

ORIGINAL

13-012

RECEIVED

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR PERMIT

FEB 27 2013

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	Elmhurst Memorial Hospital		
Street Address:	155 E. Brush Hill Road		
City and Zip Code:	Elmhurst, IL 60126		
County:	DuPage	Health Service Area	VII Health Planning Area: A-05

Applicant /Co-Applicant Identification

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

Exact Legal Name:	Elmhurst Memorial Hospital		
Address:	155 E. Brush Hill Road Elmhurst, IL 60126		
Name of Registered Agent:	Mary Bartz Dano		
Name of Chief Executive Officer:	W. Peter Daniels		
CEO Address:	155 East Brush Hill Road Elmhurst, IL 60126		
Telephone Number:	331/221-1000		

Type of Ownership of Applicant/Co-Applicant

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> 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 during the review period]

Name:	Ms. Gail Warner
Title:	Vice President, Strategic Planning
Company Name:	Elmhurst Memorial Healthcare
Address:	155 East Brush Hill Road Elmhurst, IL 60126
Telephone Number:	331/221-1000
E-mail Address:	gwarner@emhc.org
Fax Number:	331/2213790

Additional Contact

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

Name:	Jacob M. Axel
Title:	President
Company Name:	Axel & Associates, Inc.
Address:	675 North Court Suite 210 Palatine, IL 60067
Telephone Number:	847/776-7101
E-mail Address:	jacobmaxel@msn.com
Fax Number:	847/776-7004

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

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

**This Section must be completed for all projects.**

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Street Address:	155 E. Brush Hill Road Elmhurst, IL		
City and Zip Code:	Elmhurst, IL 60126		
County:	DuPage	Health Service Area	VII
		Health Planning Area:	A-05

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Telephone Number:	331/221-1000

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<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental	
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/> Other

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APPLICATION FOR PERMIT**

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Street Address:	200 Berteau Avenue		
City and Zip Code:	Elmhurst, IL 60126		
County:	DuPage	Health Service Area	VII Health Planning Area: A-05

**Applicant /Co-Applicant Identification**

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

Exact Legal Name:	Cyberknife Center of Chicago, LLC
Address:	100 Bayview Circle Suite 400 Newport Beach, CA 92660
Name of Registered Agent:	
Name of Chief Executive Officer:	Cynthia Winkler, Executive Vice President
CEO Address:	40 Burton Hills Blvd. Suite 220 Nashville, TN 37215
Telephone Number:	615/665-8220

**Type of Ownership of Applicant/Co-Applicant**

<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership	
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental	
X	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/> Other

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E-mail Address:	jacobmaxel@msn.com
Fax Number:	847/776-7004

### Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE

Name:	Ms. Gail Warner
Title:	Vice President, Strategic Planning
Company Name:	Elmhurst Memorial Healthcare
Address:	155 East Brush Hill Road Elmhurst, IL 60126
Telephone Number:	331/221-1000
E-mail Address:	gwarner@emhc.org
Fax Number:	331/2213790

### Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Elmhurst Memorial Healthcare
Address of Site Owner:	155 East Brush Hill Road Elmhurst, IL 60126
Street Address or Legal Description of Site:	155 East Brush Hill Road Elmhurst, IL 60126
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:	Elmhurst Memorial Hospital	
Address:	155 E. Brush Hill Road Elmhurst, IL 60126	
<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"><li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li><li>o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.</li><li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li></ul>		
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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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:  <input checked="" type="checkbox"/> Substantive  Non-substantive	Part 1120 Applicability or Classification: [Check one only.]  <input type="checkbox"/> Part 1120 Not Applicable Category A Project <input checked="" type="checkbox"/> Category B Project <input type="checkbox"/> DHS or DVA Project
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## 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.

The applicants propose to relocate the oncology-related programs located on their Berteau Avenue campus to a cancer center to be located adjacent and connected to Elmhurst Memorial Hospital. The cancer center will be developed through new construction, and while the vast majority of services to be provided in the cancer center will be provided to outpatients, the center will be constructed consistent with hospital inpatient standards to allow for the occasional treatment of inpatients.

On June 5, 2012 the Illinois Health Facilities and Services Review Board approved Project 12-019, which had the same purpose as the project addressed in this *Application for Permit*. Since approval, the Permit holders have chosen to make one programmatic change to the project, the substituting of one PET/CT unit for one CT unit, and have received newly-estimated construction/contingency costs. The incremental construction/contingency and equipment costs negate the Permit holders' ability to secure an alteration to Project 12-019, under the State Board's rules, which limit alterations to 5% of the approved project cost. As a result, a second *Application for Permit* is being filed.

This is a substantive project because of the center's potential of treating inpatients.

PROJECT COSTS AND SOURCES OF FUNDS

	Clinical/ Reviewable	Non-Clinical/ Non-Reviewable	Total
<b>Project Costs:</b>			
Preplanning Costs	189,000	84,000	273,000
Site Survey and Soil Investigation	12,800	12,200	25,000
Site Preparation	178,614	171,386	350,000
Off Site Work	370,000	355,000	725,000
New Construction Contracts	5,992,800	3,682,200	9,675,000
Modernization Contracts	-	-	-
Contingencies	294,200	180,900	475,100
Architectural/Engineering Fees	400,000	187,700	587,700
Consulting and Other Fees	650,000	455,700	1,105,700
Movable and Other Equipment	3,661,500	827,000	4,488,500
Bond Issuance Expense			
Net Interest Expense During Construction			
Fair Mkt Value of Leased Space or Equip	3,500,000	-	3,500,000
Other Costs to be Capitalized	252,600	242,400	495,000
Acquisition of Building or Other Property			
<b>TOTAL COSTS</b>	<b>15,501,514</b>	<b>6,198,486</b>	<b>21,700,000</b>
<b>Sources of Funds:</b>			
Cash and Securities	12,001,514	6,198,486	18,200,000
Pledges			
Gifts and Bequests			
Bond Issues			
Mortgages			
Leases (fair market value)	3,500,000		3,500,000
Government Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL FUNDS</b>	<b>15,501,514</b>	<b>6,198,486</b>	<b>21,700,000</b>

**Related Project Costs**

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Purchase Price: \$ _____
Fair Market Value: \$ _____
The project involves the establishment of a new facility or a new category of service <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, provide the dollar amount of all <b>non-capitalized</b> operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.
Estimated start-up costs and operating deficit cost is \$ <u>not applicable</u>

**Project Status and Completion Schedules**

Indicate the stage of the project's architectural drawings:  None or not applicable <input type="checkbox"/> Preliminary Schematics <input checked="" type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>June 30, 2014</u>
Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):  <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies Project obligation will occur after permit issuance.
<b>APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**State Agency Submittals**

Are the following submittals up to date as applicable: X Cancer Registry X APORS X All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted X All reports regarding outstanding permits <b>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</b>
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## Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>							

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**.

<b>FACILITY NAME: Elmhurst Memorial Hospital</b>		<b>CITY: Elmhurst</b>			
<b>REPORTING PERIOD DATES: From: January 1, 2012 to: December 31, 2012</b>					
<b>Category of Service</b>	<b>Authorized Beds</b>	<b>Admissions</b>	<b>Patient Days</b>	<b>Bed Changes</b>	<b>Proposed Beds</b>
Medical/Surgical	198	8,815	43,257		198
Obstetrics	20	1,415	3,976		20
Pediatrics	6	147	297		6
Intensive Care	35	2,134	8,625		35
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness	0*	107	799		0*
Neonatal Intensive Care					
General Long Term Care	0*	98	1,615		0*
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify))					
<b>TOTALS:</b>	<b>259</b>	<b>12,716</b>	<b>58,569</b>		<b>259</b>

\*18 acute mental illness and 38 skilled nursing beds were discontinued on April 17, 2012 through Permit 12-006.

**CERTIFICATION**

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

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o 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);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Elmhurst Memorial Hospital \* 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.

*James F. Doyle*  
 SIGNATURE  
James F. Doyle  
 PRINTED NAME  
Sr. Vice President & CFO  
 PRINTED TITLE

*W. Peter Daniels*  
 SIGNATURE  
W. PETER DANIELS  
 PRINTED NAME  
PRESIDENT & CEO  
 PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 19 day of Feb 2013

Notarization:  
Subscribed and sworn to before me  
this 19 day of Feb 2013

*Denise M. Ertzman*  
Signature of Notary

Seal **OFFICIAL SEAL**  
**DENISE M. ERTSMAN**  
 NOTARY PUBLIC, STATE OF ILLINOIS  
 MY COMMISSION EXPIRES 10-9-2013

**OFFICIAL SEAL**  
**DENISE M. ERTSMAN**  
 NOTARY PUBLIC, STATE OF ILLINOIS  
 MY COMMISSION EXPIRES 10-9-2013  
 Signature of Notary

Seal

\*Insert EXACT legal name of the applicant

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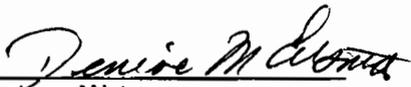
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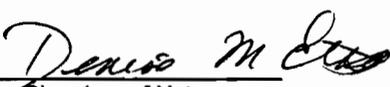
  
SIGNATURE  
James F. Doyle  
PRINTED NAME  
Sr. Vice President & CFO  
PRINTED TITLE

  
SIGNATURE  
W. PETER DANIG  
PRINTED NAME  
PRESIDENT + CEO  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 19 day of Feb 2013

Notarization:  
Subscribed and sworn to before me  
this 19 day of Feb 2013





Signature of Notary  
OFFICIAL SEAL  
Seal DENISE M. ERTSMAN  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES 10-9-2013

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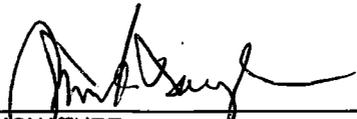
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This Application for Permit is filed on the behalf of Cyberknife Center of Chicago, LLC\* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority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

  
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SIGNATURE  
James F. Doyle  
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Sr. Vice President & CFO  
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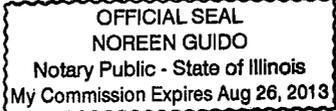
\_\_\_\_\_  
SIGNATURE  
\_\_\_\_\_  
PRINTED NAME  
\_\_\_\_\_  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 20<sup>th</sup> day of February, 2013

Notarization:  
Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_

  
\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Signature of Notary

Seal 

Seal

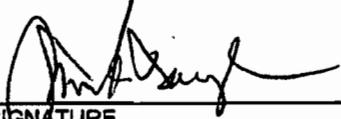
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SIGNATURE  
James F. Doyle  
PRINTED NAME  
Sr. Vice President & CFO  
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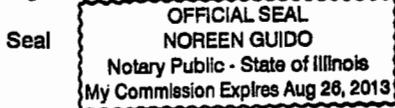
  
SIGNATURE  
CYNTHIA A. WINKEL  
PRINTED NAME  
MANAGING MEMBER  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 20<sup>th</sup> day of February, 2013

Notarization:  
Subscribed and sworn to before me  
this 21 day of February, 2013

  
Signature of Notary

  
Signature of Notary



\*Insert EXACT legal name of the applicant

**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:**

**not applicable**

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 tot be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
  - a. Requirements of governmental or certification agencies; or
  - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
  - a. Historical utilization for the area for the latest five-year period for which data are available; and
  - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

**APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**ASSURANCES:**

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

**APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**R. Criterion 1110.3030 - Clinical Service Areas Other than Categories of Service**

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than Categories of Service must submit the following information:
2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
<input type="checkbox"/> conventional radiation therapy	1	1
<input type="checkbox"/> CyberKnife	1	1
<input type="checkbox"/> infusion therapy*	19	23

\*10 stations are currently located on the hospital campus, 9 on the Berteau Avenue campus, and 7 in Lombard. The three sites will be consolidated in the proposed cancer center. 1 PET/CT unit will be provided. EMH current has no PET units and 3 CT units.

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
New Services or Facility or Equipment	(b) -	Need Determination - Establishment
Service Modernization	(c)(1) -	Deteriorated Facilities
		and/or
	(c)(2) -	Necessary Expansion
		PLUS
	(c)(3)(A) -	Utilization - Major Medical Equipment
		Or
	(c)(3)(B) -	Utilization - Service or Facility
<b>APPEND DOCUMENTATION AS ATTACHMENT-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>		

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:**

_ \$18,200,000 _	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: <ol style="list-style-type: none"> <li>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</li> <li>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;</li> </ol>
_____	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;
_____	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: <ol style="list-style-type: none"> <li>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;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>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.;</li> <li>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;</li> <li>5) For any option to lease, a copy of the option, including all terms and conditions.</li> </ol>
_____	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;
_ \$3,500,000 _	f)	Fair Market Value of leased equipment
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<b>\$21,700,000</b>	<b>TOTAL FUNDS AVAILABLE</b>	

**APPEND DOCUMENTATION AS ATTACHMENT-39. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

IX. 1120.130 - Financial Viability

NOT APPLICABLE, NO DEBT

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. All of the projects capital expenditures are completely funded through internal sources
2. 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
3. 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-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
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 41, 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**

**NOT APPLICABLE, NO DEBT**

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

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

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

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
<b>TOTALS</b>									

\* 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 -42, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**XI. Safety Net Impact Statement**

**SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:**

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

**Safety Net Impact Statements shall also include all of the following:**

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

**A table in the following format must be provided as part of Attachment 43.**

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	2009	2010	2011
Inpatient	748	1,116	1,184
Outpatient	3,329	4,006	5,122
<b>Total</b>	<b>4,077</b>	<b>5,112</b>	<b>6,306</b>
Charity (cost in dollars)			
Inpatient	\$3,454,758	\$3,931,342	\$4,358,611
Outpatient	\$2,615,326	\$3,159,949	\$3,660,264
<b>Total</b>	<b>\$6,070,084</b>	<b>\$7,091,291</b>	<b>\$8,018,875</b>
MEDICAID			
Medicaid (# of patients)	2009	2010	2011
Inpatient	1,183	1,217	1,154
Outpatient	36,714	38,640	40,477
<b>Total</b>	<b>37,897</b>	<b>39,857</b>	<b>41,431</b>
Medicaid (revenue)			
Inpatient	\$7,579,913	\$8,857,501	\$4,753,178
Outpatient	\$1,871,109	\$3,245,659	\$3,465,376
<b>Total</b>	<b>\$9,451,022</b>	<b>\$12,103,160</b>	<b>\$8,218,554</b>

**APPEND DOCUMENTATION AS ATTACHMENT-43, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**XII. Charity Care Information**

Charity Care information **MUST** be furnished for **ALL** projects.

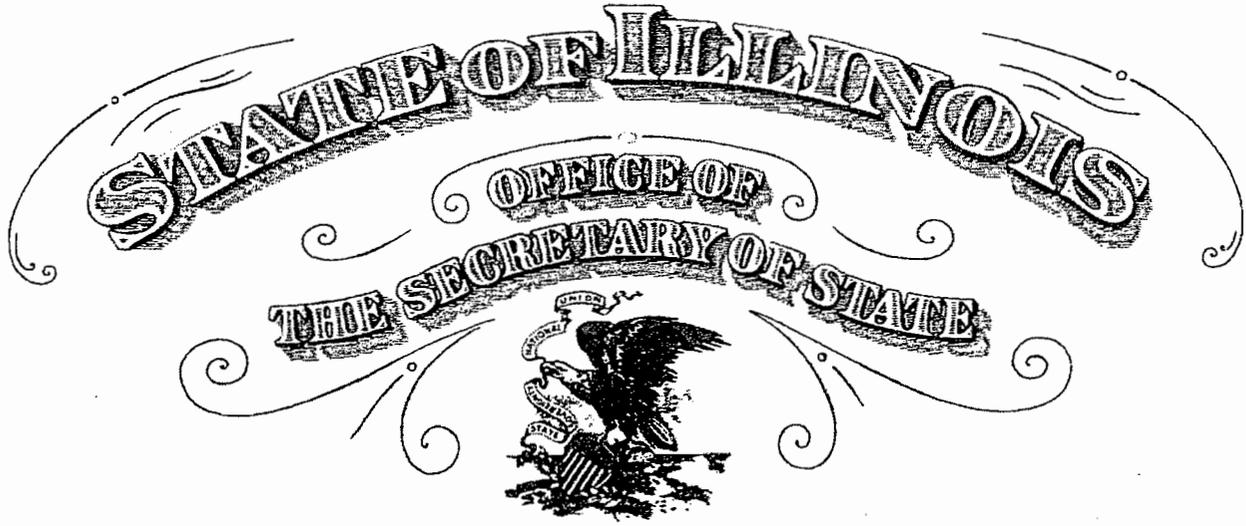
1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care **must** be provided at cost.

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

CHARITY CARE			
	2009	2010	2011
<b>Net Patient Revenue</b>	<b>\$306,696,734</b>	<b>\$296,664,159</b>	<b>\$307,554,019</b>
Amount of Charity Care (charges)	\$24,238,835	\$29,588,271	\$32,726,675
Cost of Charity Care	\$6,070,084	\$7,091,291	\$8,018,875

**APPEND DOCUMENTATION AS ATTACHMENT-44. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**



**To all to whom these Presents Shall Come, Greeting:**

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that*

ELMHURST MEMORIAL HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 28, 1934, 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.



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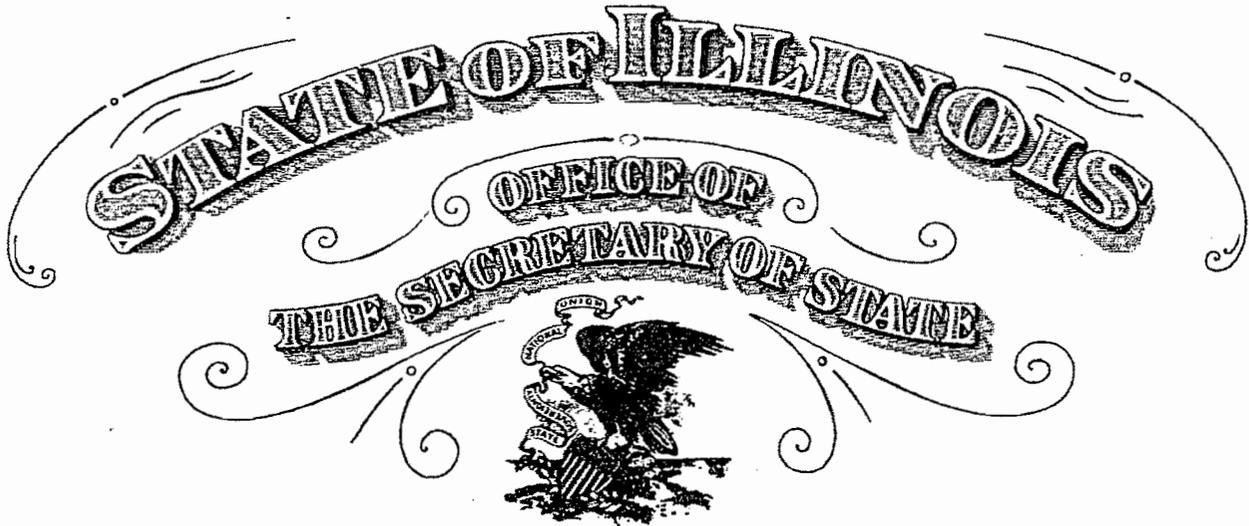
Authenticate at: <http://www.cyberdriveillinois.com>

**In Testimony Whereof,** I hereto set  
my hand and cause to be affixed the Great Seal of  
the State of Illinois, this 14TH  
day of FEBRUARY A.D. 2013 .

*Jesse White*

SECRETARY OF STATE

ATTACHMENT 1



**To all to whom these Presents Shall Come, Greeting:**

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that*

ELMHURST MEMORIAL HEALTHCARE, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 06, 1995, 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.



Authentication #: 1304501072

Authenticate at: <http://www.cyberdriveillinois.com>

***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 14TH day of FEBRUARY A.D. 2013***

*Jesse White*

SECRETARY OF STATE

ATTACHMENT 1



*To all to whom these Presents Shall Come, Greeting:*

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that*

CYBERKNIFE CENTER OF CHICAGO, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON SEPTEMBER 02, 2009, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



Authentication #: 1304501338

Authenticate at: <http://www.cyberdriveillinois.com>

*In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 14TH day of FEBRUARY A.D. 2013*

*Jesse White*

SECRETARY OF STATE

ATTACHMENT 1

# The Zurich Edge-Healthcare



# ZURICH



ZURICH

THIS DISCLOSURE IS ATTACHED TO AND MADE PART OF YOUR POLICY.

## DISCLOSURE OF IMPORTANT INFORMATION RELATING TO TERRORISM RISK INSURANCE ACT

### SCHEDULE\*

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA:

Not Applicable—Terrorism Exclusion

\*Any information required to complete this Schedule, if not shown above, will be shown in the Declarations.

#### A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

#### B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government may pay a share of insured losses resulting from an act of terrorism. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the insurer retention. The insurer retention equals 20% of the insurer's prior calendar year direct earned premium associated with lines of insurance subject to TRIA. TRIA is scheduled to expire on December 31, 2014.

#### C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a Program Year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

#### D. Availability

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

#### E. Definition of Act of Terrorism under TRIA

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:

1. to be an act of terrorism;
2. to be a violent act or an act that is dangerous to human life, property or infrastructure;
3. to have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

**Preamble**



THE STOCK INSURANCE COMPANY indicated in the Declarations, having its principal office at Zurich Towers, 1400 American Lane, Schaumburg, Illinois, 60196-1056, (hereinafter referred to as the Company) in return for the premium charged and subject to all the terms of this Policy, agrees with our Named Insured as indicated in the Declarations, to provide the insurance stated in this policy. This policy shall not be valid unless countersigned by the duly Authorized Representative of the Company.

In Witness Whereof, this Company has executed and attested these presents, and where required by law, has caused this Policy to be countersigned by its duly authorized Representative.

*Nancy D. Mueller*

President

*Don J. Keagy*

Secretary

QUESTIONS ABOUT YOUR INSURANCE? Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich North America  
Customer Inquiry Center  
1400 American Lane  
Schaumburg, Illinois 60196-1056  
1-800-382-2150 (Business Hours: 8am-4pm (CT))

*Don M. Aho*  
Authorized Representative

05/02/2011  
Date

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EDGE 456-A

- 3 -

ATTACHMENT 2

# The Zurich Edge - Healthcare



Policy Number  
ZMD 9336810-00

Named Insured and Mailing Address  
ELMHURST MEMORIAL HEALTHCARE  
200 NORTH BERTEAU AVENUE  
ELMHURST  
IL 60126-2966

ELMHURST MEMORIAL HEALTHCARE and any subsidiary, and ELMHURST MEMORIAL HEALTHCARE interest in any partnership or joint venture in which ELMHURST MEMORIAL HEALTHCARE has management control or ownership as now constituted or hereafter is acquired, as the respective interest of each may appear. All hereafter referred to as the "Insured", including legal representatives.

Insurance is provided by the following Stock Company  
**AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY**  
hereafter referred to as the "Company",

Producer  
JAMES AND GABLE INSURANCE BROKERS  
1660 OLYMPIC BLVD  
SUITE 325  
WALNUT CREEK, CA 94596-5152

Policy Period  
Coverage begins 05/01/2011 at 12:01 AM; Coverage ends 07/01/2012 at 12:01 AM

### Proportionate Share of Company for Loss or Damage

This Policy's proportionate share of loss or damage after the application of any deductible amount is:

100 % Quota Share: Being \$750,000,000 part of a \$750,000,000 primary loss layer

Annual Policy Premium  
\$414,700

Surcharges, Taxes & Fees  
0

Total Policy Premium  
\$414,700

EDGE-D-102-A (06/08)  
ID  
ATTACHMENT 2

34

## SECTION I - INSURING AGREEMENT

### A. COVERAGE

The Company will pay for direct physical loss of or damage caused by a **Covered Cause of Loss** to Covered Property, at an Insured Location described in the Declarations. All subject to the terms, conditions and exclusions stated in this Policy.

### B. POLICY PERIOD

Coverage under this Policy applies to covered loss or damage that begins during the Policy Period stated on the Declarations Page.

### C. TERRITORY

Coverage under this Policy applies to all covered loss or damage that takes place in the United States of America, its territories and possessions, including the District of Columbia and the Commonwealth of Puerto Rico.

## SECTION II - DECLARATIONS

### A. INSURED LOCATION

1. The Coverages under this Policy apply to an Insured Location unless otherwise provided. An Insured Location is a Location:
  - a). Listed on Schedule of Locations on file with Company;
  - b). Covered as a Miscellaneous Unnamed Location; and
  - c). Covered under the terms and conditions of the Newly Acquired Coverage or Errors and Omissions Coverage.

### B. CURRENCY

All amounts, including deductibles and limits of liability, indicated in this Policy are in USD unless otherwise indicated by the three-letter currency designator as defined in Table A.1 Currency and Funds code list, International Standards Organization (ISO) 4217, edition effective at inception of this Policy.

### C. POLICY LIMITS OF LIABILITY

The Policy Limit is \$750,000,000 for the total of all coverages combined. This includes any insured Time Element loss, regardless of the number of Locations involved subject to the following provisions:

1. The Company will pay no more in any one (1) Occurrence than its proportionate share of the Policy Limit.
2. Limits of Liability stated below or elsewhere in this Policy are part of, and not in addition to, the Policy Limit.
3. Limits of Liability in an Occurrence apply to the total loss or damage, including any insured Time Element loss, at all Locations and for all Coverages involved, subject to the following provisions:

a). The Company will pay no more in any one (1) Occurrence than its proportionate share of the applicable Location Limit when a Location Limit is specified, except as provided in 1) and 2) below for loss or damage at a Location listed on the Schedule of Locations-Description of Location and Location Limit.

1). When Special Coverages are provided, the Special Coverage limits are in addition to the specified Location Limits.

2). The most the Company will pay at a Location is the lesser of:

i). The specified Location Limit plus any applicable Special Coverage limit(s);

ii). The Described Causes of Loss Limit; or

iii). The Described Causes of Loss Limit at that specific Location.

b). The most the Company will pay in an Occurrence caused by a Described Cause of Loss is the Limit of Liability for that Described Cause of Loss.

c). When an Annual Aggregate Limit of Liability is shown, the Company's maximum amount payable will not exceed such Limit of Liability during the policy year regardless of the number of Locations, Coverages or Occurrences involved.

4. Limits of Liability

The following are the Limits of Liability in an Occurrence unless otherwise shown:

\$750,000,000	Property Damage (PD) and Time Element (TE) combined per location at all Locations described in the Schedule of Values dated 5/1/2011
\$25,000,000	EXTRA EXPENSE (including removal and return of patients due to physical damage) and EXPEDITING COSTS Combined
\$25,000,000	LEASEHOLD INTEREST
\$100,000,000	ACCOUNTS RECEIVABLE
\$100,000,000	BRANDS AND LABELS
\$2,500,000	COMPUTER SYSTEMS DAMAGE in the Annual Aggregate
\$20,000,000	CONTINGENT TIME ELEMENT
\$100,000,000	DEBRIS REMOVAL
\$25,000,000	DECONTAMINATION COSTS (including communicable disease due to physical damage.)
\$10,000,000	DEFERRED PAYMENTS
\$100,000,000	DEMOLITION AND INCREASED COST OF CONSTRUCTION
\$10,000,000	ERRORS AND OMMISIONS
\$10,000,000	FINE ARTS
\$1,000,000	HOME HEALTHCARE MEDICAL EQUIPMENT
\$1,000,000	LAND AND WATER CONTAMINANT CLEANUP, REMOVAL AND DISPOSAL in the Annual Aggregate.
\$5,000,000	LAND IMPROVEMENTS
\$10,000,000	MISCELLANEOUS UNNAMED LOCATION
\$500,000	MOBILE MEDICAL EQUIPMENT
\$15,000,000	OFF PREMISES SERVICE INTERRUPTION, PROPERTY DAMAGE AND TIME ELEMENT Combined
\$25,000	PROFESSIONAL FEES - Plus 50% of the amount recoverable in excess of \$25,000 up to \$1,000,000
\$250,000	PROTECTION OF PATIENTS in excess of \$250,000 - No physical damage

\$500,000	RADIOACTIVE CONTAMINATION
\$100,000,000	RESEARCH AND DEVELOPMENT
\$25,000	RESEARCH ANIMALS in excess of \$50,000
\$5,000,000	SPOILAGE
\$25,000,000	TEMPORARY REMOVAL OF PERSONAL PROPERTY
\$250,000	TENANTS PROHIBITED ACCESS
\$10,000,000	TRANSIT
\$100,000,000	VALUABLE PAPERS AND RECORDS
\$50,000,000	NEW CONSTRUCTION, ALTERATIONS, ADDITIONS RENOVATIONS AND REPAIRS
\$10,000,000	DELAY IN COMPLETION
\$10,000,000	OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION
\$10,000,000	SOFT COSTS
\$750,000,000	BREAKDOWN OF EQUIPMENT
\$100,000,000	<b>EARTH MOVEMENT</b> in the Annual Aggregate but not to exceed the following limits in the Annual Aggregate:  a). NCP for property located in Zone 1 for Earth Movement as defined in Appendix A & B. b). \$25,000,000 for property located in Zone 2 for Earth Movement as defined in Appendix A & B.
\$100,000,000	<b>FLOOD</b> in the Annual Aggregate but not to exceed the following limits in the Annual Aggregate:  a). \$10,000,000 As respects Locations with any part of the legal description within a 100-year flood plain, except: \$100,000,000 as respects the location at 155 Brush Hill Road, Elmhurst, IL b). \$15,000,000 As respects Locations outside a 100-year flood plain, but with any part of the legal description within a 500-year flood plain.
100,000,000	<b>NAMED STORM</b> in the Annual Aggregate but not to exceed the following limits in the Annual Aggregate:  a). \$25,000,000 for property located in Zone 1 as defined in Appendix C & D. b). \$50,000,000 for property located in Zone 2 as defined in Appendix C & D.

5. Time and Distance Limits of Liability: In addition to the Limits of Liability shown elsewhere in this Policy, the following apply:

120 day period but not to exceed a \$10,000,000 limit per Location.	NEWLY ACQUIRED
30 day period for property within 5 mile but not to exceed a \$10,000,000 limit.	CIVIL AUTHORITY
30 day period for property within 5 mile but not to exceed a \$10,000,000 limit.	INGRESS/EGRESS
30 day period but not to exceed a \$1,000,000 limit.	INTERNATIONAL INTERDEPENDENCY
30 days	EXTENDED PERIOD OF LIABILITY
30 day period but not to exceed a \$250,000 limit.	INTERRUPTION BY COMMUNICABLE DISEASE
120 days.	ORDINARY PAYROLL
48 hours but not to exceed \$25,000,000 limit.	PROTECTION AND PRESERVATION OF PROPERTY
30 day period but not to exceed a \$250,000 limit.	RESTORATION OF EMERGENCY GENERATORS

6. Time Specifications: As follows:

EARTH MOVEMENT Occurrence	72 hours
NAMED STORM Occurrence	72 hours
Cancellation for nonpayment of premium	10 days
Cancellation for any other reason	90 days

**D. PREMIUM PAYABLE**

This Policy is issued in consideration of an initial premium. The First Named Insured shown on the Policy is responsible for the payment of all premiums and will be the payee for any return premiums paid by the Company. Premiums will be paid in the currency designated in Section II-Declaration B. Currency.

**E. QUALIFYING PERIOD**

For the Coverages listed below the following Qualifying Period applies:

OFF PREMISES SERVICE INTERRUPTION PROPERTY DAMAGE & TIME ELEMENT COVERAGE	24 hours
COMPUTER SYSTEMS DAMAGE COVERAGE	12 hours
TENANTS PROHIBITED ACCESS COVERAGE	2 days
INTERRUPTION BY COMMUNICABLE DISEASE	24 hours

**F. DEDUCTIBLES**

Each claim for loss or damage as insured against arising out of any one (1) Occurrence shall be adjusted separately. The Company shall not be liable unless the Insured sustains loss or damage including any insured Time Element Loss, in excess of the amount(s) stated below and then only for the proportionate share of such excess amount(s).

1. When this Policy insures more than one Location, the deductible will apply against the total loss or damage covered by this Policy in an Occurrence. However, a deductible that applies on a per Location basis, will apply separately to each Location where the physical loss or damage occurred regardless of the number of Locations involved in the Occurrence.
2. Unless stated otherwise, if two or more deductibles apply to an Occurrence, the total deducted will not exceed the largest applicable deductible. If two or more deductibles apply on a per Location basis in an Occurrence, the largest deductible applying to each Location will be applied separately to each such Location.
3. If separate Property Damage and Time Element loss deductibles are shown, then the deductibles shall apply separately.
4. Policy Deductible(s)
  - a). \$50,000 Property Damage (PD) & Time Element (TE) combined per Occurrence except as follows:
    - 1). Contingent Time Element  

\$50,000 per Location at each Direct Dependent Time Element Location, Indirect Dependent Time Element Location, and Attraction Property where the physical loss or damage occurs regardless of any other deductibles that may also apply.
    - 2). Earthquake  

The following deductibles apply to loss or damage caused by or resulting from earthquake. This earthquake deductible will apply regardless of any other deductibles that may also apply.

      - i). \$50,000 combined coverages per Occurrence except as follows:
      - ii). As respects Locations in Zone 2:
        - aa). Property Damage – 2 % of the value per the most current Statement of Values on file with the company as of the date of loss, for the Location where the direct physical loss or damage occurred, per Location.

bb). Time Element - 2% of the full 12 months Gross Earnings or Gross Profit values that would have been earned following the Occurrence by use of the facilities at the Location where the direct physical loss or damage occurred and all other Locations where Time Element loss ensues, per Location.

cc). The above earthquake deductibles are subject to a minimum deductible of \$250,000 for Property Damage and Time Element combined per Occurrence.

3). Flood

The following deductibles apply to loss or damage caused by or resulting from Flood. This Flood deductible will apply regardless of any other deductibles that may also apply.

i). \$50,000 combined coverages per Occurrence except as follows:

ii). As respects Locations with any part of the legal description within a 100-year flood plain:

✓ \$1,000,000 combined coverages per Occurrence, except \$50,000 combined coverages as respects the location at 155 Brush Hill Road, Elmhurst, IL

iii). As respects Locations outside a 100-year flood plain, but with any part of the legal description within a 500-year flood plain:

\$500,000 combined coverages per Occurrence

4). Named Storm

The following deductibles apply to loss or damage caused by or resulting from Named Storm. The Named Storm deductible will apply regardless of any other deductibles that may also apply.

i). \$50,000 combined coverages per Occurrence except as follows:

ii). As respects Locations in Zone 1:

aa). Property Damage 5% of the value per the most current Statement of Values on file with the company as of the date of loss, for the Location where the direct physical loss or damage occurred, per Location.

bb). Time Element 5% of the full 12 months Gross Earnings or Gross Profit values that would have been earned following the Occurrence by use of the facilities at the Location where the direct physical loss or damage occurred and all other Locations where Time Element loss ensues, per Location.

cc). The above **Named Storm** deductibles are subject to a minimum deductible of **\$250,000** for Property Damage and Time Element combined per Occurrence.

i). As respects Locations in Zone 2:

aa). Property Damage **2%** of the value per the most current Statement of Values on file with the company as of the date of loss, for the Location where the direct physical loss or damage occurred, per Location.

bb). Time Element **2%** of the full 12 months Gross Earnings or Gross Profit values that would have been earned following the Occurrence by use of the facilities at the Location where the direct physical loss or damage occurred and all other Locations where Time Element loss ensues, per Location.

cc). The above **Named Storm** deductibles are subject to a minimum deductible of **\$250,000** for Property Damage and Time Element combined per Occurrence.

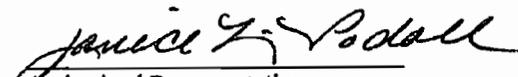
5). Breakdown of Equipment deductible

i). **\$50,000 Property Damage (PD) & Time Element (TE) combined per Occurrence** for loss or damage caused by Breakdown.

6). Water or Liquid Damage

The following deductible applies to loss or damage caused by or resulting from covered water or other liquids not otherwise excluded, but not caused by flood or by leakage from fire protective equipment.

i). **\$50,000 combined coverages per Occurrence**

  
Authorized Representative

Janice Podoll

Print Name of Authorized Rep.



Date

San Francisco, CA

Office



*To all to whom these Presents Shall Come, Greeting:*

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that*

ELMHURST MEMORIAL HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 28, 1934, 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.



Authentication #: 1304501062

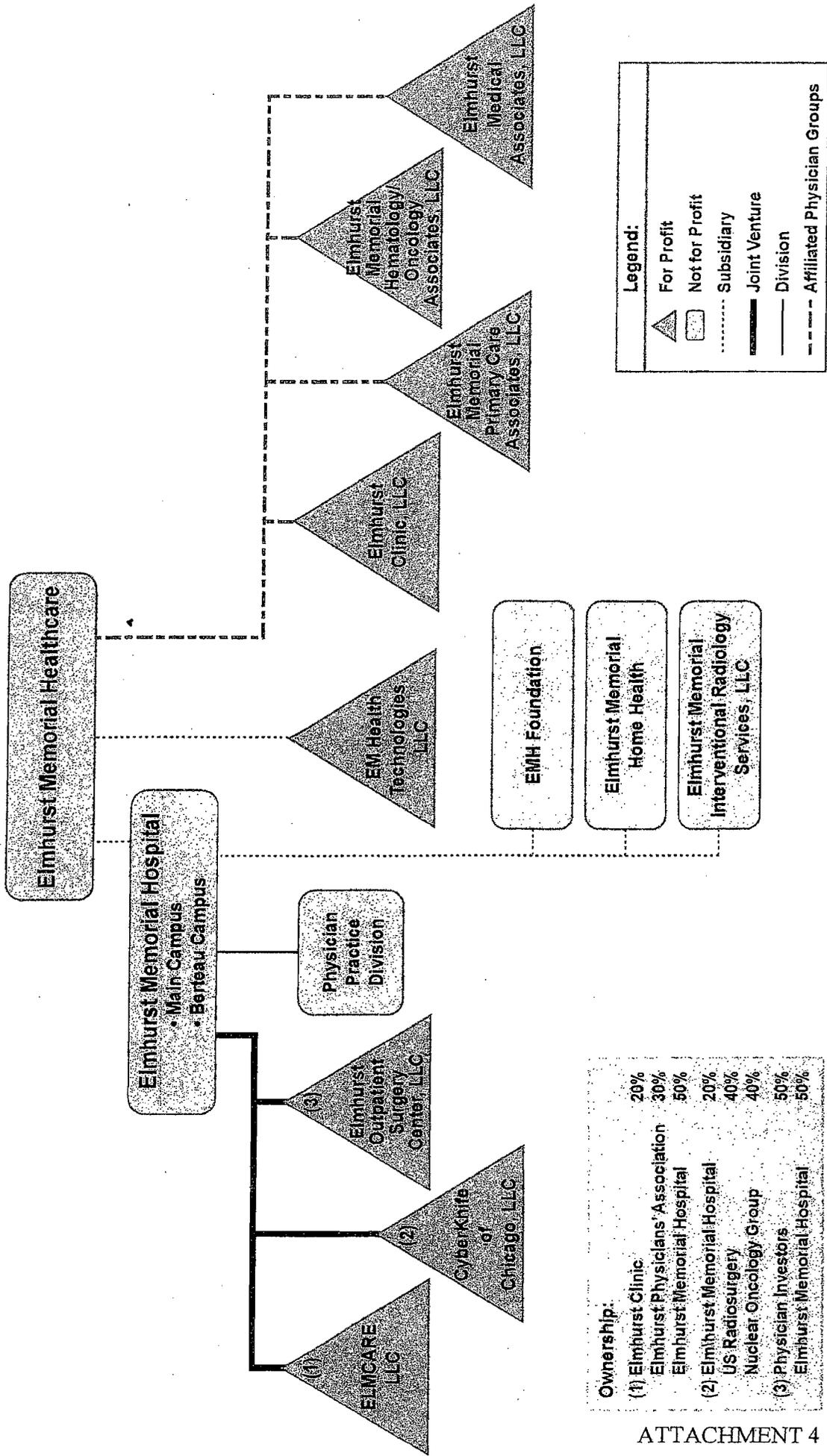
Authenticate at: <http://www.cyberdriveillinois.com>

*In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 14TH day of FEBRUARY A.D. 2013*

*Jesse White*

SECRETARY OF STATE  
ATTACHMENT 3

# Elmhurst Memorial Healthcare – Organizational Chart





## Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271  
www.dnr.illinois.gov

Pat Quinn, Governor  
Marc Miller, Director

Office of Water Resources, 2050 W. Stearns Road, Bartlett, IL 60103

February 23, 2012

Mr. Bryan Reiger, P.E.  
V3 Companies of Illinois  
7325 Janes Avenue  
Woodridge, IL 60517

RE: Cancer Center addition at Elmhurst Memorial Hospital, Illinois

Dear Mr. Reiger:

Thank you for requesting a floodplain determination for the proposed addition to the Elmhurst Memorial Hospital for the Cancer Center in Elmhurst, Illinois to ensure compliance with Illinois Executive Order V 2006 (E.O. V).

In brief, E.O. V (2006) requires that state agencies which plan, promote, regulate, or permit activities, as well as those which administer grants or loans in the State's floodplain areas, must ensure that all projects meet the standards of the state floodplain regulations or the National Flood Insurance Program (NFIP) whichever is more stringent. These standards require that new or substantially improved buildings as well as other development activities be protected from damage by the 100-year flood. In addition, no construction activities in the floodplain may cause increases in flood heights or damages to other properties. Lastly, development activities which are determined to be "critical facilities" must be protected to the 500-year flood elevation.

Based on the information you have provided, we have determined that this parcel is located within a designated 100-year floodplain and therefore would fall under the requirements of E.O. V. Hospitals are specifically listed as a "critical facility". The Executive Order requires that all new Critical Facilities shall be located outside of the floodplain. Where this is not practicable, Critical Facilities shall be developed with the lowest floor elevation equal to or greater than the 500-year frequency flood elevation or structurally dry floodproofed to at least the 500-year frequency flood elevation. Based on the site plans you have submitted, it appears that the new Cancer Center addition does meet these lowest floor requirements and will be elevated above the 500-year flood level. This letter only addresses E.O. V requirements and does not address any LOMR-F issues.

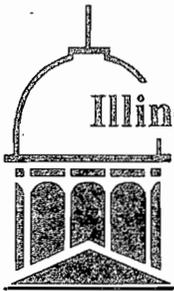
Should you have any questions or comments regarding this flood hazard determination, feel free to contact me at (847) 608-3100 ext 2059.

Sincerely,

Brian A. Eber, CFM  
Office of Water Resources / NE Floodplain Program Coordinator

cc: Paul Osman, IDNR/OWR

ATTACHMENT 5



Illinois Historic  
Preservation Agency

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • [www.illinois-history.gov](http://www.illinois-history.gov)

DuPage County  
Elmhurst

PLEASE REFER TO: IHPA LOG #007123011

155 East Bush Hill Road  
New construction, Cancer Center, Elmhurst Memorial Hospital

January 11, 2012

Jacob Axel  
Axel & Associates, Inc.  
675 North Court, Suite 210  
Palatine, IL 60067

Dear Mr. Axel:

The Illinois Historic Preservation Agency is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. Pursuant to this, we have received information regarding the referenced project for our comment.

Our staff has reviewed the specifications under the state law and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

Sincerely,

Anne E. Haaker  
Deputy State Historic  
Preservation Officer

ATTACHMENT 6

## PROJECT COSTS

### Preplanning Costs (\$273,000)

Estimate of the costs of feasibility studies, evaluation of alternatives, and the decision-making process to proceed.

### Site Survey and Soil Investigation (\$25,000)

Estimate, based on projects of a similar scope.

### Site Preparation (\$350,000)

Estimate of the costs associated with grading, landscaping, and exterior signage.

### Off-Site Work (\$725,000)

Estimate of the costs associated with providing utilities, drainage, walkways and driveways, and paving.

### New Construction Contracts (\$9,675,000)

Estimate of materials and labor costs directly associated with construction.

### Contingencies (\$475,100)

Allowance for unexpected construction-related expenses.

### Architectural and Engineering Fees (\$475,100)

Estimate of architectural fees associated with design and interface with governmental entities, and structural, mechanical, plumbing and electrical engineering processes.

### Consulting and Other Fees (\$1,105,700)

Estimate of CON-related costs, permitting, reimbursables, radiation shielding consultant, interior design, landscape design, interior signage and artwork consulting, materials testing, legal services, builder's risk insurance, and miscellaneous costs.

### Movable Equipment (\$4,488,500)

Estimate of the cost of all equipment to be owned by the Permit Holder, including PET CT (\$2,100,000) other medical equipment (\$531,000), cyberknife relocation (\$277,000), IT and communications equipment (\$1,195,400), and fixtures and furniture (\$385,100).

### Fair Market Value of Leased Equipment (\$3,500,000)

Acquisition value of a linear accelerator to be leased.

Other Costs to be Capitalized (\$495,000)

Estimates of the cost associated with extending utilities and a pneumatic tube system from the hospital to the cancer center, utilities during construction, and relocation and move-in costs.

**Elmhurst Memorial Hospital**  
**New Main Campus**  
Elmhurst, IL

has been Accredited by



**The Joint Commission**

Which has surveyed this organization and found it to meet the requirements for the

**Hospital Accreditation Program**

April 30, 2011

Accreditation is customarily valid for up to 36 months.

Isabel V. Hoverman, MD, MACP  
Chair, Board of Commissioners

Organization ID #: 7341  
Print/Reprint Date: 07/28/11

Mark R. Chassin, MD, FACP, MPP, MPH  
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at [www.jointcommission.org](http://www.jointcommission.org).



This reproduction of the original accreditation certificate has been issued for use in regulatory/payer agency verification of accreditation by The Joint Commission. Please consult Quality Check on The Joint Commission's website to confirm the organization's current accreditation status and for a listing of the organization's locations of care.

## PURPOSE

The proposed project addresses the relocation of Elmhurst Memorial Hospital's outpatient oncology-related programs from the hospital's original campus on Berteau Avenue to the hospital's new campus, approximately three miles from the original site. While long-range plans envisioned the relocating of the services, at the time plans for the hospital's relocation were being developed, 7-8 years ago, relocation of the cancer programs concurrent with the relocation of a majority of the hospital's other services was omitted from the plans in order to defer the associated costs. With the changing economic environment and the duplicative and incremental costs associated with operating two campuses, the decision was made to phase out acute care services on the original (Berteau Avenue) campus, and this project represents the second phase of doing so. A separate application, which included the discontinuation of the remaining inpatient services on the Berteau Avenue campus, was filed in January 2011, and subsequently approved by the IHFSRB.

The proposed project will address a number of problems and/or issues, including the need to expand treatment capacity in Elmhurst, primarily in the area of infusion therapy; the need to create a greater synergy between the oncology-related programs and services and the other services provided through EMH; the need to improve patient processing, from registration through treatment and discharge, by means of an efficiently-designed facility; the need to improve the manner in which PET services are being provided to EMH patients, and the desirability of having oncologists' offices in close proximity to the diagnosis and outpatient treatment programs.

Oncology services, including those to be located in the proposed cancer center replacement, have become a primary service provided by virtually every community hospital. Recently in the western suburbs, hospitals such as Central DuPage Hospital, Edward Hospital, Kishwaukee Community Hospital and Delnor Hospital have either developed or are developing similar cancer centers, and Sherman Hospital, Silver Cross Hospital and Rush Copley Medical Center have included significant oncology services in recent construction programs. Clearly, oncology programs, as those addressed through the proposed project, provide services that improve the health care and well-being of the service area's population.

Because of the close proximity between the programs' current location and the proposed site, which is adjacent and connected to Elmhurst Memorial Hospital (EMH), it is not anticipated that access to services will be diminished in any way; nor will the programs' patient origin change in any appreciable way. Below is a table, identifying the hospital's patient origin for the 12-month period ending June 30, 2011. It is anticipated that the cancer center's radiation and infusion therapy programs' patient origin will be virtually identical to that of the hospital as a whole. Please refer to ATTACHMENT 37b for an analysis of the CyberKnife program's patient origin.

ZIPCode	Community	YE 6/30/11		
		Admissions	% of Total	Cum %
60126	Elmhurst	3,120	19.81%	19.81%
60181	Villa Park	1,380	8.76%	28.58%
60148	Lombard	1,405	8.92%	37.50%
60101	Addison	1,406	8.93%	46.42%
60106	Bensenville	1,285	8.16%	54.58%
60164	Northlake	1,121	7.12%	61.70%
60191	Wood Dale	353	2.24%	63.94%
60162	Hillside	318	2.02%	65.96%
60131	Franklin Park	349	2.22%	68.18%
60163	Berkeley	314	1.99%	70.17%
60139	Glendale Heights	231	1.47%	71.64%
60104	Bellwood	223	1.42%	73.06%
60523	Oak Brook	177	1.12%	74.18%
60154	Westchester	192	1.22%	75.40%
60160	Melrose Park	239	1.52%	76.92%
60137	Glen Ellyn	162	1.03%	77.95%
60108	Bloomington	196	1.24%	79.19%
	other, < 1.00%	3,277	20.81%	100.00%
	TOTAL	15,748		

The table above clearly demonstrates that the program will serve primarily residents of the eastern DuPage and far western Cook County communities that surround the hospital. As a result, it will provide services primarily to residents of its service area.

Information used to design the project, both programmatically and from a facility perspective, included hospital records, IDPH utilization data, IDPH and IHFSRB guidelines, site visits to other cancer centers, the experience of the project architects, and data from external sources such the American College of Surgeons and the American Cancer Society, The Advisory Board, and Sg2.

The success of the project will be measurable, based on achieving the following goals, beginning with the completion of the project:

- Improved efficiency and reduced operating costs in the outpatient treatment of oncology patients
- Reduced reliance on out-of-area oncology programs by service area residents
- Provision of facilities that promote safe and efficient patient care in a dignified and comforting setting
- The ability to provide PET services up to seven days-a-week
- The ability to provide PET services to EMH inpatients
- Availability of sufficient capacity to address demand.

## ALTERNATIVES

The proposed project will allow Elmhurst Memorial Healthcare to relocate its oncology program—including radiation therapy, CyberKnife, and medical oncology/infusion therapy--- from its Berteau campus to the Elmhurst Memorial Hospital main campus at 133 E. Brush Hill Road in Elmhurst; providing easy access to both inpatients and outpatients that have traditionally looked to Elmhurst Memorial Healthcare for their oncology-related needs. The proposed Cancer Center will be physically connected to the new hospital.

Four alternatives were evaluated, and found to be inferior to the proposed project.

The first alternative involved leaving the services on Elmhurst Memorial Healthcare's Berteau Campus, approximately three miles from the new hospital. While that alternative would require only \$1-2M in renovation costs and new equipment, the alternative was dismissed for two primary reasons: First, the transporting of inpatients from the hospital for radiation therapy procedures is both costly in terms of two-way ambulance transports, and difficult for both the patient and staff, with hospital staff sometimes being required to accompany patients (depending on patient acuity). While a limited number of inpatients require radiation oncology services, the process is difficult. In addition, the services to be relocated to the proposed Cancer Center are currently housed in basement space in the old hospital building on the Berteau campus. It is anticipated that at some point within the next two years, all EMHC services will be moved off

the Berteau Campus, and the Cancer Center would be the only service remaining in a small portion of the lower level of a 550,000 square foot building, which would be inefficient and uneconomical to operate. The equipment-related costs, which constitute approximately one-third of the proposed project's capital costs, would be virtually the same, whether the proposed project or this alternative is undertaken.

The second alternative considered involved a project similar to that proposed, but one without the construction of a building to accommodate inpatients, that is, the building would be constructed to business occupancy standards ("B Occupancy"), rather than the proposed institutional occupancy standards ("I Occupancy"). The capital cost savings for this alternative would be approximately \$2-2.2M in construction costs, with all other costs being identical to those of the proposed project. This alternative was rejected because it does not allow for the small number of inpatients who need radiation therapy services or PET/CT services, unless those patients are temporarily discharged, brought to the Cancer Center for the service, and then readmitted in a cumbersome and unnecessary process.

The third alternative involved the construction of a building, similar in scope to that of the second alternative, but to locate the building on the Berteau Campus. The capital cost savings associated with this alternative would be virtually identical to that of the second alternative. The most significant drawback to this alternative would be locating of one of the hospital's primary service lines, oncology, at a location remote from the new hospital. With the availability of land on the hospital's new campus, this alternative was dismissed.

The quality of care provided to patients using the program would be identical, regardless of the alternative selected, as would the accessibility for outpatients. Accessibility for inpatients, however, is inferior with the alternatives identified above. With the first and third alternatives, the patient transport difficulties that currently exist would continue; and with the second alternative, inpatients would either need to be discharged from (and later re-admitted to) the hospital in order to receive care at the Center, or be transported (as in the case of the first and third alternatives) to another facility built to inpatient standards. The operating costs associated with the Berteau Campus alternatives would be higher than those of the proposed project or the second alternative, which would be identical, due to duplicative staffing requirements.

The fourth alternative considered was the originally-proposed project, approved by the IHFSRB on June 5, 2012 (#12-019), which was programmatically identical to the project proposed with this *Application*, with the single exception being the inclusion of one CT unit, rather than the PET/CT unit included in this *Application*. The decision to include PET/CT in the project was made following careful evaluation, and as a result of a number of factors, including: broader clinical applications than CT, the resultant ability to provide PET services to EMH inpatients (oncology and non-oncology) as a result of the cancer center's design and physical connection to the hospital, and the ability to cease using the contract PET provider that is currently providing outpatient PET services on the EMH campus 2-3 days a week.

## SIZE OF PROJECT

The proposed project consists of a total of 29,493 DGSF, 16,628 DGSF of which are classified as "clinical".

The planned space is not excessive, and the space program was developed jointly by clinical staff, hospital management, experienced health care architects and an experienced project management firm.

The Cancer Center will include only two areas for which the IHFSRB has space standards, radiation therapy and PET/CT. The total amount of space allocated to the radiation therapy program and the PET/CT unit are identified in the table below, consistent with IHFSRB reporting requirements and space standards.

DEPARTMENT/SERVICE	PROPOSED DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Radiation Therapy*	4,411	4,800	(389)	YES
PET/CT	1,650	1,800	(50)	YES

\*1 linac and 1 cyberknife

## PROJECT SERVICES UTILIZATION

The proposed project involves two services for which the IHFSRB has established utilization standards, radiation therapy and PET/CT. The standard for radiation therapy suggests a second linear accelerator is "justified" once utilization exceeds 7,500 annual treatments. The proposed project will include one linear accelerator, with projected utilization to exceed 7,500 annual treatments during the second full year following the project's completion. The standards applicable for PET/CT are 3,600 procedures per PET unit and 7,000 procedures per CT unit. The proposed PET/CT unit will provide the hospital its first PET unit, and its fourth CT unit. As discussed in ATTACHMENT 37, CT services will be limited to simulation. During the second year following the project's completion, 469 PET procedures are projected to be performed, and 25,802 CT procedures are projected to be performed on the hospital's four CT units. During 2012, 24,314 CT procedures were performed at EMH.

Elmhurst Memorial Hospital's service population is somewhat older than that of Illinois as a whole, and the aging of the service population is anticipated to result in increased utilization of all oncology-related services, including radiation therapy and PET/CT. Six communities/ZIP Code areas (Elmhurst, Villa Park, Lombard Addison, Bensenville and Northlake) are the only ZIP Codes that accounted for in excess of 2.24% of the hospital's admissions during the past fiscal year, and cumulatively these six communities provided 61.7% of the hospital's admissions. The 65+ age group of those six ZIP Code areas is projected to increase by 14.4% between 2010

and 2015 (ESRI projections), an annualized increase of approximately 2.8%, and that increase will result in an increased demand for oncology services. As a point of comparison, that age group will increase by 13.6% during that period, state-wide.

Following a number of years of steady growth, the radiation therapy program located on the Berteau Campus experienced a 4.9% decrease in utilization over the past two calendar years, due in part to the use of the CyberKnife program, which was initiated in 2009, and has drawn some patients from the radiation therapy program. Growth in the usage of the radiation therapy program is anticipated to return with the opening of the proposed Cancer Center on the hospital's new campus, and future growth is anticipated to be driven, in part by demographic changes in the hospital's service population, and in part by the offering of a contemporary Cancer Center.

Increases in the 65+ age group of the program's service population are projected to continue through the planning horizon of this project at an annualized rate of 2.8%; and an annualized growth rate of 4% has been used to incorporate the effect of the new Cancer Center. Therefore, 7,317 radiation therapy treatments are projected during the first calendar year following the project's completion, with 7,607 treatments during the subsequent year.

The table on the following page provides historical and project utilization, consistent with the IHFSRB's reporting requirements.

Dept./ Service	Historical Utilization (Patient Days) (TREATMENTS) ETC.	PROJECTED UTILIZATION		STATE STANDARD	MET STANDARD?
		YEAR 1	YEAR 2		
Radiation Ther.	6,502 (2011)	7,424	7,647	7,500+	yes
PET	0	451	469	3,600	n/a
CT	24,314	25,296	25,802	21,000+	yes

Note: Elmhurst Memorial Hospital has historically provided radiation therapy utilization data on its IDPH Annual Hospital Questionnaires as “courses of treatment”, as directed. The IHFSRB’s utilization standard, as identified in Appendix B to Section 1110 refers to “treatments”. A technical assistance conference was held on January 11, 2012 with IHFSRB staff, and recorded consistent with IHFSRB requirements. During that conference, IHFSRB staff acknowledged that “treatments” were a more accurate measurement of utilization than treatment courses.

CLINICAL SERVICE AREAS  
OTHER THAN CATEGORIES OF SERVICE

The proposed Cancer Center will have four clinical areas that have not been designated by the IHFSRB as “categories of service”: radiation therapy, CyberKnife, PET/CT, and infusion therapy. Each of these services, with the exception of PET/CT are being “relocated” from Elmhurst Memorial Healthcare’s Berteau Avenue campus, with no changes in the service population of any of the programs anticipated to occur; and as documented below, the programs will primarily serve area residents. As a result, the applicants do not anticipate that the proposed Cancer Center will have any substantial adverse impact on any other area provider.

Patient Origin

The patient origin of the radiation therapy, infusion therapy, and PET/CT programs will be very similar to that of the hospital as a whole. The table below presents the hospital’s patient origin for the 12-month period ending June 30, 2010, and is representative of the anticipated patient origin of these three programs.

ZIPCode	Community	YE 6/30/11		Cum %
		Admissions	% of Total	
60126	Elmhurst	3,120	19.81%	19.81%
60181	Villa Park	1,380	8.76%	28.58%
60148	Lombard	1,405	8.92%	37.50%
60101	Addison	1,406	8.93%	46.42%
60106	Bensenville	1,285	8.16%	54.58%
60164	Northlake	1,121	7.12%	61.70%
60191	Wood Dale	353	2.24%	63.94%
60162	Hillside	318	2.02%	65.96%
60131	Franklin Park	349	2.22%	68.18%
60163	Berkeley	314	1.99%	70.17%
60139	Glendale Heights	231	1.47%	71.64%
60104	Bellwood	223	1.42%	73.06%
60523	Oak Brook	177	1.12%	74.18%
60154	Westchester	192	1.22%	75.40%
60160	Melrose Park	239	1.52%	76.92%
60137	Glen Ellyn	162	1.03%	77.95%
60108	Bloomingtondale	196	1.24%	79.19%
	other, < 1.00%	3,277	20.81%	100.00%
	TOTAL	15,748		

Alternatively, because of the relative rarity of the hospital's CyberKnife program, the patient origin for this program covers a broader area, consisting of much of the metropolitan area. IDPH data identifies only six hospitals as having CyberKnife programs in Illinois. Those hospitals, in addition to EMH are: Northwest Community Hospital, Advocate Bromenn Medical Center, Christ Medical Center, Advocate Lutheran General Hospital, and Adventist Hinsdale Hospital (contracted service). As a result of the limited availability of this modality, EMH's CyberKnife program has a broader service area than that of the hospital, as a whole. The table below identifies EMH's CyberKnife program's patient origin for the 12-month period ending June 30, 2011. No appreciable changes are anticipated over the next three years.

Of note is the fact that Elmhurst, Villa Park, Lombard and Addison, are the largest contributors of patients to the hospital as a whole, as well as to the CyberKnife program. However, while these four communities account for over 46% of the hospital's patients, they account for less than 18% of the CyberKnife program's patients. This disparity confirms that the CyberKnife program's patient base or service population is much broader than that of the hospital as a whole.

ZIPCode	Community	YE 6/30/11		
		Patients	% of Total	Cum %
60126	Elmhurst	17	7.73%	7.73%
60148	Lombard	10	4.55%	12.27%
60101	Addison	6	2.73%	15.00%
60181	Villa Park	6	2.73%	17.73%
60106	Bensenville	5	2.27%	20.00%
60137	Glen Ellyn	5	2.27%	22.27%
60185	West Chicago	5	2.27%	24.55%
60139	Glendale Heights	4	1.82%	26.36%
60160	Melrose Park	4	1.82%	28.18%
60103	Bartlett	3	1.36%	29.55%
60108	Bloomington	3	1.36%	30.91%
60119	Elburn	3	1.36%	32.27%
60164	Northlake	3	1.36%	33.64%
60188	Carol Stream	3	1.36%	35.00%
60515	Broadview	3	1.36%	36.36%
60546	Riverside	3	1.36%	37.73%
60555	Warrenville	3	1.36%	39.09%
60558	Western Springs	3	1.36%	40.45%
60638	Chicago	3	1.36%	41.82%
60804	Cicero	3	1.36%	43.18%
	< 1% of patients	<u>125</u>	56.82%	100.00%
		220		

## Demand for Services

### 1. Radiation Therapy

Following a number of years of steady growth, the radiation therapy program located on the Berteau Campus experienced a 4.9% decrease in utilization over the past two calendar years, due in part to the use of CyberKnife program, which was initiated in 2009, and has drawn some patients from the radiation therapy program. Growth in the usage of the radiation therapy program is anticipated to return with the opening of the proposed Cancer Center on the hospital's new campus, and future growth is anticipated to be driven, in part by demographic changes in the hospital's service population, and in part by the offering of a contemporary Cancer Center.

Increases in the 65+ age group of the program's service population are projected to continue through the planning horizon of this project at an annualized rate of 2.8%; and an annualized growth rate of 4% has been used to incorporate the effect of the new Cancer Center. Therefore, 7,317 treatments are projected during the first calendar year following the project's completion, with 7,607 treatments during the subsequent year.

### 2. CyberKnife

A CyberKnife is a robotic radiosurgery system that delivers high dose radiation to tumors located anywhere in the body. EMH initiated this service in late 2009 through CyberKnife Center of Chicago, LLC, a joint venture. The equipment associated with the program will be relocated from EMHC's Berteau Avenue campus to the proposed Cancer Center. During the first two full years of operation (FY2010 and FY2011), an average of 244

patients were treated per year, with an average of 4.25 treatments per patient (944 per year). For planning purposes, utilization is projected to remain constant at that level, through the second year following the project's completion.

### 3. PET/CT

PET (Positron Emission Therapy) services are currently provided to outpatients on the Elmhurst Memorial Hospital campus through a mobile unit owned and operated by an outside vendor, and onsite 2-3 days per week. During 2009 282 outpatient scans were performed, during 2010 317 were performed, during 2011 383 were performed, and during 2012 (annualized, based on nine months) 385 outpatient scans were performed on outpatients. The proposed unit, which will be located in the cancer center will provide both PET and CT simulation services to oncology and non-oncology patients, and because of the cancer center's design and location, the unit will be used by inpatients as well as outpatients. PET services are not currently accessible by EMH inpatients, without being discharged.

During 2009 21,936 CT scans were performed, during 2010 22,714 were performed, during 2011 20,876 were performed, and during 2012 24,314 scans were performed. EMH currently has three CT units.

Below is the projected utilization of the unit during the first two full years of operation. It is the intent of the applicant to operate the equipment for PET exams in the morning and as a CT simulator in the afternoon. Please note that the projected CT simulator volumes identified in the table below are for simulation, only.

	<u>Year 1</u>	<u>Year 2</u>
PET/CT	451	469
CT Simulation*	496	506
	947	975

\*Total CT volume (including simulation) is projected to increase from its 2012 level of 24,314 procedures to 25,296 and 25,802 procedures during the first two years following the project's completion.

#### 4. Infusion Therapy

Infusion therapy services are provided at all of the area hospitals, as well as in the offices of many oncologists and internists, and through investor-owned ventures. Elmhurst Memorial Healthcare is currently providing infusion therapy services in an outpatient building on the main hospital campus, in the hospital, and on an outpatient basis on its Berteau Avenue campus. Outpatient infusion therapy services in the past had also been provided in Winfield and Lombard, and were consolidated into the other program locations during the past year. Upon the opening of the proposed Cancer Center, the outpatient programs will be consolidated into the new setting. The table below identifies the historical utilization of infusion therapy services provided by EMHC. A 2% increase in the number of treatments provided was experienced in from FY2009 to FY2010, and a 6% decrease occurred between FY2010 and FY2011. The decrease is primarily attributable to the retirement of a medical oncologist that regularly referred patients to EMHC's infusion therapy program.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>
<b>Patients</b>	1,559	1,594	1,466
<b>Treatments</b>	10,828	11,041	10,354

In addition to the utilization identified above, a local and active oncologist, Dr. Marilyn Evrard, left a relationship with U.S. Oncology in late 2011, and joined an EMHC- affiliated oncology practice. Due to contractual limitations, until December 2012, Dr. Evrard had an office outside of the service area and was not able to directly refer patients to an EMHC infusion therapy program until December 2012. During that period, Dr. Evrard referred patients to other physicians with active staff privileges at EMH, and those patients, in turn, received infusion therapy through the EMH services. Dr. Evrard referred approximately 90 of those patients per month requiring infusion therapy between November 2011 and November 2012. As such, those patients were referred following the end of FY 2011. Dr. Evrard is now a member of a practice located on the EMH campus. For purposes of projecting utilization, Dr. Evrard's historical referral volume was discounted by 20%, to 864 patient referrals a year, and added to the FY 2011 volume in the table above, resulting in a base-year volume of 2,330 (1,466+864) patients and 16,450 treatments (7.06 treatments per patient). A letter from Dr. Evrard, addressing her practice intents, is attached.

The applicant's evaluation of the providers of infusion therapy services in the area suggests that the number of providers will not likely increase over the next three years. Therefore, and in order to ensure conservative projections, the only variable used in projecting

utilization of infusion therapy services at the proposed Cancer Center, is the projected 2.8% annual increase in the area's 65+ population group. Holding the treatment per patient rate constant at the 7.06 treatments per patient experienced in FY 2011, and 2.25 hours per treatment, 39,114 treatment hours are projected for 2014 and 40,209 treatment hours are projected for the second full year following the Cancer Center's opening.

Twenty-three infusion therapy stations will be provided, and the service is anticipated to be in operation 255 days-a-year. As a result, an 80% utilization rate is projected for the first full year of operation, and an 82% utilization rate is projected during the subsequent year.



Elmhurst Memorial  
Hematology Oncology Associates

February 15, 2012

Illinois Health Facilities and  
Services Review Board  
Springfield, IL

To Whom It May Concern:

This letter is being provided in support of Elmhurst Memorial Healthcare's proposal to develop a cancer center on the campus of Elmhurst Memorial Hospital; I am in full support of those plans.

I am a Board Certified medical oncologist, and I have practiced medicine in the western suburbs since 1984. I became a member of the active Medical Staff of Elmhurst Memorial Hospital in 1984 and maintained that status through 2011. Effective November 2011, I left a group practice that I had been a member of since 2001. As a term of my leaving that practice, I agreed not to actively practice medicine within a specified geographic area for a period of twelve months. That restriction caused me to temporarily relinquish my active staff privileges at Elmhurst Memorial Hospital. It is my absolute intention to be reinstated to active staff status at Elmhurst Memorial Hospital as of December 1, 2012.

I do not provide infusion therapy services in my current office. When patients require such treatment I refer them to physicians with active staff privileges at EMH. Since December 2011, I have been referring approximately ninety patients a month to physicians with active staff privileges at EMH, for the purpose of those patients receiving infusion therapy services at EMH. This referral volume is consistent with the number of patients that I have directly referred to other infusion therapy programs in recent years, and the number of patients that I anticipate directly referring to EMH's infusion therapy program in the future.

Sincerely,

Marilyn L. Evrard, MD



Elmhurst Memorial  
Healthcare

February 19, 2013

Illinois Health Facilities  
and Services Review Board  
Springfield, IL

To Whom It May Concern:

Please be advised that the proposed project to develop a cancer center on the Elmhurst Memorial Hospital campus will be funded entirely with cash and equivalents.

Sincerely,

W. Peter Daniels  
President & CEO

Notarized:



2-19-2013

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A		B		C		D		E		F		G		H		Total Costs (G + H)	
	New	Cost/Sq. Foot	Mod.	Foot	New	Gross Sq. Ft.	Circ.	Gross Sq. Ft.	Mod.	Gross Sq. Ft.	Circ.	Const. \$	(A x C)	Mod. \$	(B x E)			
<b>Reviewable</b>																		
Radiation Therapy	\$	460.00			4,411							\$	2,029,060				\$	2,029,060
Med. Oncology	\$	237.62			10,567							\$	2,510,915				\$	2,510,915
PET/CT	\$	460.00			1,650							\$	759,000				\$	759,000
contingency	\$	17.69			16,628							\$	5,992,800				\$	5,992,800
Total	\$	378.10										\$	6,287,000				\$	6,287,000
<b>Non-Reviewable</b>																		
Public Areas	\$	253.04			3,851							\$	974,444				\$	974,444
Administrative	\$	258.91			1,949							\$	504,610				\$	504,610
Bldg Components	\$	220.00			10,014							\$	2,203,146				\$	2,203,146
contingency	\$	11.44			15,814							\$	3,682,200				\$	3,682,070
Total												\$	180,900				\$	180,900
												\$	3,863,100				\$	3,862,970
<b>PROJECT TOTAL</b>	\$	312.87			32,442							\$	10,150,100				\$	10,150,100

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PROJECTED OPERATING COST and EFFECT OF THE PROJECT ON CAPITAL COSTS

Elmhurst Memorial Hospital

YEAR 2 OF CANCER CENTER OPERATION

Adjusted patient days:

\$162,494,000	
(\$198,493,000 / 75,992)	62,210

Operating Costs:

salaries & benefits:	\$189,123,000
supplies:	\$18,769,000
	\$207,892,000

Operating Cost per Adjusted Patient Day: \$3,341.78

Capital Costs:

depreciation, amortization, interest: \$33,534,700

Capital Cost per Adjusted Patient Day: \$539.06

## SAFETY NET STATEMENT

Elmhurst Memorial Hospital and its parent Elmhurst Memorial Healthcare serve as safety net providers for the residents of eastern DuPage and western Cook Counties, providing a broad spectrum of medical, surgical, and obstetrical services typically categorized as both primary and secondary care services. Oncology services are among the largest programs offered by Elmhurst Memorial Healthcare, with those oncology-related services typical to a community hospital enhanced by its CyberKnife program, which is provided at only four other hospitals in Illinois.

The hospital operates with admissions policies that do not discriminate in any fashion, including ability to pay; and during 2010 7.7% of the patients admitted to EMH were categorized as "charity care" and another 8.4% were Medicaid recipients. The proposed cancer center will operate under the same admission criteria currently in place at the hospital

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:

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