

ILLINOIS HEALTH FACILITIES PLANNING BOARD  
APPLICATION FOR EXEMPTION FOR THE  
CHANGE OF OWNERSHIP FOR AN EXISTING HEALTH CARE FACILITY

ORIGINAL  
RECEIVED

MAR 09 2011

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

E-003-11

1. INFORMATION FOR EXISTING FACILITY

Current Facility Name: Loyola University Medical Center d/b/a Loyola University Ambulatory Surgery Center  
Address: 2160 South 1<sup>st</sup> Avenue, Building 201  
City: Maywood, Illinois Zip Code: 60153 County: Cook  
Name of current licensed entity for the facility: Loyola University Medical Center d/b/a Loyola University Ambulatory Surgery Center

Does the current licensee: own this facility Yes OR lease this facility \_\_\_\_\_ (if leased, check if sublease )  
Type of ownership of the current licensed entity (check one of the following:) \_\_\_\_\_ Sole Proprietorship  
X Not-for-Profit Corporation \_\_\_\_\_ For Profit Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ Governmental  
\_\_\_\_\_ Limited Liability Company \_\_\_\_\_ Other, specify \_\_\_\_\_

Illinois State Senator for the district where the facility is located: Sen. Kimberly A. Lightford  
State Senate District Number: 4 Mailing address of the State Senator: 10001 West Roosevelt Road, Suite 202, Westchester, Illinois 60154

Illinois State Representative for the district where the facility is located: Rep. Karen A. Yarbrough  
State Representative District Number: 7 Mailing address of the State Representative: 2305 West Roosevelt Road, Broadview, Illinois 60155

2. **OUTSTANDING PERMITS.** Does the facility have any projects for which the State Board issued a permit that will not be completed (refer to 1130.140 "Completion or Project Completion" for a definition of project completion) by the time of the proposed ownership change? Yes  No . If yes, refer to Section 1130.520(f), and indicate the projects by Project #: \_\_\_\_\_
3. **FACILITY'S BED OR DIALYSIS STATION CAPACITY BY CATEGORY OF SERVICE** (Complete "APPENDIX A" attached to this application)
4. **FACILITY'S OTHER CATEGORIES OF SERVICE AS DEFINED IN 77 IAC 1100** (Complete "APPENDIX A" attached to this application)

5. **NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).

Exact Legal Name of Applicant: Trinity Health Corporation  
Address: 27870 Cabot Drive  
City, State & Zip Code: Novi, Michigan 48377  
Type of ownership of the current licensed entity (check one of the following:) \_\_\_\_\_ Sole Proprietorship  
X Not-for-Profit Corporation \_\_\_\_\_ For Profit Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ Governmental  
\_\_\_\_\_ Limited Liability Company \_\_\_\_\_ Other, specify \_\_\_\_\_

6. **NAME OF LEGAL ENTITY THAT WILL BE THE LICENSEE/OPERATING ENTITY OF THE FACILITY NAMED IN THE APPLICATION AS A RESULT OF THIS TRANSACTION.**

Exact Legal Name of Entity to be Licensed: The license will continue to be held by Loyola University Medical Center as the proposed transaction involves a membership substitution.  
Address: 2160 South 1<sup>st</sup> Avenue, Building 201, Maywood, Illinois 60153  
Type of ownership of the current licensed entity (check one of the following:) \_\_\_\_\_ Sole Proprietorship  
X Not-for-Profit Corporation \_\_\_\_\_ For Profit Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ Governmental  
\_\_\_\_\_ Limited Liability Company \_\_\_\_\_ Other, specify \_\_\_\_\_

7. **BUILDING/SITE OWNERSHIP. NAME OF LEGAL ENTITY THAT WILL OWN THE "BRICKS AND MORTAR" (BUILDING) OF THE FACILITY NAMED IN THIS APPLICATION IF DIFFERENT FROM THE OPERATING/LICENSED ENTITY**

Exact Legal Name of Entity That Will Own the Site: The building(s) will continue to be owned by Loyola University Medical Center as the proposed transaction involves a membership substitution.  
Address: 2160 South 1<sup>st</sup> Avenue, Building 201, Maywood, Illinois 60153  
Type of ownership of the current licensed entity (check one of the following:) \_\_\_\_\_ Sole Proprietorship  
X Not-for-Profit Corporation \_\_\_\_\_ For Profit Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ Governmental  
\_\_\_\_\_ Limited Liability Company \_\_\_\_\_ Other, specify \_\_\_\_\_

- 8. TRANSACTION TYPE. CHECK THE FOLLOWING THAT APPLY TO THE TRANSACTION:**
1. Purchase resulting in the issuance of a license to an entity different from current licensee;
  2. Lease resulting in the issuance of a license to an entity different from current licensee;
  3. Stock transfer resulting in the issuance of a license to a different entity from current licensee;
  4. Stock transfer resulting in no change from current licensee;
  5. Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee;
  6. Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee;
  7. Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity;
  8. Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets;
  9. Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility;
  10. Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee;
  11. Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets, and explain in "Attachment 3 Narrative Description"
- 9. APPLICATION FEE.** Submit the application fee in the form of a check or money order for \$2,500 payable to the Illinois Department of Public Health and append as **ATTACHMENT #1**.
- 10. FUNDING.** Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through Health Facilities Authority; cash gift from parent company, etc.) and append as **ATTACHMENT #2**.
- 11. ANTICIPATED ACQUISITION PRICE:** \$175,000,000 (See Explanatory Note 11 in the COE Application for Foster G. McGaw Hospital-Loyola University Medical Center ("LUMC") for additional information)
- 12. FAIR MARKET VALUE OF THE FACILITY:** \$175,000,000 (See Explanatory Note 12 in the LUMC COE Application for additional information)  
(to determine fair market value, refer to 77 IAC 1130.140)
- 13. DATE OF PROPOSED TRANSACTION:** Transaction to close on June 30, 2011, effective on July 1, 2011
- 14. NARRATIVE DESCRIPTION.** Provide a narrative description explaining the transaction, and append it to the application as **ATTACHMENT #3**.
- 15. BACKGROUND OF APPLICANT** (co-applicants must also provide this information). Corporations and Limited Liability Companies must provide a current Certificate of Good Standing from the Illinois Secretary of State. Partnerships must provide the name and address of each partner and specify whether each is a general or limited partner. Append this information to the application as **ATTACHMENT #4**.
- 16. TRANSACTION DOCUMENTS.** Provide a copy of the document(s) which detail the terms and conditions of the proposed transaction (purchase, lease, stock transfer, etc). Applicants should note that the document(s) submitted should reflect the applicant's (and co-applicant's, if applicable) involvement in the transaction. The document must be signed by both parties and contain language stating that the transaction is contingent upon approval of the Illinois Health Facilities Planning Board. Append this document(s) to the application as **ATTACHMENT #5**.
- 17. FINANCIAL INFORMATION** (co-applicants must also provide this information). Per 77 IAC 1130.520(b)(3), an applicant must demonstrate it has sufficient funds to finance the acquisition **and** to operate the facility for 36 months by providing evidence of a bond rating of "A" or better (that must be less than two years old) from Fitch, Moody or Standard and Poor's rating agencies or evidence of compliance with the financial viability review criteria (as applicable) to the type of facility being acquired (as specified at 77 IAC 1120). Append as **ATTACHMENT #6**.

**18. PRIMARY CONTACT PERSON.** Individual representing the applicant to whom all correspondence and inquiries pertaining to this application are to be directed. (Note: other persons representing the applicant not named below will need written authorization from the applicant stating that such persons are also authorized to represent the applicant in relationship to this application).

Name: Edward J. Green, Esq., Foley & Lardner LLP  
Address: 321 North Clark Street, Suite 2800  
City, State & Zip Code: Chicago, Illinois 60654  
Telephone: 312-832-4375

**19a. ADDITIONAL CONTACT PERSON.** Consultant, attorney, other individual who is also authorized to discuss this application and act on behalf of the applicant.

Name: J. Mark Waxman, Esq., Foley & Lardner LLP  
Address: 111 Huntington Avenue, Suite 2600  
City, State & Zip Code: Boston, Massachusetts 02199  
Telephone: 617-342-4055

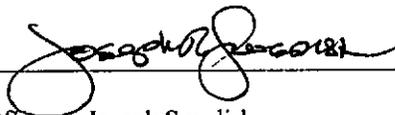
**19b. ADDITIONAL CONTACT PERSON.** Consultant, attorney, other individual who is also authorized to discuss this application and act on behalf of the applicant.

Name: Paul Neumann, Esq., Senior Vice President & General Counsel, Trinity Health Corporation  
Address: 34605 Twelve Mile Road  
City, State & Zip Code: Farmington Hills, Michigan 48331  
Telephone: 248-489-6214

**20. CERTIFICATION**

I certify that the above information and all attached information are true and correct to the best of my knowledge and belief. I certify that the categories of service, number of beds and/or dialysis stations within the facility will not change as part of this transaction. I certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois. I certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change. I also certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

Signature of Authorized Officer: \_\_\_\_\_



Typed or Printed Name of Authorized Officer: Joseph Swedish

Title of Authorized Officer: President & CEO

Address: 27870 Cabot Drive

City, State & Zip Code: Novi, Michigan 48377

Telephone: (248) 489-6794

Date: 03/04/2011

**NOTE: complete a separate signature page for each co-applicant and insert following this page.**

**APPENDIX A  
FACILITY BED AND DIALYSIS STATION CAPACITY AND CATEGORIES OF SERVICE**

Complete the following for the facility for which the change of ownership is requested. The facility's bed and dialysis station capacity must be consistent with the State Board's Inventory of Health Care Facilities.

FACILITY NAME: Loyola University Medical Center d/b/a Loyola University Ambulatory Surgery Center

CITY: Maywood

1. Indicate (by placing an "X") the type of facility for which the change of ownership is requested:

Hospital;  Long-term Care Facility;  Dialysis Facility;  Ambulatory Surgical Treatment Center.

2. Provide the bed capacity by category of service:

SERVICE	# of Beds	SERVICE	# of Beds
Medical/Surgical	0	Nursing Care	_____
Obstetrics	0	Shelter Care	_____
Pediatrics	0	DD Adults*	_____
Intensive Care	0	DD Children**	_____
Acute Mental Illness	0	Chronic Mental Illness	_____
Rehabilitation	0	Children's Medical Care	_____
Neonatal Intensive Care	0	Children's Respite Care	_____

\*Includes ICF/DD 16 and fewer bed facilities; \*\*Includes skilled pediatric 22 years and under

3. Chronic Renal Dialysis: Enter the number of ESRD stations: \_\_\_\_\_

4. Indicate (by placing an "X") those categories of service for which the facility is approved.

_____ Cardiac Catheterization	_____ Open Heart Surgery
_____ Subacute Care Hospital Model	_____ Kidney Transplantation
_____ Selected Organ Transplantation	_____ Postsurgical Recovery Care Center Model

5. Non-Hospital Based Ambulatory Surgery and Ambulatory Surgical Treatment Centers

Indicate (by placing an "X") if the facility is a  limited or  multi-specialty facility and indicate the surgical specialties provided.

_____ Cardiovascular	___X_ Ophthalmology
_____ Dermatology	___X_ Oral/Maxillofacial
___X_ Gastroenterology	___X_ Orthopedic
___X_ General/Other (includes any procedure that is not included in the other specialties)	___X_ Otolaryngology
___X_ Neurological	___X_ Plastic Surgery
___X_ Obstetrics/Gynecology	___X_ Podiatry
	___X_ Thoracic
	___X_ Urology

Reference Numbers	Facility Id 7002017	Number of Operating Rooms	8
Health Service Area 007	Planning Service Area 031	Procedure Rooms	0
LOYOLA UNIVERSITY AMBULATORY SURGERY CENTER		Exam Rooms	0
2160 S. FIRST AVENUE		Number of Recovery Stations Stage 1	9
MAYWOOD, IL 60153-3304		Number of Recovery Stations Stage 2	23

**Administrator** DANIEL J. POST  
**Date Completed** 4/26/2010

**Registered Agent**

Property Owner

**Type of Ownership**  
 Other Not For Profit Ownership

**Legal Owner**

**HOSPITAL TRANSFER RELATIONSHIPS**

HOSPITAL NAME	NUMBER OF PATIENTS
Loyola University Hospital, Maywood	48
	0
	0
	0
	0

**STAFFING PATTERNS**

PERSONNEL	FULL-TIME EQUIVALENTS
Administrator	1.00
Physicians	0.00
Nurse Anesthetists	0.50
Dir. of Nurses	1.00
Reg. Nurses	21.60
Certified Aides	3.00
Other Hlth. Profs.	7.35
Other Non-Hlth. Profs	5.00
<b>TOTAL</b>	<b>39.45</b>

**DAYS AND HOURS OF OPERATION**

Monday	14
Tuesday	14
Wednesday	14
Thursday	14
Friday	14
Saturday	0
Sunday	0

**FACILITY NOTES**

**NUMBER OF PATIENTS BY AGE GROUP**

AGE	MALE	FEMALE	TOTAL
0-14	918	585	1,503
15-44	567	726	1,293
45-64	706	851	1,557
65-74	318	388	706
75+ Yea	286	356	642
<b>TOTAL</b>	<b>2,795</b>	<b>2,906</b>	<b>5,701</b>

**NUMBER OF PATIENTS BY PRIMARY PAYMENT SOURCE**

PAYMENT SOURCE	MALE	FEMALE	TOTAL
Medicaid	490	532	1,022
Medicare	598	756	1,354
Other Public Insurance	10	6	16
Private Pay	1,636	1,573	3,209
Charity Care	24	12	36
	37	27	64
<b>TOTAL</b>	<b>2,795</b>	<b>2,906</b>	<b>5,701</b>

**NET REVENUE BY PAYOR SOURCE for Fiscal Year**

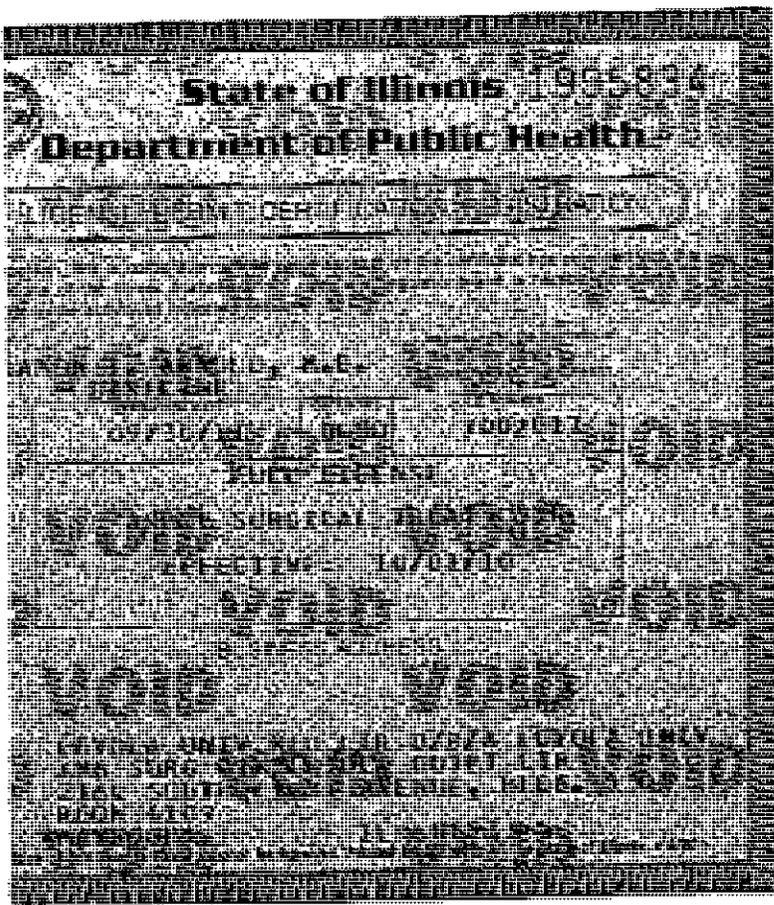
Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense	Charity Care Expense as % of Total Net Revenue
14.8%	6.2%	11.7%	63.9%	3.4%	100.0%		0%
2,078,000	870,000	1,649,000	8,971,000	476,000	14,044,000	54,558	

**OPERATING ROOM UTILIZATION FOR THE REPORTING YEAR**

SURGERY AREA	TOTAL SURGERIES	SURGERY PREP and CLEAN-UP		TOTAL SURGERY (HOURS)	AVERAGE CASE TIME (HOURS)
		SURGERY TIME (HOURS)	CLEAN-UP TIME (HOURS)		
Cardiovascular	0	0.00	0.00	0.00	0.00
Dermatology	0	0.00	0.00	0.00	0.00
Gastroenterology	219	274.00	57.00	331.00	1.51
General	726	709.00	229.00	938.00	1.29
Laser Eye	0	0.00	0.00	0.00	0.00
Neurological	10	14.00	3.60	17.60	1.76
OB/Gynecology	477	395.00	173.00	568.00	1.19
Ophthalmology	1152	1,089.00	247.60	1336.60	1.16
Oral/Maxillofacial	50	128.00	23.80	151.80	3.04
Orthopedic	648	943.00	128.00	1071.00	1.65
Otolaryngology	1290	1,443.00	331.60	1774.60	1.38
Pain Management	8	22.00	0.60	22.60	2.83
Plastic	257	321.00	62.20	383.20	1.49
Podiatry	55	96.00	18.20	114.20	2.08
Thoracic	9	16.00	4.20	20.20	2.24
Urology	800	860.00	212.40	1072.40	1.34
<b>TOTAL</b>	<b>5701</b>	<b>6,310.00</b>	<b>1,491.20</b>	<b>7801.20</b>	<b>1.37</b>

**PROCEDURE ROOM UTILIZATION FOR THE REPORTING YEAR**

SURGERY AREA	PROCEDURE ROOMS	SURGERY PREP and CLEAN-UP		TOTAL SURGERY (HOURS)	AVERAGE CASE TIME (HOURS)
		TOTAL SURGERIES	SURGERY TIME (HOURS)		
Cardiac Catheteriza	0	0	0	0	0.00
Gastro-Intestinal	0	0	0	0	0.00
Laser Eye	0	0	0	0	0.00
Pain Management	0	0	0	0	0.00
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>



← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION



08/07/10  
LOYOLA UNIV MED CTR D/B/A LOYOLA  
UNIV AMB SURG CTR LOYOLA OUTPT CTR  
2150 S. 1ST AVE, BLDG. 201  
MAYWOOD IL 60153

FEE RECEIPT NO. 3002

**Attachment 1**  
**Application Fee**

A check in the sum of Two Thousand, Five Hundred Dollars (\$2,500) and payable to the Illinois Department of Public Health is attached at Attachment 1.



**Attachment 3**  
**Narrative**

Trinity Health Corporation ("Trinity") hereby seeks a Certificate of Exemption ("COE") from the Illinois Health Facilities & Services Review Board (the "Board") to allow consummation of a proposed transaction (the "Transaction") between Trinity and Loyola University of Chicago (the "University"), whereby Trinity will replace the University as the sole member of Loyola University Health System ("LUHS").

Trinity is the fourth largest Catholic health care system in the country. Based in Novi, Michigan, Trinity operates 46 acute-care hospitals, 379 outpatient facilities, 33 long-term care facilities, and numerous home health offices and hospice programs in nine states. Employing more than 48,000 full-time staff, Trinity reported \$7.1 billion in unrestricted revenue in fiscal year 2010. As a not-for-profit health system, Trinity, through its ministry and operations, invests in its communities through programs which serve the poor and uninsured, manage chronic conditions such as diabetes, help educate residents on health care and health related issues, and provide outreach for the elderly. In fiscal year 2010, this included nearly \$456 million in such community benefits.

Based in the western suburbs of Chicago, Illinois, LUHS is a leading Catholic academic medical center with a multidisciplinary focus on delivering outstanding patient care, leading-edge research and rigorous medical, nursing and graduate education.

LUHS's 61-acre main medical center campus is located in Maywood, Illinois. Foster G. McGaw Hospital-Loyola University Medical Center ("LUMC") lies at the heart of the Maywood campus and is licensed for 569 beds. LUHS is the sole member of LUMC.

LUMC houses a Level 1 Trauma Center, a Burn Center and the Ronald McDonald® Children's Hospital of Loyola University Medical Center. The Cardinal Bernardin Cancer Center, Loyola Outpatient Center, Center for Heart & Vascular Medicine, Loyola Oral Health Center, and Loyola Center for Health & Fitness are also located on the Maywood campus.

LUMC also owns and operates a provider based, 8 operating room ambulatory surgery center on its main medical center campus in Maywood (the "Loyola University Ambulatory Surgery Center"). The Loyola University Ambulatory Surgery Center is the subject of this COE Application.

Because the Transaction will result in a change in the membership or sponsorship of a not-for-profit corporation that owns or controls an Illinois licensed health facility (as well as its physical plant and capital assets), the Transaction constitutes a change of ownership under Section 1130.140 of the Board's rules. The Transaction is contingent upon the approval of the Board and the granting of a COE.

The Transaction is expected to close on or about June 30, 2011, with an effective date of July 1, 2011.

This COE Application has been filed simultaneously with a COE Application for LUMC. The LUMC COE Application is the "lead" COE Application and the contents of the LUMC COE Application are incorporated herein by reference. This COE Application must be read in conjunction with the LUMC COE Application because the LUMC COE Application contains the relevant attachments and notes.