	49,504,732	-	-	49,504,732
Accrued interest	-	216,849	-	216,849
Total assets at fair value	$ 125,510,375	$ 19,649,806	$ 3,358,278	$ 148,518,459

Plan assets included in Level 3 consist of alternative investments. The following table is a rollforward of the pension assets classified by the Medical Center within Level 3 of the fair value hierarchy:

	Level 3 Assets Alternative Investments
Assets	
Beginning balance September 1, 2014	$ 4,953,740
Total net unrealized loss and redemptions	(1,595,462)
Ending balance August 31, 2015	$ 3,358,278

The following table presents the plan investments carried at fair value as of August 31, 2014, by caption, by the valuation hierarchy defined in Note 5:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Short-term investments	$ 2,633,177	$ -	$ -	$ 2,633,177
Common and preferred stock	91,805,457	6,231,526	-	98,036,983
Alternative investments	-	-	4,953,740	4,953,740
Corporate and municipal bonds	50,187,467	-	-	50,187,467
Accrued interest	-	164,832	-	164,832
Total assets at fair value	$ 144,626,101	$ 6,396,358	$ 4,953,740	$ 155,976,199

Plan assets included in Level 3 consist of alternative investments. The following table is a rollforward of the pension assets classified by the Medical Center within Level 3 of the fair value hierarchy:

	Level 3 Assets Alternative Investments
Assets	
Beginning balance September 1, 2013	$ 5,192,838
Total net unrealized loss	(239,098)
Ending balance August 31, 2014	$ 4,953,740

The Medical Center's pension plan weighted-average asset allocations at August 31, 2015 and 2014, by asset category are as follows:

	2015	2014
Asset category		
Equity securities	64 %	63 %
Fixed income securities and cash	36	37
	100 %	100 %

The underlying investment strategy for the pension investment pool is to maintain a target balance of 60% equity securities and 40% fixed-income securities designed to achieve the target investment return of the consumer price index plus 5%. The minimum and maximum allocations are reflected below:

	Target	Minimum	Maximum
Equity securities	60 %	52 %	67 %
Fixed income securities and cash	40	33	48

The Medical Center investments are invested with external managers according to an asset allocation that relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) over a long-term time horizon.

Equity securities include public equities traded in both domestic and international markets. The purpose of equities is to provide access to liquid markets and serve as a long-term hedge against inflation.

Fixed income securities and cash includes cash and cash equivalents, fixed income securities issued by both domestic and international issuers, and an investment in a fixed income arbitrage strategy that seeks to earn a return over treasury bills. The purpose of fixed income securities is to provide a stable income stream and greater certainty of nominal cash flow relative to equities. Given the low correlation to other asset classes, fixed income assets also enhance diversification.

There are no plans to contribute to the pension plan in fiscal year 2016.

Estimated future pension benefit payments for the next ten years are as follows:

	SERP	VGP	Total
Years Ending August 31,			
2016	$ 2,536,117	$ 12,567,914	$ 15,104,031
2017	782,400	9,506,013	10,288,413
2018	1,084,989	9,289,321	10,374,310
2019	398,595	8,813,848	9,212,443
2020	1,348,424	10,314,692	11,663,116
2021-2025	5,388,691	49,221,615	54,610,306
	$ 11,539,216	$ 99,713,403	$ 111,252,619

Weighted-average assumptions used to determine benefit obligations at August 31, 2015 and 2014 are as follows:

	SERP		VGP	
	2015	2014	2015	2014
Discount rate	4.4%	4.1%	4.4%	4.1%
Rate of compensation increase	4.0	4.0	n/a	n/a

Weighted-average assumptions used to determine net periodic pension benefit cost in fiscal 2015 and 2014 are as follows:

	SERP		VGP	
	2015	2014	2015	2014
Discount rate	4.1%	4.9%	4.0%	4.9%
Expected return on plan assets	n/a	n/a	8.0	8.0
Rate of compensation increase	4.0	4.0	n/a	4.0

The discount rate was determined by constructing hypothetical yield curves based on yields of corporate bonds rated AA quality. The expected rate of return on plan assets was determined by using the historical return on the various asset classes in which the plan invests.

9. Long-Term Debt

In May 2008, the Illinois Finance Authority issued $553,490,000 of Series 2008 Bonds on behalf of the Hospital. The issue included $212,000,000 of Insured Revenue Bonds Series 2008A ('Series 2008A'), $168,000,000 of Revenue Bonds Series 2008B ('Series 2008B'), $86,745,000 of Variable Rate Demand Revenue Bonds Series 2008C ('Series 2008C'), and $86,745,000 of Variable Rate Demand Revenue Bonds Series 2008D ('Series 2008D'), (collectively, the 'Series 2008 Bonds'). The proceeds of the Series 2008A and Series 2008B bonds were primarily for the construction of the Ann & Robert H. Lurie Children's Hospital of Chicago.

The proceeds of the Series 2008C and 2008D bonds were used to (a) refund the $62,050,000 outstanding principal amount of IHFA Variable Rate Demand Revenue Bonds and Series 1999B Periodic Auction Reset Securities (PARS); (b) refund the $30,750,000 outstanding principal amount of IHFA Variable Rated Demand Revenue Bonds, Series 2003A Periodic Auction Reset Securities and the $24,975,000 outstanding principal amount of IHFA Variable Rate Demand Revenue Bonds, Series 2003B Periodic Auction Reset Securities (PARS); (c) refund the $54,725,000 outstanding principal amount of the Authority's Variable Rate Demand Revenue Bonds, Series 2004 Periodic Auction Reset Securities (PARS); and (d) pay certain expenses in connection with the issuance of the Series 2008C/D Bonds. The final amounts outstanding of the 2008C and 2008D bonds were redeemed in January 2014.

The Medical Center's long-term debt is issued under a Master Trust Indenture ('Indenture') dated May 1, 2008, as amended and restated. Obligations under the Indenture are collateralized by a pledge of the unrestricted receivables of the Obligated Group, which consists of the Hospital and the Foundation (the 'Obligated Group').

In connection with the sale of existing bond financed property and completion of the new hospital project, the Medical Center exercised options to call portions of its Series 2008C and Series D bonds for redemption and payment prior to maturity. The related amounts in the JP Morgan Chase Bank letter of credit agreements described above were reduced accordingly.

In February 2012, the Illinois Finance Authority issued $60,000,000 of Series 2012 Bonds directly placed with JPMorgan Chase Bank, NA on behalf of the Hospital. The issue included $30,000,000 variable rate Demand Revenue Bonds Series 2012A ('Series 2012A') and $30,000,000 of fixed rate Revenue Bonds Series 2012B ('Series 2012B'). The proceeds of the Series 2012A and 2012B bonds were used primarily to provide support for the construction of the Ann & Robert H. Lurie Children's Hospital of Chicago.

There were no redemptions during fiscal year 2015. During fiscal year 2014, the Medical Center had a full redemption of the JPMorgan Chase Bank, NA Revolving Credit Agreement, Series 2012A & Series B and partial redemptions for the Series 2008C and Series D as follows:

Date	Series	Principal Redeemed
January 28, 2014	2008C	$ 9,694,000
January 28, 2014	2008D	9,694,000
Total 2008C Series Redeemed		19,388,000
August 22, 2014	2012A	30,000,000
January 28, 2014	2012B	10,000,000
August 22, 2014	2012B	20,000,000
Total 2008D Series Redeemed		60,000,000
Total Long Term Debt Redeemed		$ 79,388,000

Long-term debt at August 31, 2015 and 2014 consisted of the following:

	2015	2014
Illinois Finance Authority insured revenue bonds, Series 2008A, fixed interest rate ranging from 5.00% to 5.25%, maturing annually in principal amounts ranging from $3,235,000 in August 2028 to $23,340,000 in August 2047.	$ 212,000,000	$ 212,000,000
Illinois Finance Authority revenue bonds, Series 2008B, fixed interest rate ranging from 5.25% to 5.50%, maturing annually in principal amounts ranging from $4,415,000 in August 2015 to $15,555,000 in August 2039.	163,585,000	168,000,000
Total debt outstanding	375,585,000	380,000,000
Less: Unamortized discount	(2,181,525)	(2,287,964)
Long-term debt	$ 373,403,475	$ 377,712,036

The estimated fair value of the Medical Center's total debt outstanding was approximately $393,984,000 as of August 31, 2015. This estimate is based on market interest rates and other relevant information and input from financial advisors.

Future maturities of total outstanding debt at August 31, 2015, are as follows:

Years Ending August 31,	
2016	$ 4,645,000
2017	4,890,000
2018	5,150,000
2019	5,430,000
2020	5,730,000
Thereafter	349,740,000
	$ 375,585,000

The Obligated Group is subject to various nonfinancial and financial covenants. The Obligated Group was in compliance with its debt covenants as of August 31, 2015 and 2014.

As of August 31, 2015, the Medical Center had line of credit agreements with three commercial banks for $45,000,000, $25,000,000 and $30,000,000. One outstanding letter of credit supporting the Hospital requirements totaling $1,710,000 reduces this available balance. There were no amounts outstanding or borrowings made under the lines of credit during 2015 or 2014. The Medical Center also has a letter of credit outstanding for the debt service reserve fund of $14,534,000.

10. Operating Leases

The Medical Center leases certain buildings, office space, and equipment under noncancelable operating leases. Payments associated with these leases were approximately $7,190,000 and $6,676,000 in 2015 and 2014, respectively, including minimum monthly payments and additional usage charges under equipment leases.

Approximate minimum future payments under noncancelable lease obligations at August 31, 2015, are as follows:

Years Ending August 31,	
2016	$ 7,160,919
2017	7,146,036
2018	7,409,032
2019	6,270,019
2020	5,147,675
Thereafter	53,384,611
	$ 86,518,292

11. Professional and General Liability Insurance

The Medical Center maintains a program of self-insurance for professional and general liability risks. This program is maintained on behalf of all Medical Center affiliates and employees including the employed physicians of PFF and LCMG and the nonemployed affiliated physicians in the Children's Hospital of Chicago Faculty Practice Plan who are members of Children's Surgical Foundation and Pediatric Anesthesia Associates. More than 500 hospital-based physicians are covered by this program.

The Medical Center self-insures the first losses for both professional and general liability claims. The estimated liability for self-insured claims and the required funding for the trust are determined annually by an independent actuary and are based upon case reserves and actuarial estimates for claims that have been incurred but not yet reported. The self-insured portion of the program is administered by an independent trustee.

The Medical Center incurred approximately $20,602,000 and $30,765,000 in expense for fiscal 2015 and 2014, respectively, for self-insured professional and general liability risks. The Medical Center's self-insurance liability has been discounted at 5% in fiscal 2015 and 2014. The effect of discounting the value of estimated liabilities was approximately $15,115,000 and $19,883,000 at August 31, 2015 and 2014, respectively.

In addition to the self-insured portion, the Medical Center purchases commercial insurance for claims in excess of the self-insurance limits. These excess insurance policies, which are claims-made, are purchased through CMMC Insurance.

CMMC Insurance writes the professional and general liability insurance for the Hospital and its affiliates. CMMC Insurance, in turn, purchases reinsurance equal to 100 percent of its exposure and, therefore, holds no risk on its own books. For the years ended August 31, 2015 and 2014, premiums ceded to reinsurers were $1,420,000 and $1,714,000, respectively, and reinsurance recoveries on unpaid losses on an undiscounted basis, were $11,272,000 and $11,494,000, respectively. CMMC Insurance is operated to break even after all expenses.

12. Transactions With Related Parties

Certain of the Hospital's affiliated physicians participate in independent physician faculty practice plan corporations. At August 31, 2015 and 2014, amounts due from the physician practice groups totaled approximately $1,582,000 and $1,635,000, respectively, a portion of which is included in other current assets and other assets.

The Hospital paid approximately $5,100,000 and $5,068,000 in fiscal 2015 and 2014, respectively, for administration, supervision, teaching, and patient care services provided by these independent physicians, which is included in supplies and services expense.

The Hospital billed such independent physician group practice corporations $7,391,000 and $7,267,000 in fiscal 2015 and 2014, respectively, for certain expenses, such as personnel expenses, supplies and services, and professional liability insurance, incurred on their behalf, which is included in other operating revenue.

13. Functional Expenses

The Medical Center provides health care services to children and conducts research and programs within its geographic region. Expenses, excluding interest expense and including fundraising expenses which are reported as nonoperating activities, related to providing these services and research and programs were as follows:

	2015	2014
Patient care services	$ 601,950,155	$ 581,371,731
General and administrative	117,245,994	110,003,414
Research and programs	58,460,113	53,472,305
Fundraising	16,209,674	15,403,210
Illinois Hospital Assessment Program	16,902,984	19,950,643
	$ 810,768,920	$ 780,201,303

14. Commitments and Contingencies

Health Care Regulation
The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations create a possibility of repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Management believes that the Medical Center is in compliance, in all material respects, with fraud and abuse statutes, as well as with other applicable government laws and regulations. While no regulatory inquiries have been made, that are expected to have a material effect on the consolidated financial statements, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Litigation
There are several lawsuits, pending claims, and incidents that occurred in the past whereby claims have been made and may be asserted against the Medical Center for which the ultimate liability, if any, cannot be reasonably estimated. Management believes that the ultimate settlement of these claims will not have a material adverse effect upon the Medical Center's consolidated financial position or results of operations.

Investments
The Medical Center has contractual commitments totaling $40,000,000 with its private equity investment funds. As of August 31, 2015, the Medical Center's remaining capital commitments are $16,059,000. Future capital calls are expected to occur over the next several years and will be initiated by the general partner of the investment as investments are made by the funds.

Asset Retirement Obligation
An asset retirement obligation represents a legal obligation associated with the retirement of a tangible long-lived asset that is incurred upon the acquisition, construction, development, or normal operation of that long-lived asset. The asset retirement obligations are accreted to their present value at the end of each reporting period. The associated estimated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and depreciated over its useful life.

The Medical Center has evaluated its leased and owned properties for potential asset retirement obligations. Based on this review, the Medical Center identified obligations primarily related to the removal of certain materials previously utilized in the construction process. The total retirement obligation recognized as of August 31, 2015 and 2014, was $3,597,000 and $3,588,000, respectively, which is recorded as accrued expenses in the consolidated balance sheets.

15. Subsequent Event

Management has evaluated subsequent events through December 2, 2015.

Supplemental Information

Children's Hospital of Chicago Medical Center and Affiliated Corporations
Consolidating Balance Sheet
August 31, 2015

	Ann & Robert H. Lurie Children's Hospital of Chicago	Ann & Robert H. Lurie Children's Hospital of Chicago Foundation	Eliminating Entries	Obligated Group	Stanley Manne Children's Research Institute	Pediatric Faculty Foundation	Lurie Children's Medical Group LLC	Almost Home Kids	Children's Hospital of Chicago Medical Center	CHMC Insurance Co. Ltd	Lurie Children's Health Partners Care Coordination	Eliminating Entries	Total
Assets													
Current assets													
Cash and cash equivalents	$ 22,671,672	$ -	$ -	$ 22,671,672	$ -	$ -	$ 4,822,491	$ 2,141	$ -	$ 198,853	$ -	$ -	$ 27,695,157
Current portion of self-insurance trust	8,600,000	-	-	8,600,000	-	-	-	-	-	-	-	-	8,600,000
Accounts receivable, net of allowance	-	-	-	-	-	-	-	-	-	-	-	-	-
for uncollectable accounts of $15,918,000	73,248,092	-	-	73,248,092	-	9,950,502	1,047,890	1,121,606	-	-	433,305	-	85,799,395
Other current assets	32,301,462	578,102	-	32,879,564	179,697	4,599,533	517,029	230,137	78,025	12,700,370	-	-	51,182,355
Total current assets	136,819,226	578,102	-	137,397,328	179,697	14,550,035	6,387,410	1,353,884	78,025	12,899,223	433,305	-	173,276,907
Investments	1,102,969,535	-	-	1,102,969,535	-	-	-	-	120,000	-	-	(120,000)	1,102,969,535
Property and equipment, at cost	1,415,782,694	1,614,953	-	1,417,377,647	45,171,818	-	-	1,888,533	-	-	-	-	1,464,438,798
Less: Accumulated depreciation	511,217,215	1,614,953	-	512,832,168	27,714,829	-	-	192,978	-	-	-	-	540,739,975
Total property and equipment, net	904,545,479	-	-	904,545,479	17,456,789	-	-	1,696,555	-	-	-	-	923,698,823
Other assets	62,103,182	-	-	62,103,182									62,103,182
Total assets	$ 2,206,437,422	$ 578,102	$ -	$ 2,207,015,524	$ 17,636,486	$ 14,550,035	$ 6,387,410	$ 3,050,439	$ 198,025	$ 12,899,223	$ 433,305	$ (120,000)	$ 2,262,048,447
Liabilities and Net Assets													
Current liabilities													
Accounts payable and accrued expenses	$ 82,530,893	$ 3,014,325	$ -	$ 85,545,218	$ 1,060,034	$ 10,253,090	$ 4,517,848	$ 360,448	$ -	$ 12,756,383	$ 232,086	$ -	$ 114,725,105
Current portion of self-insurance liability	8,600,000	-	-	8,600,000	-	-	-	-	-	-	-	-	8,600,000
Due to third-party payors	13,509,265	-	-	13,509,265	-	-	-	-	-	-	-	-	13,509,265
Current portion of long-term debt	4,645,000	-	-	4,645,000	-	-	-	-	-	-	-	-	4,645,000
Total current liabilities	109,285,158	3,014,325	-	112,299,483	1,060,034	10,253,090	4,517,848	360,448	-	12,756,383	232,086	-	141,479,370
Other liabilities	142,983,908	-	-	142,983,906	-	-	-	237,219	-	-	-	-	143,221,125
Long-term debt	368,758,475	-	-	368,758,475	-	-	-	-	-	-	-	-	368,758,475
Total liabilities	621,027,539	3,014,325	-	624,041,864	1,060,034	10,253,090	4,517,848	597,665	-	12,756,383	232,086	-	853,458,970
Stockholder's equity													
Common stock	-	-	-	-	-	-	-	-	-	120,000	-	(120,000)	-
Additional paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	22,840	-	(22,840)	-
Total stockholder's equity	-	-	-	-	-	-	-	-	-	142,840	-	(142,840)	-
Net assets													
Unrestricted	1,219,276,260	(2,436,223)	-	1,216,840,037	16,576,452	4,296,945	1,869,562	2,452,774	186,025	-	201,219	22,840	1,242,455,854
Temporarily restricted	203,100,374	-	-	203,100,374	-	-	-	-	-	-	-	-	203,100,374
Permanently restricted	163,033,249	-	-	163,033,249	-	-	-	-	-	-	-	-	163,033,249
Total net assets	1,585,409,883	(2,436,223)	-	1,582,973,660	16,576,452	4,296,945	1,869,562	2,452,774	186,025	-	201,219	22,840	1,608,589,477
Total liabilities and net assets	$ 2,206,437,422	$ 578,102	$ -	$ 2,207,015,524	$ 17,636,486	$ 14,550,035	$ 6,387,410	$ 3,050,439	$ 186,025	$ 12,899,223	$ 433,305	$ (120,000)	$ 2,262,048,447

The accompanying notes are an integral part of these consolidating financial statements.

Children's Hospital of Chicago Medical Center and Affiliated Corporations
Consolidating Balance Sheet
August 31, 2014

	Ann & Robert H. Lurie Children's Hospital of Chicago	Ann & Robert H. Lurie Children's Hospital of Chicago Foundation	Eliminating Entries	Obligated Group	Stanley Manne Children's Research Institute	Pediatric Faculty Foundation	Lurie Children's Medical Group LLC	Almost Home Kids	Children's Hospital of Chicago Medical Center	CHMC Insurance Co. Ltd	Lurie Children's Health Partners Care Coordination	Eliminating Entries	Total
Assets													
Current assets													
Cash and cash equivalents	$ 19,766,457	$ -	$ -	$ 19,766,457	$ -	$ -	$ 4,780,528	$ 72,411	$ -	$ 202,306	$ -	$ -	$ 24,823,702
Current portion of self-insurance trust	16,685,000	-	-	16,685,000	-	-	-	-	-	-	-	-	16,685,000
Accounts receivable, net of allowance for uncollectible accounts of $12,848,000	53,462,214	-	-	53,462,214	-	7,641,252	2,917,270	701,113	-	-	-	-	64,741,849
Other current assets	34,546,269	558,471	-	35,104,740	213,110	2,995,046	431,258	622,688	76,025	13,215,232	-	-	52,658,099
Total current assets	124,461,940	558,471	-	125,040,411	213,110	10,636,298	8,129,056	1,396,212	76,025	13,417,538	-	-	158,908,650
Investments	1,039,944,982		-	1,039,944,982					120,000			(120,000)	1,039,944,982
Property and equipment, at cost	1,394,746,344	1,514,953	-	1,396,261,297	43,508,898	-	-	1,746,905	-	-	-	-	1,441,517,198
Less: Accumulated depreciation	448,884,016	1,514,953	-	450,298,969	26,860,535	-	-	84,306	-	-	-	-	477,023,810
Total property and equipment, net	945,862,328	-	-	946,062,328	16,648,461	-	-	1,884,599	-	-	-	-	964,593,388
Other assets	84,786,463	-	-	84,786,463	-	-	-	-	-	-	-	-	84,786,463
Total assets	$ 2,195,275,693	$ 558,471	$ -	$ 2,195,834,164	$ 17,059,571	$ 10,636,298	$ 8,129,056	$ 3,080,811	$ 196,025	$ 13,417,538	$ -	$ (120,000)	$ 2,248,233,463
Liabilities and Net Assets													
Current liabilities													
Accounts payable and accrued expenses	$ 79,071,669	$ 2,423,057	$ -	$ 81,494,726	$ 1,235,123	$ 8,781,547	$ 4,428,269	$ 322,763	$ (1)	$ 13,270,620	$ -	$ -	$ 109,533,047
Current portion of self-insurance liability	16,685,000	-	-	16,685,000	-	-	-	-	-	-	-	-	16,685,000
Due to third-party payers	11,290,133	-	-	11,290,133	-	-	-	-	-	-	-	-	11,290,133
Current portion of long-term debt	4,415,000	-	-	4,415,000	-	-	-	-	-	-	-	-	4,415,000
Total current liabilities	111,461,802	2,423,057	-	113,884,859	1,235,123	8,781,547	4,428,269	322,763	(1)	13,270,620	-	-	141,923,180
Other liabilities	128,787,745	-	-	128,787,745	-	-	-	718,219	-	-	-	-	129,505,964
Long-term debt	373,297,036	-	-	373,297,036	-	-	-	-	-	-	-	-	373,297,036
Total liabilities	613,546,583	2,423,057	-	615,969,640	1,235,123	8,781,547	4,428,269	1,040,982	(1)	13,270,620	-	-	644,726,180
Stockholder's equity													
Common stock	-	-	-	-	-	-	-	-	-	120,000	-	(120,000)	-
Additional paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	26,918	-	(26,918)	-
Total stockholder's equity	-	-	-	-	-	-	-	-	-	146,918	-	(146,918)	-
Net assets													
Unrestricted	1,215,337,908	(1,864,586)	-	1,213,473,320	15,824,448	1,854,751	3,700,787	2,039,829	196,026	-	-	26,918	1,237,116,079
Temporarily restricted	209,535,724	-	-	209,535,724	-	-	-	-	-	-	-	-	209,535,724
Permanently restricted	156,855,480	-	-	156,855,480	-	-	-	-	-	-	-	-	156,855,480
Total net assets	1,581,729,110	(1,864,586)	-	1,579,864,524	15,824,448	1,854,751	3,700,787	2,039,829	196,026	-	-	26,918	1,603,507,283
Total liabilities and net assets	$ 2,195,275,693	$ 558,471	$ -	$ 2,195,834,164	$ 17,059,571	$ 10,636,298	$ 8,129,056	$ 3,080,811	$ 196,025	$ 13,417,538	$ -	$ (120,000)	$ 2,248,233,463

The accompanying notes are an integral part of these consolidating financial statements.

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ATTACHMENT 36

Children's Hospital of Chicago Medical Center and Affiliated Corporations
Consolidating Statement of Operations and Changes in Unrestricted Net Assets
Year Ended August 31, 2015

	Ann & Robert H. Lurie Children's Hospital of Chicago	Ann & Robert H. Lurie Children's Hospital of Chicago Foundation	Eliminating Entries	Obligated Group	Stanley Manne Children's Research Institute	Pediatric Faculty Foundation	Lurie Children's Medical Group LLC	Almost Home Kids	Children's Hospital of Chicago Medical Center	CMMC Insurance Co. Ltd	Lurie Children's Health Partners Care Coordination	Eliminating Entries	Total
Operating revenue													
Patient service revenue, net of contractual allowances and discounts	$ 633,020,620	$ -	$ -	$ 633,020,620	$ -	$ 85,915,867	$ 15,151,081	$ 3,893,088	$ -	$ -	$ -	$ (715,497)	$ 737,265,139
Provision for doubtful accounts	7,519,588	-		7,519,588	-	3,406,432	552,310	35,050					11,513,380
Net patient service revenue	625,501,032	-	-	625,501,032	-	82,509,435	14,598,751	3,858,038	-	-	-	(715,497)	725,751,759
Net assets released from restrictions													
Contributions and philanthropy used for program purposes	26,318,098	-	-	26,318,098	-	8,321,882	-	-	-	-	-	(8,321,882)	26,318,098
Grants and other restricted income used for program purposes	38,436,659	-	-	38,436,659	-	5,356,967	-	-	-	-	-	(5,356,967)	38,436,659
Board-designated endowment income	6,752,643	-	-	6,752,643	-	-	-	-	-	-	-	-	6,752,643
Other operating revenue	34,330,556	-	-	34,330,556	11,568,051	23,039,553	5,988,777	81,677	-	73,694	1,702,923	(19,187,754)	57,597,477
Total operating revenue	731,338,988	-	-	731,338,988	11,568,051	119,227,837	20,587,528	3,939,715	-	73,694	1,702,923	(33,582,100)	854,856,636
Operating expenses													
Salaries, wages, and employee benefits	338,973,539	9,385,640	(9,385,640)	338,973,539	10,564,809	111,433,756	17,932,843	4,932,424	399,518	-	567,103	(23,244,138)	461,559,654
Supplies and services	238,781,397	6,646,921	(6,646,921)	238,781,397	7,358,097	25,792,429	4,150,760	741,066	80,011	77,770	3,302,870	(11,183,666)	269,100,714
Depreciation	61,867,453	-	-	61,867,453	1,058,321	-	-	127,380	-	-	-	845,724	63,898,878
Total operating expenses	639,622,389	16,032,561	(16,032,561)	639,622,389	18,881,227	137,226,185	22,083,403	5,800,870	479,529	77,770	3,869,973	(33,582,100)	794,559,246
Income (loss) from operations before interest and amortization	91,716,599	(16,032,561)	16,032,561	91,716,599	(7,413,176)	(17,998,348)	(1,495,875)	(1,861,155)	(479,529)	(4,076)	(2,167,050)	-	60,297,390
Interest and amortization of financing costs	22,434,061	-	-	22,434,061	-	-	-	-	-	-	-	-	22,434,061
Income (loss) from operations	69,282,538	(16,032,561)	16,032,561	69,282,538	(7,413,176)	(17,998,348)	(1,495,875)	(1,861,155)	(479,529)	(4,076)	(2,167,050)	-	37,863,329
Nonoperating income (expense), net	(21,299,794)	18,322,501	(16,032,561)	(21,009,854)	-	-	-	601,594	-	-	-	-	(20,408,260)
Excess (deficiency) of revenue over expenses	47,982,744	289,940	-	48,272,684	(7,413,176)	(17,998,348)	(1,495,875)	(1,259,561)	(479,529)	(4,076)	(2,167,050)	-	17,455,069
Net assets released from restrictions used for purchase of property and equipment	371,837	-	-	371,837	-	-	-	-	-	-	-	-	371,837
Retirement plan-related change other than net periodic retirement plan expense	(12,581,851)	-	-	(12,581,851)	-	-	-	-	-	-	-	-	(12,581,851)
Other	94,720	-	-	94,720	-	-	-	-	-	-	-	-	94,720
Transfers (to) from affiliates	(31,929,096)	(861,577)	-	(32,790,673)	8,165,180	20,440,542	(335,350)	1,672,506	479,529	-	2,368,266	-	-
Increase (decrease) in unrestricted net assets	$ 3,938,354	$ (571,637)	$ -	$ 3,366,717	$ 752,004	$ 2,442,194	$ (1,831,225)	$ 412,945	$ -	$ (4,076)	$ 201,216	$ -	$ 5,339,775

The accompanying notes are an integral part of these consolidating financial statements.

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ATTACHMENT 36

Children's Hospital of Chicago Medical Center and Affiliated Corporations
Consolidating Statement of Operations and Changes in Unrestricted Net Assets
Year Ended August 31, 2014

	Ann & Robert H. Lurie Children's Hospital of Chicago	Ann & Robert H. Lurie Children's Hospital of Chicago Foundation	Eliminating Entries	Obligated Group	Stanley Manne Children's Research Institute	Pediatric Faculty Foundation	Lurie Children's Medical Group LLC	Almost Home Kids	Children's Hospital of Chicago Medical Center	CHMC Insurance Co. Ltd	Lurie Children's Health Partners Care Coordination	Eliminating Entries	Total
Operating revenue													
Patient service revenue, net of contractual allowances and discounts	$ 613,238,772	$ -	$ -	$ 613,238,772	$ -	$ 85 673,139	$ 14,520 404	$ 2,987,835	$ -	$ -	$ -	$ (821,814)	$ 715 598,136
Provision for doubtful accounts	5 649,422	-	-	5,649,422	-	3 361,899	414 079	-	-	-	-	-	9,425,400
Net patient service revenue	607,589,350	-	-	607,589,350	-	82 311 240	14,106,325	2,987,835	-	-	-	(821,814)	706,172,736
Net assets released from restrictions													
Contributions and philanthropy used for program purposes	23,114,193	-	-	23,114,193	-	6 874 548	-	-	-	-	-	(6,874,548)	23,114,193
Grants and other restricted income used for program purposes	35,268,080	-	-	35,268,080	-	5 477 433	-	-	-	-	-	(5,477,433)	35,268,080
Board-designated endowment income	4 056,384	-	-	4,056,384	-	-	-	-	-	-	-	-	4,056,384
Other operating revenue	40,269,365	-	-	40,269,365	10,326,558	19,051,324	6,304,471	70,672	-	73,200	-	(18,865,160)	57,230,630
Total operating revenue	710,297,372	-	-	710,297,372	10,326,558	113,714 545	20,410,796	3,058,507	-	73,200	-	(32,038,955)	825,842,023
Operating expenses													
Salaries, wages, and employee benefits	328,938,543	8,753,328	(8,753 328)	328,938,543	10,220,928	100,548,013	16,811,781	4,120,094	481,153	-	123,421	(21,865,213)	439,374,720
Supplies and services	238,597,203	6,552,673	(6,552,673)	236,597,203	6,617,429	24,318 882	4,175,317	558,264	28,985	73,925	862,017	(11,219,466)	262,012,556
Depreciation	81,357,076			81,357,076	1,143,711	-	-	84,306	-	-		845,724	83,410,817
Total operating expenses	628,890 822	15,306,001	(15,306 001)	626,890,822	17,982,068	124 864 895	20,787,098	4 742,664	510,138	73 925	985,438	(32,038,955)	764,798,093
Income (loss) from operations before interest and amortization	83,406,550	(15,306,001)	15,306,001	83,406,550	(7,655,510)	(11,150,350)	(376,302)	(1,684,157)	(510,138)	(725)	(985,438)	-	61,043,930
Interest and amortization of financing costs	23,464 070	-	-	23,464,070	-	-	-	-	-	-	-	-	23,464,070
Income (loss) from operations	59,942,480	(15,306,001)	15,306,001	59,942,480	(7,655 510)	(11,150,350)	(376,302)	(1,684,157)	(510,138)	(725)	(985,438)	-	37,579,860
Nonoperating income (expense), net	87,814 818	17,076,399	(15,306 001)	89,585,216	(84)	-	-	420 507	-	26			90,005,665
Excess (deficiency) of revenue over expenses	147,757,298	1,770,398	-	149,527,696	(7,655,594)	(11,150,350)	(376,302)	(1,263 650)	(510,138)	(699)	(985,438)	-	127,585,525
Net assets released from restrictions used for purchase of property and equipment	562,626	-	-	562,626	-	-	-	-	-	-	-	-	562,626
Net assets transferred from newly affiliated organization	-	-	-	-	-	-	-	1 897,480	-	-	-	-	1,897,480
Retirement plan-related change other than net periodic retirement plan expense	(7,065,378)	-	-	(7,065,378)	-	-	-	-	-	-	-	-	(7,065,378)
Contribution	235,498	(235,498)	-	-	-	-	-	-	-	-	-	-	-
Other	61,931	(340)	-	61,591	-	-	-	4 001	-	-	-	-	65,592
Transfers (to) from affiliates	(19,907,013)	(1,158 575)	-	(21,065,588)	7,216,419	9,527,403	1,424,192	1,401,888	510,138		985,438		-
Increase (decrease) in unrestricted net assets	$ 121,644,992	$ 375,985	$ -	$ 122,020,947	$ (439,175)	$ (1,622,947)	$ 1,047,890	$ 2 039 829	$ -	$ (699)	$ -	$ -	$ 123,045,845

The accompanying notes are an integral part of these consolidating financial statements.

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ATTACHMENT 36

1120.130

Rating Agency Reports

Fitch Ratings

S&P Global

ATTACHMENT 37

FITCH AFFIRMS LURIE CHILDREN'S HOSPITAL (IL) REVS AT 'AA-'; OUTLOOK STABLE

Fitch Ratings-Chicago-03 March 2016: Fitch Ratings has affirmed the 'AA-' rating on approximately $375.6 million of bonds issued by the Illinois Finance Authority on behalf of the Ann & Robert H. Lurie Children's Hospital of Chicago (Lurie Children's, formerly known as Children's Memorial Hospital).

The Rating Outlook is Stable.

SECURITY

Bond payments are secured by a pledge of the gross receipts of the obligated group.

KEY RATING DRIVERS

LEADING MARKET POSITION: Lurie Children's is a nationally recognized children's hospital and is the leading provider of complex quaternary pediatric services in the Chicagoland area. The hospital's competitive position was bolstered by the completion of its new hospital in 2012 and is enhanced by its close affiliation with and proximity to Northwestern Memorial Hospital (NMH) and Northwestern University's Feinberg School of Medicine (FSM).

STRONG OPERATING PROFITABILITY: Operating profitability remains strong with operating EBITDA margin equal to 14.5% in fiscal 2015 and 18.7% in the three month interim period ending November 30, 2015 (the interim period), exceeding Fitch's 'AA' category median of 11.5%.

MODERATING DEBT BURDEN: The hospital's debt burden moderated significantly with the payoff of $79.4 million of bonds in 2014. Maximum annual debt service (MADS) decreased to $24.6 million from $35.3 million, decreasing to 2.9% of fiscal 2015 revenue.

SOLID LIQUIDITY METRICS: Despite spending $79.4 million to retire outstanding bonds in 2014, liquidity metrics remain solid with 426.9 days cash on hand, 28.9x cushion ratio and 190.2% cash to debt at Nov. 30, 2015.

RATING SENSITIVITIES

MAINTENANCE OF CURRENT PROFILE: Fitch expects Lurie Children's Hospital to maintain liquidity metrics and coverage metrics consistent with the rating category.

CREDIT PROFILE

Lurie Children's (formerly known as Children's Memorial Hospital) operates a 288 bed pediatric hospital in Chicago. Additional operations include 11 outpatient centers, a medical group with over 500 employed physicians, a research center and a philanthropic foundation. Total consolidated operating revenues equaled $855 million in fiscal 2015. Fitch's analysis is based upon consolidated results for fiscal year ends and obligated group results for the interim period.

LEADING MARKET POSITION

Lurie Children's is a nationally recognized children's hospital and the leading provider of pediatric services in the seven-county Chicago metropolitan area. Lurie Children's is ranked as the eleventh best children's hospital by U.S. News and World Report and is nationally ranked in ten pediatric specialties. The leading market position was further bolstered by the opening of its new replacement hospital in 2012 on the campus of NMH and adjacent to FSM in Chicago's affluent Streeterville neighborhood.

Reflecting its strong reputation, Lurie Children's market share more than doubled from 12% in 2003 to 28.8% in 2014. No other hospital in the service area holds a market share greater than 11% in pediatric discharges. Additionally, the hospital maintains a leading inpatient market share in nearly every pediatric specialty and sub-specialty.

The hospital's market position is enhanced by its affiliations with NMH and FSM. The affiliation strengthens Lurie Children's physician recruiting and alignment initiatives. As FSM's primary pediatric teaching hospital, virtually all of Lurie Children's hospital-based physicians hold faculty appointments at the medical school. In addition to its affiliation with Northwestern, Lurie Children's has extended its geographic reach through strategic partnerships with 14 hospitals and Lurie Children's 11 outpatient centers located throughout the Chicago metropolitan area.

STRONG OPERATING PROFITABILITY

Operating profitability has been consistently strong. Operating EBITDA margins averaged 12.6% since fiscal 2009 and equaled 14.5% in fiscal 2015, exceeding Fitch's 'AA' category median of 11.5%. The strong profitability in fiscal 2015 reflects continued expense management initiatives as well as increased outpatient visits, surgical procedures and emergency department visits. Additionally, Lurie Children's received $11.9 million of enhanced revenue related to the PPACA which will be recurring. Profitability was also bolstered by $4.0 million of net provider tax payments that were attributable to fiscal 2014 and $1.8 million of enhanced primary care payments related to the PPACA that will be discontinued going forward. Excluding those amounts, operating EBITDA margin remained strong at 13.9%. Strong operations continued in the interim period with operating EBITDA margin increasing to 18.7%. Management is budgeting for operating EBITDA margin to equal 14.6% in fiscal 2016.

MODERATING DEBT BURDEN

Lurie Children's leverage and debt burden metrics have moderated significantly since issuing its series 2008 bonds to finance construction of the new hospital. Debt to capitalization has decreased from 51% at Aug. 31, 2009 to 23.4% at Nov. 30, 2015. The moderation has been due to a combination of revenue growth and the planned accelerated pay down of principal. Lurie Children's repaid its outstanding series 2008C/D and series 2012A/B bonds in 2014, decreasing total debt outstanding by $79.4 million.

In conjunction with the repayment of the bonds in 2014, MADS decreased from $35.3 million in fiscal 2013 to $24.6 million. At the current level, MADS as a percent of revenue decreased from 3.9% in fiscal 2009 to 2.9% in fiscal 2015, reflecting Lurie Children's revenue growth, but remains slightly elevated relative to Fitch's 'AA' category median of 2.4%. Reflecting the decreasing debt burden and strong cash flows, MADS coverage by EBITDA increased to 6.0x in fiscal years 2014 and 2015 and 6.1x in the interim period, exceeding Fitch's 'AA' category median of 5.7x.

SOLID LIQUIDITY METRICS

Liquidity metrics remain solid for the rating category despite paying $79.4 million to retire the bonds fiscal 2014. Unrestricted cash and investments increased from $657.6 million at November

30, 2013 to $710.3 million at November 30, 2015, equating to a solid 426.9 days cash on hand, 28.9x cushion ratio and 190.2% cash to debt.

After a period of decreased capital spending following the completion of the new hospital, capital spending is expected to increase in fiscal years 2016 and 2017, averaging approximately $74 million per year. However, capital spending remains manageable relative to Lurie Children's historical cash flows and is not expected to negatively impact liquidity or leverage metrics. The increase is primarily due to a new research facility. Fitch views the project favorably as it will further strengthen Lurie Children's market position.

DEBT PROFILE

Lurie Children's had $373.4 million of total debt outstanding at Nov. 30, 2015. The debt portfolio currently consists of 100% underlying fixed-rate bonds. The system is not counterparty to any swap agreements.

DISCLOSURE

Lurie Children's covenants to provide annual disclosure within 150 days of fiscal year end and quarterly disclosure within 60 days of each fiscal quarter-end. Disclosure is provided through the Municipal Securities Rule Making Board's EMMA website.

Contact:

Primary Analyst
Adam Kates
Director
+1-312-368-3180
Fitch Ratings, Inc.
70 W. Madison Street
Chicago, IL 60602

Secondary Analyst
Gary Sokolow
Director
+1-212-908-9186

Committee Chairperson
James LeBuhn
Senior Director
+1-312-368-2059

Media Relations: Elizabeth Fogerty, New York, Tel: +1 (212) 908 0526, Email: elizabeth.fogerty@fitchratings.com.

Additional information is available at 'www.fitchratings.com'.

Applicable Criteria
Revenue-Supported Rating Criteria (pub. 16 Jun 2014)
https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=750012
U.S. Nonprofit Hospitals and Health Systems Rating Criteria (pub. 09 Jun 2015)
https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=866807

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S&P Global
Ratings

130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312-233-7000
reference no.:793924

May 27, 2016

Ann & Robert H. Lurie Children's Hospital of Chicago
225 East Chicago Avenue
Box 268
Chicago, IL 60611
Attention: Mr. Ron Blaustein, Chief Financial Officer

Re: ***Illinois Finance Authority (Annual & Robert H. Lurie Children's Hospital Of Chicago), Illinois, Fixed Rate Bonds***

Dear Mr. Blaustein:

S&P Global Ratings hereby affirms its rating of "A+" for the above-referenced obligations and changed the outlook to positive from stable. A copy of the rationale supporting the rating and outlook is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above rating to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings

Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

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a division of Standard & Poor's Financial Services LLC

jk
enclosure
cc: Ms. Jessica Strausbaugh, Assistant Treasurer
Ann & Robert H. Lurie Children's Hospital of Chicago

S&P Global
Ratings

S&P Global Ratings
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1120.140 Economic Feasibility

A. Reasonableness of Financing Arrangements and
B. Conditions of Debt Financing

See letter on the next page

Ann & Robert H. Lurie
Children's Hospital of Chicago

October 14, 2016

Ms. Kathryn J. Olson
Chairperson
Illinois Health Facilities
And Services Review Board
525 W. Jefferson Street, 2nd floor
Springfield, IL 62761

Re: Criterion 1120.140(a) and (b) – Reasonableness of Financing Arrangements and Conditions of Debt Financing

Dear Ms. Olson:

Ann & Robert H. Lurie Children's Hospital of Chicago plans to fund the capital cost of the proposed ASTC in Northbrook with cash, securities and bonds. This strategy recognizes that the market is remarkably favorable for issuing bonds with low rates.

Terms and conditions of financing have not yet been determined. I hereby certify that the selected form of debt financing will be at the lowest net cost available. I also affirm that the project involves the leasing of a building at 1121 Techny Road, Northbrook, and that leasing results in a project that is less expensive than constructing and owning a new building.

If you have any questions, please contact Ms. Reagen Atwood, Associate General Counsel, Ann & Robert H. Lurie Children's Hospital of Chicago, at 312-227-7470 or ratwood@luriechildrens.org.

Sincerely,

Ron Blaustein
Chief Financial Officer
Ann & Robert H. Lurie Children's Hospital of Chicago
225 E. Chicago Avenue
Chicago, IL 60611

Subscribed and sworn to before me
this 14 day of October, 2016.

Signature of Notary Public

Seal

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

ATTACHMENT 39

C. REASONABLENESS OF PROJECT AND RELATED COSTS

Reasonableness of Project and Related Costs

10/12/2016

Cost and Square Ft By Department									
Department	A	B	C	D	E	F	G	H	I
	Cost/SF		New Const. DGSF		Modernization DGSF		New Const $	Mod $	Total Cost
	New	Mod	New	Circ %	Mod	Circ %	(A x C)	(B x E)	(G + H)
CLINICAL									
Surgery									
Operating Rooms		$432			3,166	16%		$1,368,417	$1,368,417
Pre-Op/Recovery		$325			4,354	31%		$1,415,677	$1,415,677
Nurse Station		$252			274	0%		$69,173	$69,173
Corridor (interior)		$252			3,242	100%		$818,464	$818,464
MD workspace		$252			361	0%		$91,137	$91,137
OR support		$264			2,080	0%		$549,610	$549,610
Subtotal surgery		$320			13,477	38%		$4,312,478	$4,312,478
MRI									
MRI Suite		$417			1,449	0%		$604,149	$604,149
Subtotal MRI		$417			1,449	0%		$604,149	$604,149
Total Clinical		$329			14,926	34%		$4,916,627	$4,916,627
Clinical Contingency		$32			14,926	34%		$484,870	$484,870
Clinical + Clinical Contingency		$362			14,926	34%		$5,401,497	$5,401,497
NON-CLINICAL									
Storage		$252			756	0%		$190,857	$190,857
Soiled room		$252			178	0%		$44,937	$44,937
AV closet		$252			42	0%		$10,603	$10,603
Bldg systems/support		$541			4,609	6%		$2,492,388	$2,492,388
Locker/Lounge		$280			1,850	24%		$517,795	$517,795
Reception/Waiting		$267			2,176	20%		$580,887	$580,887
Exam space		$257			1,761	25%		$452,876	$452,876
Total Non-Clinical		$377			11,372	14%		$4,290,343	$4,290,343
Non-Clinical Contingency		$32			11,372	14%		$369,419	$369,419
Non-Clinical + Non-Clinical Contingency		$410			11,372	14%		$4,659,761	$4,659,761
TOTAL		$383			26,298	25%		$10,061,259	$10,061,259

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NON-CLINICAL**	**TOTAL**
Pre-planning Costs	$8,514	$6,486	$15,000
Site Survey and Soil Investigation	-	-	-
Site Preparation	-	-	-
Off Site Work	-	$163,713	$163,713
Modernization Contracts	$4,916,627	$4,290,343	$9,206,970
New Construction Contracts	-	-	-
Contingencies	$484,870	$369,419	$854,289
A/E Fees	$327,724	$249,690	$577,414
Consultant Fees	$361,980	$275,790	$637,770
Movable Equipment	$7,601,784	$716,381	$8,318,165
Bond Issuance Expense	$109,567	$48,820	$158,387
Net Interest Expense During Construction	-	-	-
FMV Leased Space	$8,853,551	$6,745,449	$15,599,000
Other Capital Costs	$14,189	$10,811	$25,000
Acquisition of Building	-	-	-
TOTAL USES OF FUNDS	**$22,678,806**	**$12,876,901**	**$35,555,707**
SOURCE OF FUNDS	**CLINICAL**	**NON-CLINICAL**	**TOTAL**
Cash and Securities	$2,868,569	$1,249,482	$4,118,051
Pledges			
Gifts and Bequests			
Mortgages/Bonds	$10,956,687	$4,881,970	$15,838,657
Leases	$8,853,551	$6,745,449	$15,599,000
Governmental Appropriations			
Grants			
Other			
TOTAL SOURCES OF FUNDS	**$22,678,806**	**$12,876,901**	**$35,555,707**

* A Tenant Improvement Allowance of $2,024,840 will be provided by the developer and is not included in the chart.

LIST OF ITEMS AND COST

Pre-Planning Costs - $15,000

The pre-planning costs include the preconstruction services provided by the general contractor.

Of the total amount, $8,514 is the clinical pre-planning cost. This amount represents 0.17% of the total clinical modernization cost.

Off Site Work - $163,713

The offsite work cost includes a utility pad and generator outside of the building.

This is a non-clinical cost item.

Modernization Contract - $9,206,970

The modernization contract includes the cost of the construction contract to complete the project including the general contractor's overhead and profit.

Of the total modernization contract amount, $4,907,806 is the clinical modernization cost. The total clinical DGSF of the project is 14,926. The clinical cost/square foot is $329.

Contingencies - $854,289

Allowance for unforeseen conditions.

Of the total amount, $484,870 is the clinical Contingency cost. This amount 9.9% of the clinical modernization cost.

Together, the clinical modernization cost and clinical contingency cost are $5,392,676. The total clinical DGSF of the project is 14,926 square feet. The clinical modernization cost + contingency cost/square foot is $361.

Of the $361/SF, approximately $49/sf is attributed to features and requirements that aren't associated with a typical ASTC, outlined below.

1. Existing Shell Upgrade Premium
   The proposed project is planned to be constructed in an existing building shell adjacent to a clinic operated by Lurie Children's Hospital. This existing building shell is wood frame construction and was intended for retail use. The modernization cost for the proposed project includes the additional infrastructure required to upgrade the wood shell to support the operation of an ambulatory surgical treatment center. These upgrades include the construction of steel assemblies in the operating rooms to support the equipment booms at a cost of $183,000 and the construction of a cast-in-place concrete slab at $142,500.

   Cost associated with upgrades to wood shell = $183,000 + $142,500 = $325,500

   $325,500 ÷ 14,926 Clinical DGSF = $21.81/SF

2. MRI Premium

   The proposed project includes an MRI which requires radiation protection and additional structure above what is typically provided in an ASTC. The costs associated with this additional work includes $37,000 for steel supports, $57,710 for lead lined glass, $10,792 for a thickened slab to support the MRI machine, and $113,000 for radiofrequency shielding.

   Cost associated with MRI = $37,700 + $57,710 + $10,792 + $113,000 = $219,202

   $219,202 ÷ 14,926 Clinical DGSF = $14.69/SF

3. Pediatric Family Centered Care Premium

   Lurie is a pediatric facility that provides family centered care requiring a higher level of patient privacy than an adult facility. The modernization costs include the cost associated with the construction of private recovery rooms. These cost are higher than those associated with an open bay recovery configuration. The cost associated with private rooms includes $95,610 for glass breakaway doors, $39,401 for gypsum wall assemblies, and $15,981 for wall protection.

   Cost associated with pediatric family centered care private recover rooms = $95,610 + $39,401 + $15,981 = $150,992

   $150,992 ÷ 14,926 Clinical DGSF = $10.12/SF

4. Larger OR Premium

   To accommodate 1000+ types of cases and multiple disciplines, the size of the ORs at this facility will be larger than those typically provided in an ambulatory setting. Three of the four proposed ORs will be 600 SF while the fourth, smaller OR is 515 SF. These sizes are all larger than the 450 SF OR typically provided in an ASTC.

   The cost/sf associated with building an OR is higher than any of the other clinical spaces because of the specialty ceilings and hygienic panels required for sterile environment and additional door and wall protection. These cost represent $241,140 of the cost associated with the ORs at $76.17/SF. The size of the Lurie's three large ORs is approximately 450 SF larger than the three typical 450 SF OR (3 ORs @ 150 SF difference) and the size of smaller OR is approximately 65 SF larger than the typical 450 SF. This total additional OR square footage equals 515 SF.

   Additional square feet associated with larger ORs = 515 SF

   Cost associated with Larger OR = 515 SF x $76.17/SF = $39,225

   $39,225 ÷ 14,926 Clinical DGSF = $2.62/SF

Additional Cost Justified

Existing Shell Upgrade Premium	$21.81/SF
MRI Premium	$14.69/SF
Family Centered Care Premium	$10.12/SF
Larger OR Premium	$2.62/SF
Total	$49.24/SF

Architectural Engineering Fees - $577,414

The architectural and engineering fees include the design services for schematic design and design development, the execution of construction documents, and construction administration services. The architectural fees represent $325,734 of the total A/E cost and include design services for the architecture, interior design, engineering coordination, and architectural project management. The engineering fees represent $251,680 of the total A/E cost and include design of all building systems including electrical, mechanical, plumbing, fire protection, telecommunications, and security.

Of the total amount, $327,724 is the clinical Architectural/Engineering Fee. This amount represents 6.7% of the clinical modernization cost.

Consulting and Other Fees - $637,770

The consultant and other fees include services for various types of consulting and professional expertise plus the application costs associated with the required regulatory reviews.

The consulting fees include:

- Project Management Services
- CON Advisory Services
- HVAC Commissioning Services

The application costs include the cost associated with the following reviews and permits:

- CON Filing Fee
- IDPH Application Cost
- Village of Northbrook Building Permit Application Fee

Of the total amount, $361,980 is the clinical Consultant and Other Fees cost. This amount represents 7.4% of the clinical modernization cost.

Movable Equipment - $8,318,165

The movable equipment cost includes all equipment, furniture, and fixtures to equip the ambulatory surgical and treatment center.

The movable equipment represents $7,969,628 of the total movable equipment cost and includes:

- IT and AV equipment = $1,188,428
- OR Movable Equipment = $1,830,002
    - OR Equipment cost is $457,500/OR
- MRI and other associated equipment = $2,025,849
- Movable Medical Equipment for Clinical Space = $2,873,595
- Movable Medical Equipment for Non-clinical Spaces = $51,754

The furniture and fixtures represent $348,537 of the total non-clinical movable equipment cost and include:

- Furniture
- Artwork
- Signage

Fair Market Value (FMV) of Leased Space - $15,599,000

The FMV of Leased Space cost includes the value of the lease over the 15 year term with escalation.

Of the total amount, $8,853,551 is the clinical FMV Leased Space coast and the nonclinical cost is $6,745,449.

Other Capital Costs - $25,000

The Other Capital Costs include the fee for medical equipment warehousing. This fee covers the storage of medical equipment during the procurement and installation phases of the project.

Of the total amount, $14,189 is the clinical other capital cost.

D. PROJECTED OPERATING COSTS

E. TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS

Reasonableness of Project Costs

Provide for the first full fiscal year at target utilization, but no more than two years after project completion.
For CON, project completion is 2018; 2 years after is 2020

D. Projected Operating Costs

Project Direct Operating Expenses - FY2020

	Project
Total Operating Costs*	$ 5,628,572
Equivalent Patient Days	1,673
Direct Cost per Equivalent Patient Day	$ 3,365

*includes leases and bond amortization, excludes depreciation

E. Total Effect of the Project on Capital Costs

	Project, FY2020	Total Lurie Children's, FY2020
Equivalent Patient Days (all Lurie)*	1,673	380,089
Total Project Cost**	35,555,707	-
Useful Life***	11	-
Total Annual Depreciation	2,179,551	87,000,000
Depreciation Cost per Equiv Pt Day	1,303	229

*calculated using last three FY avg annual growth (4.5%) projected out to FY2020

**excludes tenant improvement allowance ($2.1M), includes lease expense

***calculated using weighted average for each type of capital x useful life

The indicator value is calculated by dividing the total expenditure1 of the hospital by the patient day equivalent (PDE)2. The PDE is calculated by adding the number of inpatients plus 1/2 of day patients plus 1/3 of outpatient and emergency room visits3

APPLICATION SECTION XI. SAFETY NET IMPACT STATEMENT

1. The project's material impact, if any, an essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

Ann & Robert H. Lurie Children Hospital of Chicago ("Lurie Children's") provides more pediatric patient care than any other hospital in Illinois in nearly every pediatric and surgical specialty. Lurie Children's is the largest provider of Medicaid pediatric services in the State of Illinois. Lurie Children's is one of the 19 "safety net hospitals" in Illinois as defined in statute. The hospital plans to continue to provide the same access to all patients at all locations.

For the fiscal year ended August 31, 2015, Lurie Children's total unreimbursed care and community benefit was $127.4 million, including: $85.1 million for charity care and unreimbursed cost of providing Medicaid services; $16.7 million for education; $7.4 million for research; $1.3 million for language assistance / translation services; $13 million for subsidized health services and $3.9 million for bad debt that was not able to be collected.

As access to healthcare remains a challenge for patients, the intent of Lurie Children's expansion of services into Northbrook furthers the commitment to our patients by providing the same high quality level of care closer to our patients. This will reduce the burden on patients and their families as it relates to transportation challenges, appointment availability, and reduced anxiety due to the ease of an outpatient setting. The opening of an ASTC in the northern region will not inhibit Lurie Children's ability to provide safety net services but, rather, will expand the provision of these services in this region.

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.

Other area hospitals provide emergency care, inpatient psychiatry and other services they consider safety net services. They and ASTCs in the area also provide surgical services similar to the proposed ASTC, although none are dedicated to the unique and specialized needs of children. The proposed Northbrook pediatric ASTC is not designed to, and to our knowledge, will not prevent another provider from providing essential safety net services. The new ASTC will serve existing patient volumes now seen at Ann & Robert H. Lurie Children's Hospital of Chicago and to a lesser extent at the Children's Outpatient Surgery at Westchester facility. We do not anticipate any diversion of pediatric patients from other existing area hospitals and ASTCs. As a result, there should be no detrimental impact on other area providers who draw revenues from their surgical services to subsidize their safety net programs.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably knawn by applicant.

Non applicable; this project does not involve discontinuation of a facility or service.

4. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other services.

Patient care related safety net services

In FY15, Lurie Children's cared for 173,000 individual children from every county in Illinois, 50 states and 46 countries. Lurie Children's is dedicated to making health care services accessible to pediatric patients without discrimination based on race, religion, gender, national origin, sexual orientation, or ability to pay.

As the premier pediatric Level 1 trauma center in the Chicago area, Lurie Children's Kenneth & Anne Griffin Emergency Care Center provides acute care for all sick and injured children, with more than 80,000 patient visits in FY15. The Emergency Care Center is staffed 24 hours a day by board-certified pediatric emergency medicine specialists and fellows and is supported by a broad range of pediatric medical and surgical subspecialties and state-of-the-art diagnostic services. Experienced physicians and nurses are appointed around-the-clock to handle even the most complicated, life-threatening cases. Lurie Children's received a 2014-2017 Lantern Award from the Emergency Nurses Association in recognition of exceptional practice and innovative performance in the core areas of leadership, practice, education, advocacy and research.

Many of the children Lurie Children's serves are transferred from other hospitals by Lurie Children's Transport Team, a Midwest leader in neonatal and pediatric transport. The Transport Team recently received accreditation from the Commission on Accreditation of Medical Transport Systems (CAMTS), making Lurie Children's the first neonatal-pediatric specialty transport team in Illinois and the region, and one of only 13 in the country, to obtain this prestigious recognition of quality.

Lurie Children's also operates a Level III Neonatal Nursery that serves as a regional referral center for the State of Illinois' Perinatal Network. This nursery has cared for more than twice the number of children with life-threatening conditions than any other pediatric hospital in Illinois. The hospital's ability to treat the most critically ill infants is demonstrated by the fact that in FY15, 53 percent of all transports into its neonatal intensive care unit were from other Level III nurseries in the Chicago metropolitan area.

For almost 60 years, the Department of Child and Adolescent Psychiatry at Lurie Children's has provided psychiatric and psychological services to families and children of all ages, from every social and economic background. This year, Lurie Children's specialists provided mental health evaluation and care during more than 28,000 outpatient visits; 490 inpatient psychiatric admissions; and served 254 children in the Partial Hospitalization Program. In addition, Lurie Children's provided more than 500 psychiatric consultations in the emergency department and the hospital inpatient pediatric and surgical services.

Patient demographics are diverse and include a large number of families whose primary language is not English, as demonstrated by the fact that Lurie Children's spent over $1.3 million in translation services in FY15. In addition, Lurie Children's provides comprehensive family support services to patients and their families. An interdisciplinary team of social workers, chaplains and child life specialists are available 24 hours a day, seven days a week. Most of these services are funded through philanthropic support.

Lurie Children's also operates numerous outpatient specialty clinics in various locations throughout the Chicago metropolitan area, increasing convenient access to the scarce pediatric specialty and subspecialty services that would not otherwise be immediately available. Lurie Children's also provides physician coverage through neonatologists, pediatric intensivists, pediatric hospitalists and pediatric emergency care medicine physicians at 15 other hospitals located in Chicago and suburban areas. Due to these partnerships, in 2015, Lurie Children's experts were on-site and available at more than 30 percent of the live births in the seven county region.

Lurie Children's is consistently recognized for providing the highest level of safe and quality care. For example:

- Lurie Children's was ranked by U.S. News & World Report as the top children's hospital in Illinois and #6 in the country in 2016.
- In 2015, Lurie Children's was one of only 12 children's hospitals in the country – and the only one in Illinois – to be recognized as a "Top Children's Hospital" for patient safety by The Leapfrog Group.
- In 2015, Lurie Children's earned the American Nurses Credentialing Center's Magnet Recognition for Nursing Excellence and Quality Patient Care for the fourth time; less than 1 percent of hospitals in the country have been recognized four times.
- In 2016, Lurie children's was named a level I pediatric surgery center by the American College of Surgeons, becoming the first children's hospital in Illinois and the third in the country to earn this status.
- Lurie Children's is certified by the Illinois Department of Public Health and the Emergency Medical Services for Children program as both a Pediatric Critical Care Center (PCCC) and an Emergency Department Approved for Pediatrics (EDAP). Together, these certifications signify that Lurie Children's has the essential resources and capabilities in place to meet the emergency and critical care needs of seriously ill and injured children.

Education related safety net services

Lurie Children's is a major academic tertiary care medical center. It serves as the primary pediatric practice site for the Northwestern University Feinberg School of Medicine (NUFSM) and provides the clinical training for NUFSM's resident physicians, fellows and medical students in pediatric specialties and subspecialties. Each year, the Lurie Children's Department of Pediatrics trains approximately 200 physicians, almost half are pediatric residents and the remainder are fellows in various pediatric subspecialties including cardiology, hematology/oncology and neonatology. In addition, the Lurie Children's Department of Surgery provides formal resident education to NUFSM in each of its 10 divisions and trains rotating residents from various other medical schools. Lurie Children's invested more than $16.7 million in these educational programs in FY15.

Among the training opportunities for residents, supervised by attending physicians, is to provide pediatric primary care at the Uptown Clinic in Chicago. This clinic is a medical home for more than 3,000 children who speak 19 different languages. More than 200 of these children have conditions that the State considers "medically complex" or "highly medically complex." These conditions include spina bifida, cystic fibrosis, spastic quadriplegia cerebral palsy, seizure disorder, Down syndrome, chronic lung disease, neuromuscular scoliosis, hypo/hyperthyroidism and obstructive sleep apnea. In 2015, this clinic was recognized as a Patient-Centered Medical Home Program by the National Committee for Quality Assurance. These primary care services would not otherwise be available to the patients treated at the site. The operating costs attributable to the primary care and dentistry clinics in FY15 are more than $3 million. Both programs are operated despite financial losses to the organization. The clinics provide healthcare to a largely underserved community.

In addition to training medical students, residents and fellows of NUFSM and other institutions, Lurie Children's offers clinical experiences in pediatrics to nursing students and students in other allied health fields. Students in clinical placements must be candidates for a degree in their particular field of study. Lurie Children's is affiliated with 20 nursing training programs. In academic year 2014-15 there were 1,563 student placements including 310 third and fourth year medical students, 910 nursing students, and 351 allied health students studying in the fields of respiratory therapy, exercise physiology,

rehabilitation services, social work, nutrition, radiology, pharmacy, child life, art therapy, and psychiatry-related studies. Students training to be operating room technicians and cardiac perfusion technicians also have clinical placements at Lurie Children's.

Research related safety net

Advances in research lead to better outcomes for all children, regardless of their family income or demographics. Lurie Children's has been committed to generating new knowledge about the prevention and treatment of disease since its founding in 1882. In FY16, more than 160 Lurie Children's researchers received more than $31 million in external funding to advance their discoveries. More than $17 million of these awards were from the National Institutes of Health (NIH) or other federal government sources. Researchers are currently participating in approximately 175 industry-sponsored clinical trials to uncover new cures and treatments to childhood diseases.

In addition to clinical and fundamental laboratory-based research, Lurie Children's conducts population-based and public health research that drives policy and community-based interventions that has garnered in excess of $5 million in grants and contracts. These studies address the most pressing issues faced by our city's most vulnerable children. Lurie Children's Mary Ann & J. Milburn Smith Child Health Research Program researchers focus on issues including violence, obesity, and unintentional injury.

Community outreach related safety net services

The vision statement of Lurie Children's declares that "we are guided by the belief that all children need to grow up in a protective and nurturing environment, where each child is given the opportunity to reach his or her potential." These words call Lurie Children's to extend its expertise and resources beyond the confines of the hospital buildings. For decades, Lurie Children's experts have gone out into communities throughout Illinois to understand the social, economic and environmental factors that threaten children's health and wellbeing.

A Public Policy Committee of Lurie Children's Board of Directors considers institutional positions on key child health issues to help guide the hospital's advocacy in Washington, D.C., Springfield and Chicago. These positions include improving access to healthcare and mental health services for children, preventing childhood injury, abuse and obesity, and encouraging safe childhood immunizations. In addition, in collaboration with local community leaders, Lurie Children's experts develop and implement targeted initiatives and programs to help create a healthier future for every child throughout the Chicago area.

Since 2013, Lurie Children's community outreach has been guided by its Community Health Needs Assessment and Implementation Plan. These reports were created by a committee comprised of key Lurie Children's staff, representatives of public health agencies, organizations that serve communities in Chicago that experience health disparities and Lurie Children's patient population. Below is a summary of how Lurie Children's is addressing 11 of the top barriers to child health:

<u>Firearm Injuries</u>

In 2012, Lurie Children's launched Strengthening Chicago Youth (SCY) to build capacity among numerous public and private stakeholders to connect, collaborate and mobilize around a public health approach to violence prevention. With more than 5,000 partners, SCY efforts focus on policy development, providing technical assistance and training to community organizations, encouraging conversations about how every individual can play a role in the prevention of violence and fostering connections between community organizations and researchers.

Motor Vehicle Injuries

Lurie Children's has been a vocal advocate for motor vehicle safety and has helped pass legislation to expand car seat use to children through age 8, seat belt use for all passengers, expanded use of bicycle helmets, and graduated licensure for adolescent drivers. As a result of these types of efforts, hospitalizations and deaths due to motor vehicle injuries have dropped by approximately 20% since 2000. In addition, Lurie Children's has provided free and reduced price car seats to parents in need for more than 20 years. Each year, approximately 800 car seats are distributed and 500 car seats are checked for safety. Lurie Children's experts also have trained staff members at 14 hospitals and community agencies to be Child Passenger Safety Technicians to serve their clients.

Sports & Outdoor Activities

In response to a growing number of injuries related to sports, Lurie Children's has developed the Knee Injury Prevention Program (KIPP), a neuromuscular training program designed to reduce the risk of anterior cruciate ligament (ACL) injuries among female adolescent athletes. Since 2006, this program has provided education at no cost to over 2,000 athletes in the Chicago Public School system.
Lurie Children's is also home to national experts in concussion policy and procedures. They have worked with legislators to pass critical legislation about when children with concussions can return to both sports and school. They also train Chicago Park District coaches and others who supervise children's sports on the prevention and treatment of concussions. In addition, Lurie Children's experts periodically evaluate the safety of the Chicago Park District's 500 playgrounds, Chicago Public School playgrounds and child care play lots.

Unintentional Poisoning

Lurie Children's Safe at Home program prepares home safety bags for new parents that include educational materials and tools for at risk families. These bags include important educational information about poison prevention. Each month approximately 100-200 safety bags are distributed. Lurie Children's is also an Urban Pediatric Satellite of the Illinois Poison Control Center and as a result has trained over 200 staff as Poison Educators for the Illinois Poison Center.

Falls

Stop the Falls is a Lurie Children's collaboration with Chicago Transit Authority and Chicago Department of Public Health to raise awareness about window falls. This is an annual education campaign which is launched each spring as the weather warms, instructing parents to open their windows only four inches. Since the campaign began in 2001, window fall injuries in very young children have decreased significantly in Chicago.

Sleep Related Infant Deaths

Through the Illinois Violent Death Reporting Systems (IVDRS), maintained by Lurie Children's Child Health Data Lab, the issue of sleep-related infant death has received increased visibility. Lurie Children's experts provide evidence-based interventions and training to families on safe sleep habits. For example, in April 2016, Lurie Children's and Kids In Danger hosted a crib bumper exchange event at Lurie Children's Uptown Clinic. Families who attended exchanged their new or used crib bumper pad(s) for a safe sleep kit and a safety resource bag.

Child Abuse

Lurie Children's award-winning Protective Services Team (PST) identifies and treats children that are victims of abuse and neglect. The team's goal is to ensure that all children served by the hospital are in a safe and healthy environment. They also train professionals, parents and the community about the prevention, identification and treatment of child abuse and neglect, including recognizing common triggers of maltreatment and stressors that may lead to child abuse. Each year, Lurie Children's PST sponsors a Child Maltreatment Symposium for first responders, social workers, teachers and police officers in Chicago. In addition, Coping with Crying, a program spearheaded by Lurie Children's, is now in seven area hospitals. It provides free education on how to cope with a crying infant to 12,900 parents per year.

Suicide & Depression

In addition to the mental health patient care services the hospital provides children, Lurie Children's is deeply engaged in efforts to help more children in the State access the mental health services they need. Building on decades of leadership in the community in pediatric mental health, in 2014, the hospital created the Center for Childhood Resilience, a regional organization promoting access to mental healthcare through clinical service, research, training, advocacy and policy reform. The Center's efforts include training educators and other community leaders about how to build better access to mental health services, teaching trauma-informed best practices to professionals who work with children, researching and disseminating best practices, and training new generations of clinical professionals in the public health approach to mental health.

Asthma and Other Ambulatory Care Sensitive Conditions (ACS)

Sustained efforts have been in place with the creation and continuance of the Lurie Children's Care Coordination Entity, which has expanded the medical home network for children with chronic complex conditions. Lurie Children's has also sponsored a case worker to provide free asthma management support as part of the Asthma CarePartners Program, which allows patients to receive six home visits per year and one monthly phone call to ensure proper management of asthma is in place. Lurie Children's has also advocated for the passage of the Emergency Epinephrine Act to increase access to epinephrine auto-injectors in Illinois schools.

Complex Chronic Conditions

Lurie Children's Care Coordination Entity provides medical homes for children and adolescents with medical complexity. This furthers the partnerships with providers within the community, offering intensive care coordination, IT integration and support for home-based services. There has been an ongoing commitment to expanding case management services to support families during and after discharge, assuring a smooth transition to home after hospitalization. Lurie Children's also piloted a program to provide paid internships for young adults with medical complexity who are transitioning to adulthood. Lurie Children's has also worked in advocating for legislation to better address the complex care coordination needs for children on Medicaid.

Obesity, Nutrition and Physical Activity

The Consortium to Lower Obesity in Chicago Children (CLOCC), a nationally recognized childhood obesity prevention coalition, was founded by Lurie Children's in 2002. With more than 3,000 participants representing over 1,200 organizations, CLOCC is data-driven and evidence-based, committed to building capacity among partners. The Institute of Medicine, the US Surgeon General, the American Medical Association, and the Centers for Disease Control and Prevention have recognized CLOCC as an

outstanding community obesity prevention model. CLOCC's obesity prevention strategies include environmental change, public education, advocacy, research, outcome measurement, and program evaluation.

Safety Net Impact Statement			
	FY13	FY14	FY15
Charity Care			
Charity (# of patients)			
Inpatient	243	253	257
Outpatient	1,922	2,780	3,294
Total	2,165	3,033	3,551
Charity (cost in dollars)			
Inpatient	518,510	383,188	526,014
Outpatient	1,021,880	1,005,290	1,008,446
Total	1,540,390	1,388,478	1,534,460
Medicaid			
Medicaid (# of patients)			
Inpatient	4,299	4,574	4,412
Outpatient	50,896	50,203	56,086
Total	55,195	54,777	60,498
Medicaid (cost in dollars)			
Inpatient	154,696,002	167,973,638	157,675,579
Outpatient	80,736,952	80,803,510	89,669,177
Total	235,432,954	248,777,148	247,344,756

XII. CHARITY CARE INFORMATION

Since 1882, Lurie Children's mission has been to improve the health and well-being of all children. Lurie Children's is the State of Illinois' primary partner in bringing high-quality and accessible healthcare to the most vulnerable children. As the State's only freestanding, acute care children's hospital, Lurie Children's treats more children insured by Medicaid than any other Illinois hospital.

Lurie Children's is steadfast in its commitment to care for all children and families, despite reimbursment the Medicaid program provides the hospital and its physicians. In FY15, Lurie Children's was reimbursed $83.2 million less than the actual cost of providing Medicaid services to children.

Lurie Children's has a robust financial assistance program that is widely publicized and available to patients at any time. In FY15, 1,353 individuals applied for financial assistance. More than 96 percent of these applicants received financial assistance. Eligibility for financial assistance from Lurie Children's is based upon a family's income as compared to national poverty levels. In general, the few applicants who were not approved for such assistance failed to provide documentation of income and financial resources to demonstrate eligibility.

The primary reason Lurie Children's does not receive more requests for financial assistance is that the State of Illinois has established nearly universal health coverage for all children who reside in the State through its Medicaid/All Kids programs. Lurie Children's assists the Illinois Department of Healthcare and Family Services by enrolling children who require inpatient services and who qualify for Medicaid/All Kids.

In FY15, Lurie Children's provided $1,534,460 in charity care.

	FY13	FY14	FY15
Net Patient Rev	571,695,543	622,825,298	645,272,675
Amount of Charity Care (charges)	4,339,126	4,197,334	4,832,946
Cost of Charity Care	1,540,390	1,388,478	1,534,460

APPENDIX I

A. Summary Table of Commitments by Physician

B. Surgeries by physician at area Hospitals and ASTCs, other than at the Ann & Robert L. Lurie Children's Hospital of Chicago and at the Westchester ASTC.

C. Letters of commitment by Physicians to Perform surgeries at Northbrook ASTC.

Commitment by Physician to Refer to Northbrook ASTC Cases

Name	Division	2015	2014	Commitment to Refer
Lee M Bass, MD	Gastroenterology	210	201	120
Kathleen R Billings, MD	Otolaryngology	807	692	500
Jeffrey B Brown, MD	Gastroenterology	122	105	60
Earl Y Cheng, MD	Urology	272	243	183
Valeria Cohran, MD	Gastroenterology	78	60	12
Craig J Finlayson, MD	Orthopedic Surg	293	226	120
Arun K Gosain, MD	Plastic Surgery	189	217	140
Julia E Grabowski, MD	Pediatric Surgery	133	0	84
John J Grayhack, MD	Orthopedic Surg	87	110	35
Maria Greene, MD	Gastroenterology	94	67	30
Catherine Jane Hunter, MD	Pediatric Surgery	62	101	25
Jonathan B Ida, MD	Otolaryngology	463	374	200
Ray J Jurado, DDS	Dentistry	197	138	150
Rashmi Kabre, MD	Pediatric Surgery	155	98	50
Amir F Kagalwalla, MD	Gastroenterology	180	185	20
Sudhi P Kurup, MD	Ophthalmology	99	96	61
Johnny Kuttab, DDS	Dentistry	73	42	35
Timothy B Lautz, MD	Pediatric Surgery	48	0	25
Bruce W Lindgren, MD	Urology	253	243	50
Dennis B Liu, MD	Urology	110	139	80
John Maddalozzo, MD	Otolaryngology	616	423	300
Rebecca B Mets-Halgrimson, MD	Ophthalmology	67	70	50
Saeed Mohammad, MD	Gastroenterology	50	41	15
Suzanne P Nelson, MD	Gastroenterology	160	194	155
Joshua D Prozialeck, MD	Gastroenterology	96	96	45
Bahram Rahmani, MD	Ophthalmology	159	149	120
Marleta Reynolds, MD	Pediatric Surgery	182	218	50
Erin E Rowell, MD	Pediatric Surgery	159	174	50
John F Sarwark, MD	Orthopedic Surg	69	81	30
James W Schroeder Jr, MD	Otolaryngology	592	487	250
Jennifer Strople, MD	Gastroenterology	75	48	50
Vineeta T Swaroop, MD	Orthopedic Surg	90	76	36
Ashlee L Vorachek, DDS	Dentistry	88	74	35
Joshua Wechsler, MD	Gastroenterology	94	88	46
Elizabeth B Yerkes, MD	Urology	178	171	100
Hawke H Yoon, MD	Ophthalmology	99	92	25
Nancy M Young, MD	Otolaryngology	227	231	75
Janice Lasky-Zeid, MD	Ophthalmology	56	48	45
Marilyn B Mets, MD	Ophthalmology	36	34	18
		7018	6132	3475

2014/2015 Outpatient Surgical Volumes at Other Hospitals and ASTCs

Provider/Facility	2014	2015	Grand Total
BASS, LEE		**1**	**1**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL		1	1
BILLINGS, KATHLEEN	**1**	**1**	**2**
NORTHSHORE UNIVERSITY HEALTHSYSTEM EVANSTON HOSPITAL		1	1
NORTHSHORE UNIVERSITY HEALTHSYSTEM GLENBROOK HOSPITAL	1		1
BROWN, JEFFREY	**2**	**1**	**3**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	2	1	3
CHENG, EARL	**44**	**42**	**86**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	44	42	86
FINLAYSON, CRAIG	**3**	**1**	**4**
NORTHSHORE UNIVERSITY HEALTHSYSTEM EVANSTON HOSPITAL	2	1	3
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	1		1
GRABOWSKI, JULIA		**5**	**5**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL		5	5
HUNTER, CATHERINE	**6**		**6**
NORTHWEST COMMUNITY HOSPITAL - ARLINGTON HEIGHTS	6		6
IDA, JONATHAN	**88**	**131**	**219**
NORTHWESTERN MEDICINE LAKE FOREST HOSPITAL	88	118	206
NORTHWESTERN MEMORIAL HOSPITAL		13	13
KABRE, RASHMI	**10**	**16**	**26**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL		1	1
NORTHWESTERN MEDICINE LAKE FOREST HOSPITAL	10	13	23
NORTHWESTERN MEMORIAL HOSPITAL		2	2
KAGALWALLA, AMIR	**1**	**2**	**3**
JOHN H STROGER JR. HOSPITAL OF COOK COUNTY	1		1
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL		2	2
LINDGREN, BRUCE	**50**	**74**	**124**
ADVOCATE LUTHERAN GENERAL HOSPITAL	2	1	3
ADVOCATE SHERMAN HOSPITAL	1		1
AMITA HEALTH ST. ALEXIUS MEDICAL CENTER, HOFFMAN ESTATES	6	2	8
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	41	71	112
LIU, DENNIS	**250**	**267**	**517**
NORTHSHORE UNIVERSITY HEALTHSYSTEM EVANSTON HOSPITAL		1	1
NORTHSHORE UNIVERSITY HEALTHSYSTEM GLENBROOK HOSPITAL		2	2
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	85	109	194
NORTHWESTERN MEDICINE LAKE FOREST HOSPITAL		11	11
RUSH UNIVERSITY MEDICAL CENTER	107	97	204
UNIVERSITY OF ILLINOIS HOSPITAL & HEALTH SCIENCES SYSTEM	58	47	105
METS, MARILYN	**1**	**3**	**4**
NORTHWESTERN MEMORIAL HOSPITAL	1	3	4
MOHAMMAD, SAEED	**1**	**1**	**2**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	1	1	2
RAHMANI, BAHRAM	**2**	**2**	**4**
NORTHWESTERN MEMORIAL HOSPITAL	2	2	4
REYNOLDS, MARLETA	**1**		**1**
NORTHWESTERN MEDICINE CENTRAL DUPAGE HOSPITAL	1		1
ROWELL, ERIN	**15**	**28**	**43**
NORTHWEST COMM DAY SURGERY	3	21	24
NORTHWEST COMMUNITY HOSPITAL - ARLINGTON HEIGHTS	12	7	19
YERKES, ELIZABETH	**3**	**3**	**6**
ADVOCATE LUTHERAN GENERAL HOSPITAL		1	1
NORTHSHORE UNIVERSITY HEALTHSYSTEM EVANSTON HOSPITAL	3	2	5
YOON, HAWKE	**1**		**1**
ADVOCATE LUTHERAN GENERAL HOSPITAL	1		1
Grand Total	**479**	**578**	**1057**

Source: IHA COMPdata

September 21, 2016

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

Dear Ms. Olson

I am a dermatologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

I anticipate that I will perform 30 outpatient surgical procedures at the ASTC when it opens in 2018, and at least that many cases in subsequent years. As a new member of the medical staff who recently completed my residency, I do not have historic caseload volumes or patient origin data to submit with this letter.

I have not done surgeries at other area hospitals or ASTCs. I have not committed these 30 patients to other hospital or ASTC permit applications. The information contained in the letter is true and correct to the best of my knowledge.

Sincerely,

Lisa Shen, MD

(address) 225 E. Chicago Ave, Box 107
Chicago, IL 60611

Subscribed and sworn to before me
this 22 day of September, 2016

Signature of Notary Public

SHARON L MITCHELL
Official Seal
Notary Public - State of Illinois
My Commission Expires Jul 29, 2019

NOTARY SEAL

September 27, 2016

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

Dear Ms. Olson:

I am a Neurologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Neurology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 29 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 4 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 20 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Leon G. Epstein MD

Leon Epstein, MD
225 E. Chicago Ave.
#51 - Neurology
Chicago, IL 60611

Subscribed and sworn to before me
this 27 day of September 2016

Bradley J. Lynk

Signature of Notary Public

NOTARY SEAL

OFFICIAL SEAL
BRADLEY J LYNK
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 7/25/2020

September 22, 2016

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

Dear Ms. Olson

We are anesthesiologists on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago. We support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, we collectively performed 7 pain management procedures at Lurie Children's Hospital. We performed 11 procedures in 2014.

We anticipate that we will conduct at least 5 pain management procedures at the proposed ambulatory surgical treatment center in year 2020, 24 months after the completion and opening of the center in 2018. All of these procedures are based on our caseloads at Lurie Children's Hospital downtown. We did not do procedures at other hospitals or ASTCs in 2014 and 2015.

These cases have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of our knowledge.

Sincerely,

Santhanam Suresh, MD
225 E. Chicago Avenue
#19 – Anesthesiology
Chicago, IL 60611

David Krodel, MD
225 E. Chicago Avenue
#19 – Anesthesiology
Chicago, IL 60611

Ravi Shah, MD
225 E. Chicago Avenue
#19 - Anesthesiology
Chicago, IL 60611

Subscribed and sworn to before me this 22 day of Sept, 2016

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Subscribed and sworn to before me this 22 day of Sept, 2016

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Subscribed and sworn to before me this 22 day of Sept, 2016

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago

August 9, 2016

Ms. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
S25 West Jefferson Street, 2nd floor
Springfield, IL 62761

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Pediatric Surgery. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 133 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 0 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 84 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 5 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Julia E. Grabowski, MD
225 E. Chicago Ave.
#63 - Pediatric Surgery
Chicago, IL 60611

Subscribed and sworn to before me
this 30 day of August, 2016.

Susan Witte
Signature of Notary Public

NOTARY SEAL

Official Seal
Susan Witte
Notary Public State of Illinois
My Commission Expires 06/01/2019

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Otolaryngology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 463 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 374 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 200 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 219 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Jonathan B. Ida, MD
225 E. Chicago Ave.
#25 - Otolaryngology
Chicago, IL 60611

Subscribed and sworn to before me
this 18 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Otolaryngology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 592 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 487 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 250 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

James W. Schroeder Jr, MD
225 E. Chicago Ave.
#25 - Otolaryngology
Chicago, IL 60611

Subscribed and sworn to before me
this 18 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Otolaryngology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 616 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 423 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 300 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

John Maddalozzo, M.D.

John Maddalozzo, MD
225 E. Chicago Ave.
#25 - Otolaryngology
Chicago, IL 60611

Subscribed and sworn to before me
this 18 day of August, 2016.

Annel Hilgen

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Otolaryngology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 227 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 231 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 75 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Nancy M. Young, MD
225 E. Chicago Ave.
#25 - Otolaryngology
Chicago, IL 60611

Subscribed and sworn to before me
this 18 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Orthopedic Surgery. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 90 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 76 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 36 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

V. Swaroop

Vineeta T. Swaroop, MD
345 E. Superior
Chicago, IL 60611

Subscribed and sworn to before me
this 18 day of August, 2016.

Amel Hilgen

Signature of Notary Public

NOTARY SEAL

Official Seal
Amel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Orthopedic Surgery. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 293 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 226 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 120 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 4 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

MD

Craig J. Finlayson, MD
2515 N. Clark St.
Ste. 801
Chicago, IL 60614

Subscribed and sworn to before me
this 18 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Otolaryngology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 807 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 692 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 500 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 2 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Kathleen R. Billings, MD
225 E. Chicago Ave.
#25 - Otolaryngology
Chicago, IL 60611

Subscribed and sworn to before me
this 18 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Urology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 110 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 139 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 80 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 517 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Dennis B. Liu, MD
225 E. Chicago Ave.
#24 - Urology
Chicago, IL 60611

Subscribed and sworn to before me
this 12th day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Orthopedic Surgery. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 87 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 110 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 35 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

John J. Grayhack, MD
225 E. Chicago Ave.
#69 - Orthopaedics
Chicago, IL 60611

Subscribed and sworn to before me
this 18 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Orthopedic Surgery. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 69 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 81 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 30 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

John F. Sarwark, MD
225 E. Chicago Ave.
#69 - Orthopaedics
Chicago, IL 60611

Subscribed and sworn to before me
this 18 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Urology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 272 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 243 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 183 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 86 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Earl Y. Cheng, MD
225 E. Chicago Ave.
#24 - Urology
Chicago, IL 60611

Subscribed and sworn to before me
this 12th day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Ophthalmology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 67 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 70 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 50 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Rebecca B. Mets-Halgrimson, MD
225 E. Chicago Ave.
#70 - Ophthalmology
Chicago, IL 60611

Subscribed and sworn to before me
this 22 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Urology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 178 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 171 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 100 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 6 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Elizabeth B. Yerkes, MD
225 E. Chicago Ave.
#24 - Urology
Chicago, IL 60611

Subscribed and sworn to before me
this 10th day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Ophthalmology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 159 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 149 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 120 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 4 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Bahram Rahmani, MD, MPH
675 N. St. Clair St.
Galter 15-150
Chicago, IL 60611

Subscribed and sworn to before me
this 10th day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Ophthalmology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 99 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 96 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 61 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Sudhi P. Kurup, MD

Sudhi P. Kurup, MD
225 E. Chicago Ave.
#70 - Ophthalmology
Chicago, IL 60611

Subscribed and sworn to before me
this 16th day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Plastic Surgery. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 189 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 217 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 140 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Arun K. Gosain, MD
225 E. Chicago Ave.
#93 - Plastic & Reconstructive Surg
Chicago, IL 60611

Subscribed and sworn to before me
this 16 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Pediatric Surgery. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 159 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 174 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 50 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 43 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Erin E. Rowell

Erin E. Rowell, MD
225 E. Chicago Ave.
#63 - Pediatric Surgery
Chicago, IL 60611

Subscribed and sworn to before me
this 19 day of August, 2016.

Annel Hilgen

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Pediatric Surgery. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 201S, I performed 155 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 98 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 50 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 26 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Rashmi Kabre

Rashmi Kabre, MD
225 E. Chicago Ave.
#63 - Pediatric Surgery
Chicago, IL 60611

Subscribed and sworn to before me
this 15 day of August, 2016.

Annel Hilgen

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Pediatric Surgery. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 62 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 101 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 25 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 6 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Catherine Jane Hunter, MD
225 E. Chicago Ave.
#63 - Pediatric Surgery
Chicago, IL 60611

Subscribed and sworn to before me
this 19 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Urology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 253 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 243 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 50 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 124 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Bruce W. Lindgren, MD
225 E. Chicago Ave.
#24 - Urology
Chicago, IL 60611

Subscribed and sworn to before me
this 19 day of August, 2016.

Annel Hilgen

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Pediatric Surgery. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 48 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. In 2014, I was completing my fellowship and did not independently perform surgical cases. The attached table lists the zip codes of residence of these patients.

I anticipate that I will refer 25 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Timothy B. Lautz, MD
225 E. Chicago Ave.
#63 - Pediatric Surgery
Chicago, IL 60611

Subscribed and sworn to before me
this 11 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Pediatric Surgery. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 182 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 218 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 50 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 1 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Marleta Reynolds, MD
225 E. Chicago Ave.
#63 - Pediatric Surgery
Chicago, IL 60611

Subscribed and sworn to before me
this 19 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a Dentist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Dentistry. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 197 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 138 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 150 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

DDS

Ray J. Jurado, DDS
225 E. Chicago Ave.
#75 - Dentistry
Chicago, IL 60611

Subscribed and sworn to before me
this 19 day of August, 2016.

Annel Hilgen

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

200

APPENDIX I

Ann & Robert H. Lurie
Children's Hospital of Chicago

August 9, 2016

Ms. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
52S West Jefferson Street, 2nd floor
Springfield, IL 62761

Dear Ms. Olson:

I am a Dentist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Dentistry. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 88 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 74 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 35 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Ashlee L. Vorachek

Ashlee L. Vorachek, DDS
225 E. Chicago Ave.
#75 - Dentistry
Chicago, IL 60611

Subscribed and sworn to before me
this 16 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago

August 9, 2016

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

Dear Ms. Olson:

I am a Dentist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Dentistry. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 73 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 42 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 35 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Johnny Kuttab, DDS
4835 N. Sheridan Rd.
Chicago, IL 60640

Subscribed and sworn to before me
this 19 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Ophthalmology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 99 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 92 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 25 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 1 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Hawke H. Yoon, MD
6701 W. 159th St.
Ste. 110
Tinley Park, IL 60477

Subscribed and sworn to before me
this 31st day of August, 2016.

Signature of Notary Public

NOTARY SEAL

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
JANET BOJAN
MY COMMISSION EXPIRES
04/16/2017

203

APPENDIX I

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Ophthalmology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 56 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 48 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 45 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Janice Zeid MD.

Janice Lasky-Zeid, MD
2301 Enterprise Dr.
Ste. A
Westchester, IL 60154

Subscribed and sworn to before me
this 31st day of August, 2016.

Janet Bojan
Signature of Notary Public

NOTARY SEAL

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
JANET BOJAN
MY COMMISSION EXPIRES
04/16/2017

204

August 9, 2016

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

Dear Ms. Olson:

I am a surgeon on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Ophthalmology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 36 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 34 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 18 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 4 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Marilyn B. Metz, MD
225 E. Chicago Ave.
#70 - Ophthalmology
Chicago, IL 60611

Subscribed and sworn to before me
this 11 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a Gastroenterologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 75 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 48 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 50 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Jennifer Strople, MD
225 E. Chicago Ave.
#65 - Gastro, Hepatology & Nutr.
Chicago, IL 60611

Subscribed and sworn to before me
this 18 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

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APPENDIX I

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a Gastroenterologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 96 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 96 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 45 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

MD

Joshua D. Prozialeck, MD
225 E. Chicago Ave.
#65 - Gastro, Hepatology & Nutr.
Chicago, IL 60611

Subscribed and sworn to before me
this 16th day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

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APPENDIX I

Ann & Robert H. Lurie
Children's Hospital of Chicago

August 9, 2016

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

Dear Ms. Olson:

I am a Gastroenterologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 122 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 105 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 60 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 3 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Jeffrey B. Brown, MD
225 E. Chicago Ave.
#65 - Gastro, Hepatology & Nutr.
Chicago, IL 60611

Subscribed and sworn to before me
this 16th day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annet Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

August 9, 2016

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

Dear Ms. Olson:

I am a Gastroenterologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 180 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 185 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 20 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 3 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Amir F. Kagalwalla, MD
225 E. Chicago Ave.
#65 - Gastro, Hepatology & Nutr.
Chicago, IL 60611

Subscribed and sworn to before me
this 14 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

August 9, 2016

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

Dear Ms. Olson:

I am a Gastroenterologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 94 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 67 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 30 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Maria Greene, MD
225 E. Chicago Ave.
#65 - Gastro, Hepatology & Nutr.
Chicago, IL 60611

Subscribed and sworn to before me
this 16th day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Annel Hilgen
Notary Public State of Illinois
My Commission Expires 02/19/2018

August 9, 2016

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

Dear Ms. Olson:

I am a Gastroenterologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 160 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 194 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 155 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Suzanne P. Nelson, MD
3633 W. Lake Avenue
Suite 103
Glenview, IL 60026

Subscribed and sworn to before me
this 17 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

Official Seal
Susan Witte
Notary Public State of Illinois
My Commission Expires 06/01/2019

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a Gastroenterologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 94 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 88 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 46 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Joshua Wechsler, MD
225 E. Chicago Ave.
#65 - Gastro, Hepatology & Nutr.
Chicago, IL 60611

Subscribed and sworn to before me
this 26 day of August, 2016.

Susan Witte
Signature of Notary Public

Official Seal
Susan Witte
Notary Public State of Illinois
My Commission Expires 06/01/2019

NOTARY SEAL

August 9, 2016

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

Dear Ms. Olson:

I am a Gastroenterologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 210 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 201 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 120 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 1 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

MD

Lee M. Bass, MD
225 E. Chicago Ave.
#65 - Gastro, Hepatology & Nutr.
Chicago, IL 60611

Subscribed and sworn to before me
this 26 day of August, 2016.

Signature of Notary Public

NOTARY SEAL

OFFICIAL SEAL
BRADLEY J LYNK
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 7/25/2020

Ann & Robert H. Lurie
Children's Hospital of Chicago®

August 9, 2016

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

Dear Ms. Olson:

I am a Gastroenterologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 78 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 60 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 12 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 0 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Valeria Cohran

Valeria Cohran, MD
225 E. Chicago Ave.
#65 - Gastro, Hepatology & Nutr.
Chicago, IL 60611

Subscribed and sworn to before me
this 22 day of August, 2016.

Susan Witte

Signature of Notary Public

NOTARY SEAL

Official Seal
Susan Witte
Notary Public State of Illinois
My Commission Expires 06/01/2019

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APPENDIX I

Ann & Robert H. Lurie
Children's Hospital of Chicago

August 9, 2016

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

Dear Ms. Olson:

I am a Gastroenterologist on the medical staff at Ann & Robert H. Lurie Children's Hospital of Chicago, specializing in Gastroenterology. I support the proposal to establish an ambulatory surgical treatment center at 1121 Techny Road, Northbrook.

In 2015, I performed 50 outpatient surgical procedures at Lurie Children's Hospital and/or the Lurie Children's ASTC in suburban Westchester. The attached table lists the zip codes of residence of these patients. The table also shows that I performed 41 outpatient surgical procedures in 2014 at the downtown Chicago campus or in Westchester.

I anticipate that I will refer 15 patients to the proposed ambulatory surgical treatment center in year 2020, 24 months after completion and opening of the ASTC in 2018. All of these referrals are from my procedures at Lurie Children's Hospital downtown or at Westchester.

The table also shows that I performed 2 additional outpatient surgical procedures at other hospitals or ASTCs in 2014 and 2015. I do not expect to refer patients from these facilities to the ASTC in Northbrook.

These referral counts have not been used to support another permit application for any other hospital or licensed ASTC. The information contained in this letter is true and correct to the best of my knowledge.

Sincerely,

Saeed Mohammad, MD
225 E. Chicago Ave.
#62 - Emergency Department
Chicago, IL 60611

Subscribed and sworn to before me
this 22 day of August, 2016.

Susan Witte
Signature of Notary Public

NOTARY SEAL

Official Seal
Susan Witte
Notary Public State of Illinois
My Commission Expires 06/01/2019