



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET NO: H-09	BOARD MEETING: August 25, 2015	PROJECT NO: 15-029	PROJECT COST: Original: \$15,973,291
FACILITY NAME: Highland Park Hospital		CITY: Highland Park	
TYPE OF PROJECT: Non-Substantive			HSA: VIII

PROJECT DESCRIPTION: The applicants (NorthShore University HealthSystem and NorthShore University HealthSystem d/b/a Highland Park Hospital) are proposing to modernize obstetrics-related services, including its LDRPs, C-Section suite, and newborn (Level I) nursery, as well as a limited scope of support services at Highland Park Hospital. The applicants are also proposing to reduce the number of OB beds from 25 to 15 OB beds. The anticipated project cost is \$15,973,291. The anticipated completion date is December 31, 2018.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The applicants are proposing to modernize obstetrics-related services, including its LDRPs, C-Section suite, and newborn (Level I) nursery, as well as a limited scope of support services at Highland Park Hospital. The applicants are also proposing to reduce the number of OB beds from 25 to 15 OB beds. The anticipated project cost is \$15,973,291. The anticipated completion date is December 31, 2018.
- The project had an anticipated a capital cost below the Capital Expenditure Minimum threshold of \$12,797,313. However the scope of the project was expanded, and now consists of six phases, allowing continuous operation of the obstetrics program during renovation. The project is currently underway. As of the filing of this application, approximately \$3,500,000 in project-related costs have been incurred.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because the project proposes to modernize an existing health care facility that costs in excess of the capital expenditure minimum of \$12,797,313.

PURPOSE OF THE PROJECT:

- The purpose of the project is to modernize the obstetric unit as Highland Park Hospital.

PUBLIC COMMENT:

- An opportunity of a public hearing was provided however no hearing was requested. No letters of support or opposition were received by the State Board Staff.

CONCLUSION:

- The applicants addressed 17 criteria and have not met the following:

.State Board Standards Not Met	
Criteria	Reasons for Non-Compliance
Criterion 1110.234 (b) – Projected Utilization	The applicants projected utilization does not warrant the two C-Section rooms being proposed.
Criterion 1110.234 (e) –Assurances	The applicants failed to provide the necessary assurance that the C- Section rooms will be at target utilization two years after project completion.
Criterion 1110.530 (g) - Bed Capacity Minimum	The applicants are proposing 15 OB beds as part of this modernization. For facilities located in an MSA 20 OB beds are required.
Criterion 1110.3030 (d) - Modernization Clinical Service Area Other Than a Category of Service	The applicants' utilization does not justify the two C-Section rooms being requested.

**STATE BOARD STAFF REPORT
Highland Park Hospital
PROJECT #15-029**

APPLICATION SUMMARY/CHRONOLOGY	
Applicants(s)	NorthShore University HealthSystem and NorthShore University HealthSystem d/b/a Highland Park Hospital
Facility Name	Highland Park Hospital
Location	777 Park Avenue West, Highland Park
Permit Holder	NorthShore University HealthSystem d/b/a Highland Park Hospital
Operating Entity	NorthShore University HealthSystem d/b/a Highland Park Hospital
Owner of the Site	NorthShore University HealthSystem d/b/a Highland Park Hospital
Application Received	June 26, 2015
Application Deemed Complete	June 26, 2015
Total modernized GSF	28,634 GSF
Financial Commitment	August 25, 2017
Project Completion Date	December 31, 2018
Can applicants request a deferral?	Yes
Review Period Extended by the State Board Staff?	No

I. The Proposed Project

The applicants are proposing the modernization of the hospital's obstetrics-related services, including its LDRPs, C-Section suite, and newborn (Level I) nursery, as well as a limited scope of support services. The applicants are also proposing reducing the number of OB beds from 25 to 15 OB beds. The cost of the project is \$15,973,291.

II. Summary of Findings

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

III. General Information

The applicants are NorthShore University HealthSystem and NorthShore University HealthSystem d/b/a Highland Park Hospital. NorthShore University HealthSystem operates four acute care facilities, including Evanston Hospital, Highland Park Hospital, Glenbrook Hospital, and Skokie Hospital that serve the greater Chicago North Shore and northern Illinois communities.

In December 2014 the State Board approved the merger of NorthShore University HealthCare System and Advocate Health Care. Moody's Ratings Service stated that "*the*

merger, is credit positive for both organizations as they combine to form Advocate NorthShore Health Partners. The systems' aligned strategies, proven management and strong financial resources will position the new organization to meet the challenges of a rapidly changing industry. The combination, expected to close the beginning of CY 2015, will create the largest health system in Illinois and one of the largest among Moody's-rated health systems nationally with almost \$7 billion in total revenue. This change of ownership has not been completed.

Highland Park Hospital is located at 777 Park Avenue West, Highland Park in the HSA VIII Hospital Service Area and the A-09 Hospital Planning Area. The A-09 Hospital Planning Area includes Lake County. There are five additional acute care hospitals in this planning area; Advocate Condell Medical Center, Libertyville, Advocate Good Shepherd Hospital Barrington, Midwestern Regional Medical Center, Zion, Northwestern Lake Forest Hospital, Lake Forest, and Vista Medical Center East, Waukegan. The operating entity/licensee and the owner of the site is NorthShore University HealthSystem d/b/a Highland Park Hospital. This is a non-substantive project subject to a Part 1110 and Part 1120 review. Project obligation will occur after permit issuance. Table One document the payor source for the A-09 hospital planning area.

	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Total
Inpatients	21,582	7,221	696	21,567	1,761	2,815	55,642
Outpatients	315,678	124,014	7,047	554,454	34,964	14,060	1,050,217
Total	337,260	131,235	7,743	576,021	36,725	16,875	1,105,859
Percentage	30.50%	11.87%	0.70%	52.09%	3.32%	1.53%	100.00%

IV. Project Costs and Sources of Funds

The applicants are proposing to fund this project with cash of \$15,973,291.

	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$172,000	\$40,000	\$212,000
Site Survey and Soil Investigation	\$10,000	\$5,000	\$15,000
Site Preparation	\$336,000	\$118,000	\$454,000
Off Site Work	\$332,100	\$117,900	\$450,000
New Construction Contracts		\$582,000	\$582,000
Modernization Contracts	\$6,708,265	\$1,817,015	\$8,525,280
Contingencies	\$231,180	\$55,160	\$286,340
Architectural/Engineering Fees	\$631,400	\$275,600	\$907,000
Consulting and Other Fees	\$491,000	\$174,000	\$665,000
Movable or Other Equipment	\$2,663,654	\$398,017	\$3,061,671
Other Costs To Be Capitalized		\$815,000	\$815,000

TABLE TWO			
Project Costs and Sources of Funds			
TOTAL USES OF FUNDS	\$11,575,599	\$4,397,692	\$15,973,291
SOURCE OF FUNDS			
Cash and Securities			\$15,973,291
TOTAL			\$15,973,291

V. Cost Space Requirements

The applicants are proposing 23,118 GSF of clinical space and 5,516 of non clinical space.

TABLE THREE					
Cost Space Requirements					
Department/Areas	Costs	Existing	Proposed	New Construction	Modernization
LDRP's	\$6,070,823	17,483	13,091		13,091
C-Section Suite	\$2,199,364	760	3,965		3,965
Level I Nursery	\$810,292	752	1,098		1,098
OB Triage/Gyn Obs. (7)	\$2,379,364	0	4,598		4,598
Lactation Services	\$115,756	226	366		366
Total Clinical	\$11,575,599	19,221	23,118	0	23,118
On Call Rooms	\$131,931	312	341		341
Staff Facilities	\$197,896	1,026	727		727
Social Services	\$114,340	0	160		160
Lobby	\$2,458,500	0	2,551		2,551
Canopy	\$835,561	0	1,200	1,200	0
Environmental Services	\$263,862	56	80		80
Photographer	\$19,480		50		50
Mechanical	\$376,122	201	407		407
Total Non Clinical	\$4,397,692	1,595	5,516	1,200	4,316
Total	\$15,973,291	20,816	28,634	1,200	27,434

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

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

The purpose of the proposed project is to modernize Highland Park Hospital's obstetrics related facilities, and particularly its patient rooms which currently operate and will continue to operate as labor-delivery-recovery-post-partum rooms (LDRPs). The existing obstetrics-related facilities have a number of design-related deficiencies, each of which will be corrected through the proposed project, including: 1) the unit lacks appropriate support space, and has patient rooms insufficiently sized for the contemporary delivery of this service, including the easy placement of a bassinette in the room; 2) the C-Section suite consists of procedure rooms that are under-sized by contemporary standards, and lacks adequate support space; and 3) the unit is difficult to access from the hospital's

entrance. As a result of addressing these deficiencies, the proposed project will improve the health care and well-being of the population traditionally served by the hospital.

It is not anticipated that hospital’s obstetrics market area will substantially change as a result of this project, with the vast majority of patients continuing to come from Lake County and far northeastern Cook County. Over 50% of the OB patients come from these communities: Highland Park, Waukegan, Buffalo Grove, Mundelein, Deerfield, Gurnee, Round Lake, Vernon Hills, Northbrook, and Grays Lake.

B) Criterion 1110.230 (b) – Safety Net Impact Statement

This project is considered a non-substantive project and no safety net impact statement is required. Below is the charity cost for the past three fiscal years for Highland Park Hospital.

TABLE FOUR			
Charity Care Information			
	2012	2013	2014
Net Patient Revenue	\$228,495,676	\$240,527,400	\$253,782,530
Amount of Charity Care	\$10,997,224	\$10,891,725	\$9,844,211
Cost of Charity Care	\$3,444,793	\$3,312,542	\$2,714,384
% of Charity Care to Net Revenue	1.51%	1.38%	1.07%

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

Three alternatives were considered:

The first alternative involved the construction of an addition to the hospital to house replacement obstetrics-related services. This alternative was dismissed because of the limited space that is available for expansion, and because the capital cost associated with this alternative would exceed that of the proposed project by 30-35% or \$5.25 million. The advantage of this alternative would have been the reduced project time because of the elimination of the need to phase the project. Had this alternative been selected, the operating costs, quality of care provided, and access to care would have been very similar to that of the proposed project. **Estimated Capital Costs \$20.7 million**

The second alternative considered involved the suspension of the hospital's obstetrics service while the proposed multi-phase project was undertaken as a single project. The primary benefits of this alternative would be the reduced project length, and the associated reduction in renovation-related costs resulting from the phased approach. This alternative was dismissed because NorthShore University HealthSystem has consolidated its obstetrics services into only two of its hospitals, Evanston Hospital and Highland Park Hospital. Sufficient capacity does not exist at Evanston Hospital to accommodate the Hospital’s caseload, and had capacity been available, accessibility would have been compromised. Had this alternative been selected, a minimal reduction in operating costs would be anticipated during the construction period, with those costs returning to those of the proposed project following construction, and the quality of care would have been very

similar to that of the proposed project. No capital costs were provided for this alternative

The third alternative considered was to do only minimal/cosmetic renovation to the areas, rather than essentially replace the services, as is being proposed. The capital costs associated with this alternative would have been significantly less than those of the proposed project, while the operating costs, access and quality of care would have been very similar. This alternative was dismissed because it did not meet the goals and objectives of the project. **Estimated Capital Costs \$11.5 million**

VII. Section 1110.234 (a) Project Size Projected Utilization and Assurances

A) Criterion 1110.234 (a) –Size of the Project

The State Board has size standards for LDRP’s, Level 1 Nursery, and C-Section Suite as documented below. The applicants have met the requirements of this criterion.

TABLE FIVE Size of the Project					
Department	Rooms/Beds	State Standard		Proposed GSF	Difference
		Departmental GSF			
LDRP’s	15	1,120-1,600 GSF	24,000 GSF	13,091 GSF	-10,909 GSF
Level 1 Nursery	1	160 GSF	2,400 GSF	1,098 GSF	-1,302 GSF
C-Section Suite	2	2,075 GSF	4,150 GSF	4,421 GSF	-271 GSF

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION SIZE OF THE PROJECT (77 IAC 1110.234 (e))

B) Criterion 1110.234 (b) – Projected Utilization

According to the applicants Highland Park Hospital has reversed a downward trend in obstetrics admissions, and in 2014, a 15.2% increase in obstetrical admissions over the hospital's 2013 level was experienced. In addition, data for the first four months of 2015 identify a 5.4% increase over the same period in 2014. This reversal is the direct result of two factors: the addition of obstetricians to the hospital's Medical Staff, and the changing demographics in the hospital's obstetrics service area. Since October 2014, 8 obstetricians have joined the Medical Staff, and since April 2013, 21 obstetricians have joined the hospital's Medical Staff. This increase in the number referring obstetricians took place during a period in which the service area's 20-39 age-group population has experienced growth, and that growth is anticipated to continue. The applicants anticipate that the 5.4% increase in utilization experienced during the first four months of this year will continue for the remainder of the year, resulting in approximately 1,461 admissions this year. Because of the recent addition to the Medical Staff, similar growth is anticipated in 2016, with the annual growth rate lowering to 4% in 2017 and 2018, and 3% during the first two years following the project's completion. For planning purposes, the average length of stay for obstetrics patients is projected to remain constant, resulting

in 4,142 projected obstetrics patient days during the second year following the project's completion. The compounded annual growth rate is 1.02%.

The applicants projected growth justifies the number of OB beds proposed but not the number of C-Section Suites being proposed.

TABLE SIX						
Projected Utilization						
	Rooms	State Standard	CY 2013	C Y 2014	Year 1	Year 2
	Beds		Patient Days			
LDRP's	15	75%	3,938	3,250	4,021	4,142
			Beds Justified			
			15	12	15	16
			Procedures			
			NA	409	497	512
C-Section Suite	2	800 procedures/room	Rooms Justified			
			1	1	1	1

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 IAC 1110.234 (b))

C) Criterion 1110.234 (e) – Assurances

Jesse Peterson Hall CEO of Highland Park Hospital stated “Please be advised that it is the anticipation of the applicants that the obstetrics unit proposed to be modernized at Highland Park Hospital will operate at or above the IHFSRB's target utilization rate by the second year of operation, following the opening of the unit.” No assurance was given for the C-Section Suites.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION ASSURANCES (77 IAC 1110.234 (e))

VIII. Section 1110.1110.530 – Obstetric Service

A) Criterion 1110.530 (b) (1) (3) - Background of Applicants

The applicants have attested that Highland Park Hospital is not located in a flood plain zone and that there are no historic, architectural or archaeological sites exists within the project area.

The applicants also attested to the following: *“In accordance with Review Criterion 1110.230.b, Background of the Applicant, we are submitting this letter assuring the Illinois Health Facilities and Services Review Board that:*

1. NorthShore University HealthSystem does not have any adverse actions against any facility owned and operated by the applicant during the three (3) year period prior to the filing of this application, and

2. NorthShore University HealthSystem authorizes the State Board and Agency access to information to verify documentation or information submitted in response to the requirements of Review Criterion 1110.230.b or to obtain any documentation or information which the State Board or Agency finds pertinent to this application.”

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH BACKGROUND OF APPLICANTS (77 IAC 1110.530 (b) (1) (3))

B) Criterion 1110.530 (e) – Modernization

The applicants stated the following: “the applicants are proposing to modernize Highland Park Hospital's obstetrics category of service through the renovation of the existing unit and the discontinuation of 10 beds. The unit will continue to operate as one providing all labor-delivery-recovery-post-partum (LDRP) rooms. While the hospital has been diligent in meeting all applicable accreditation standards and licensure and life safety codes, the unit is generally dated, lacks the support space found in contemporary units, and is under-sized by contemporary standards.”

Currently the applicants have a 25 bed obstetric unit and are proposing to reduce the number of beds to 15 obstetric beds. The applicants’ current utilization will justify the number OB beds being requested at the 75% State Board target occupancy.

TABLE SEVEN				
Number of beds justified				
Service	Existing Beds	Proposed Beds	2012	2013
Obstetric Service	25	15	15	15
Admissions			1,333	1,275
Patient Days			4,001	3,938
ADC			11	11
Number of Beds Justified			15	15

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION PLANNING AREA NEED - MODERNIZATION (77 IAC 1110.530 (e))

C) Criterion 1110.530 (g) -Bed Capacity Minimum

Highland Park Hospital is located in the Chicago-Joliet-Naperville, IL-IN-WI Metropolitan Statistical Area. The minimum size for an OB unit in an MSA is 20 beds. The applicants are proposing 15 OB beds.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION BED CAPICITY MINIMUM (77 IAC 1110.530 (g))

IX. Section 1110.3030 – Clinical Service Area Other than Categories of Service

A) Criterion 1110.3030 (d) – Modernization

The hospital's existing C-Section suite consists of two procedure rooms, and the proposed suite will also consist of two procedure rooms. The existing two procedure rooms are only 315 square feet, each, well below contemporary standards, and the suite lacks storage space. In contrast, the proposed procedure rooms will be 472 square feet in size, and support space such as an anesthesia work room, a clean equipment and supply storage room, and a soiled utility room will be provided in the suite. Based on projected births and the hospital's C-Section rate, it is anticipated that approximately 470 C-Sections will be performed during the second year, following the project's completion. While this level of utilization is below the target utilization level, it has been the hospital's experience that the existing two procedure rooms are frequently in use simultaneously, and unlike some hospitals, the distance between the obstetrical areas and the surgical suite render the use of an operating room for C-Sections impractical.

The State Board's Standard per C-Section room is 800 procedures per room. The applicants' historical utilization supports the 1 C-Section room and not the 2 rooms being requested.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT CONFORMANCE WITH CRITERION CLINICAL SERVICE AREA OTHER THAN CATEGORIES OF SERVICE MODERNIZATION (77 IAC 1120.3030 (d))

X. FINANCIAL

A) Criterion 1120.120 - Availability of Funds

The applicants are funding this project with cash of \$15,973,291. A review of the audited financial statements indicates there is sufficient cash to fund the project. Moody's Investors Service on October 7, 2014 has affirmed the Aa2 and Aa2NMIG bond ratings on NorthShore University HealthSystem's outstanding bonds. The rating outlook is stable.

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

TABLE EIGHT		
NorthShore University HealthSystem		
As of September 30		
(in thousands)		
	2014	2013
Cash	\$35,949	\$41,295
Current Assets	\$411,626	\$439,769
PPE	\$962,388	\$967,796

TABLE EIGHT NorthShore University HealthSystem As of September 30 (in thousands)		
	2014	2013
Total Assets	\$3,291,610	\$3,105,366
Current Liabilities	\$361,487	\$344,717
Net patient service and premium revenue	\$1,818,244	\$1,702,933
Total Revenue	\$1,927,473	\$1,815,942
Expenses	\$1,796,442	\$1,755,463
Revenues in Excess of Expenses	\$181,989	\$126,040
Days Cash on Hand	270 days	289 days
Maximum Annual Debt Service	\$24 million	\$24 million

B) Criterion 1120.130 – Financial Viability

The applicants provided an “A” or better bond rating, therefore no financial viability ratios are required to be provided. An “A” or better rating assumes the applicants are financially viable.

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

XI. ECONOMIC FEASIBILITY

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

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

No debt financing is being used to fund this project.

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

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

The tables Nine thru Thirteen below represent both clinical and non clinical costs.

Preplanning Costs – these costs are \$172,000 and are 1.8% of modernization, contingencies and movable equipment. These costs appear reasonable when compared to the State Board Standard of 1.8%.

TABLE NINE Preplanning costs	
Feasibility assessment	\$80,000
Evaluation of alternatives	\$70,000

TABLE NINE	
Preplanning costs	
Misc./other	\$22,000
Total	\$172,000

Site Survey Soil Investigation and Site Preparation – these costs are \$346,000 and are 4.99% of modernization and contingency costs. These costs appear reasonable when compared to the State Board Standard of 5.0%.

TABLE TEN	
Site Survey Soil Investigation and Site Preparation	
Survey	\$8,000
Soil evaluation	\$7,000
Removal of drive and Walkway	\$175,000
Signage	\$60,000
Landscaping	\$100,000
Grading and earthwork	\$80,000
Misc./other	\$39,000
Total	\$469,000

Off Site Work – These costs are \$332,100. The State Board does not have a standard for these costs.

TABLE ELEVEN	
Off-Site Work	
Roadway construction	\$400,000
Walkway construction	\$50,000
Total	\$450,000

Modernization and contingency costs – these costs are \$6,939,445 or \$300.17 per GSF (\$6,939,445/23,118 = \$300.17). These costs are less than the State Board Standard of \$308.47 per GSF.

Contingency costs – These costs are \$231,180 or 3.45% of modernization costs of \$6,708,265. This appears reasonable when compared to the State Board Standard of 10-15% or \$1,006,240.

Architectural and Engineering Fees – These costs are \$631,400 and are 9.10% of modernization and contingency costs of \$6,939,445. This appears reasonable when compared to the State Board Standard of 6.22-9.34% or \$648,144.

TABLE TWELVE	
Architectural and Engineering Fees	
Design	\$650,000
Regulatory agency interaction	\$50,000
Monitoring	\$80,000
Misc./ other	\$127,000
Total	\$907,000

Consulting and Other Fees – These costs are \$491,000. The State Board does not have a standard for these costs.

TABLE THIRTEEN Consulting and Other Fees	
Project management	\$300,000
Interior design	\$50,000
Traffic engineer	\$15,000
Insurance	\$20,000
Local permitting	\$40,000
CON process	\$90,000
Equipment planning	\$50,000
Operational consulting	\$40,000
Misc/other	\$60,000
Total	\$665,000

Movable Equipment – these costs are \$2,663,654. The State Board does not have a standard for these costs.

THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 IAC 1120.140 (c))

D) Criterion 1120.140 (d) – Projected Operating Costs

The applicants are projecting the hospital’s operating costs as \$1,914.67 per equivalent patient day.

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

E) Criterion 1120.140 (e) –Projected Capital Costs

The applicants are projecting \$196.19 in projected capital costs per equivalent patient day.

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

Ownership, Management and General Information

ADMINISTRATOR NAME: Gerald P. Gallaher
ADMINSTRATOR PHONE 847-570-5151
OWNERSHIP: NorthShore University HealthSystem
OPERATOR: NorthShore University HealthSystem
MANAGEMENT: Not for Profit Corporation (Not Church-R)
CERTIFICATION:
FACILITY DESIGNATION: General Hospital
ADDRESS 777 Park Avenue West

Patients by Race

White 71.9%
 Black 4.7%
 American Indian 0.1%
 Asian 3.6%
 Hawaiian/ Pacific 0.0%
 Unknown 19.6%

Patients by Ethnicity

Hispanic or Latino: 7.6%
 Not Hispanic or Latino: 92.4%
 Unknown: 0.0%
 IDPH Number: 5066
 HPA A-09
 HSA 8

CITY: Highland Park **COUNTY:** Lake County

Facility Utilization Data by Category of Service

Clinical Service	Authorized CON Beds 12/31/2013	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	93	93	93	4,695	21,061	4,856	5.5	71.0	76.3	76.3
0-14 Years				0	0					
15-44 Years				1,431	5,335					
45-64 Years				1,032	4,406					
65-74 Years				667	3,173					
75 Years +				1,565	8,147					
Pediatric	6	6	6	230	313	239	2.4	1.5	25.2	25.2
Intensive Care	12	12	12	1,321	3,029	33	2.3	8.4	69.9	69.9
Direct Admission				977	2,240					
Transfers				344	789					
Obstetric/Gynecology	25	25	25	1,275	3,096	842	3.1	10.8	43.2	43.2
Maternity				1,153	2,926					
Clean Gynecology				122	170					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Acute Mental Illness	13	12	12	661	3,381	0	5.1	9.3	71.3	77.2
Rehabilitation	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	149			7,838	30,880	5,970	4.7	101.0	67.8	

(Includes ICU Direct Admissions Only)

Inpatients and Outpatients Served by Payor Source

	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	34.8%	7.9%	0.0%	44.0%	2.5%	10.7%	
	2726	622	0	3452	197	841	7,838
Outpatients	37.9%	3.8%	0.0%	55.3%	1.9%	1.1%	
	90366	9109	0	131847	4523	2672	238,517

Financial Year Reported: 10/1/2012 to 9/30/2013

Inpatient and Outpatient Net Revenue by Payor Source

	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals	Charity Care Expense	Total Charity Care as % of Net Revenue
Inpatient Revenue (\$)	41.3%	4.1%	0.0%	50.4%	4.2%	100.0%	1,599,530	3,312,543
	33,331,770	3,316,717	0	40,618,501	3,367,340	80,634,328	1,599,530	
Outpatient Revenue (\$)	21.6%	1.5%	0.0%	71.4%	5.5%	100.0%	1,713,013	1.4%
	34,562,729	2,361,892	0	114,099,677	8,868,774	159,893,072	1,713,013	

Birthing Data

Number of Total Births: 1,179
 Number of Live Births: 1,172
 Birthing Rooms: 0
 Labor Rooms: 0
 Delivery Rooms: 0
 Labor-Delivery-Recovery Rooms: 0
 Labor-Delivery-Recovery-Postpartum Rooms: 25
 C-Section Rooms: 2
 CSections Performed: 399

Newborn Nursery Utilization

Level I 25
 Level II 6
 Level II+ 0
 Patient Days 3,048
 Total Newborn Patient Days 3,085
Laboratory Studies
 Inpatient Studies 236,366
 Outpatient Studies 262,529
 Studies Performed Under Contract 15,430

Organ Transplantation

Kidney: 0
 Heart: 0
 Lung: 0
 Heart/Lung: 0
 Pancreas: 0
 Liver: 0
 Total: 0

Surgery and Operating Room Utilization

Surgical Specialty	Operating Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	1	1	140	81	710	161	871	5.1	2.0
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	1	1	2	431	1687	1071	2132	3203	2.5	1.3
Gastroenterology	0	0	0	0	1	7	1	3	4	1.0	0.4
Neurology	0	0	0	0	94	93	271	144	415	2.9	1.5
OB/Gynecology	0	0	1	1	111	807	260	1006	1266	2.3	1.2
Oral/Maxillofacial	0	0	0	0	25	42	136	82	218	5.4	2.0
Ophthalmology	0	1	0	1	3	2083	7	1849	1856	2.3	0.9
Orthopedic	0	0	2	2	436	378	1101	575	1676	2.5	1.5
Otolaryngology	0	0	1	1	13	833	17	918	935	1.3	1.1
Plastic Surgery	0	1	1	2	35	1039	135	1802	1937	3.9	1.7
Podiatry	0	0	0	0	26	85	27	116	143	1.0	1.4
Thoracic	0	0	0	0	57	20	121	25	146	2.1	1.3
Urology	0	0	1	1	204	585	257	481	738	1.3	0.8
Totals	0	3	8	11	1576	7740	4114	9294	13408	2.6	1.2

SURGICAL RECOVERY STATIONS

Stage 1 Recovery Stations

13

Stage 2 Recovery Stations

0

Dedicated and Non-Dedicated Procedure Room Utilization

Procedure Type	Procedure Rooms				Surgical Cases		Surgical Hours			Hours per Case	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	6	6	607	7971	911	11957	12868	1.5	1.5
Laser Eye Procedures	0	0	0	0	0	0	0	0	0	0.0	0.0
Pain Management	0	0	1	1	25	378	38	567	605	1.5	1.5
Cystoscopy	0	0	0	0	0	0	0	0	0	0.0	0.0

Multipurpose Non-Dedicated Rooms

	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0

Emergency/Trauma Care

Certified Trauma Center	Yes
Level of Trauma Service	Level 1 (Not Answered)
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	596
Patients Admitted from Trauma	596
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	15
Persons Treated by Emergency Services:	25,234
Patients Admitted from Emergency:	4,678
Total ED Visits (Emergency+Trauma):	25,830

Free-Standing Emergency Center

Beds in Free-Standing Centers	0
Patient Visits in Free-Standing Centers	0
Hospital Admissions from Free-Standing Center	0

Outpatient Service Data

Total Outpatient Visits	235,908
Outpatient Visits at the Hospital/ Campus:	235,908
Outpatient Visits Offsite/off campus	0

Cardiac Catheterization Labs

Total Cath Labs (Dedicated+Nondedicated labs):	2
Cath Labs used for Angiography procedures	0
Dedicated Diagnostic Catheterization Lab	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	1

Cardiac Catheterization Utilization

Total Cardiac Cath Procedures:	1,226
Diagnostic Catheterizations (0-14)	0
Diagnostic Catheterizations (15+)	618
Interventional Catheterizations (0-14):	0
Interventional Catheterization (15+)	353
EP Catheterizations (15+)	255

Cardiac Surgery Data

Total Cardiac Surgery Cases:	77
Pediatric (0 - 14 Years):	0
Adult (15 Years and Older):	77
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	47

Diagnostic/Interventional Equipment

	Examinations			Contract
	Owned	Inpatient	Outpt	

General Radiography/Fluoroscopy	3	0	10,546	19,986	0
Nuclear Medicine	3	0	395	8,064	0
Mammography	3	0	4	14,932	0
Ultrasound	3	0	2,127	13,226	0
Angiography	1	0			
Diagnostic Angiography			55	14	0
Interventional Angiography			33	35	0
Positron Emission Tomography (PET)	1	0	42	1,046	0
Computerized Axial Tomography (CAT)	2	0	5,757	16,694	0
Magnetic Resonance Imaging	1	0	1,078	5,702	0

Therapeutic Equipment

	Owned		Contract	Therapies/ Treatments
	Owned	Contract		

Lithotripsy	0	0	0
Linear Accelerator	1	0	7,380
Image Guided Rad Therapy			0
Intensity Modulated Rad Thrp			1,639
High Dose Brachytherapy	0	0	0
Proton Beam Therapy	0	0	0
Gamma Knife	0	0	0
Cyber knife	0	0	0