

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

**ORIGINAL
RECEIVED**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

JUN 29 2016

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name: John H. Stroger Hospital of Cook County – Central Campus Health Center			
Street Address: 1901 W. Harrison Street			
City and Zip Code: Chicago 60612			
County: Cook	Health Service Area	6	Health Planning Area: A02

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

Exact Legal Name: Cook County, through Cook County Health and Hospitals System	
Address: 1900 W. Polk Street, Chicago, IL 60612	
Name of Registered Agent: Jeff McCutchan	
Name of Chief Executive Officer: John Jay Shannon, M.D.	
CEO Address: As Above	
Telephone Number: 312-864-6000	

Type of Ownership of Applicant/Co-Applicant

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

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- 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.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact**[Person to receive ALL correspondence or inquiries)**

Name: Clare Connor Ranalli
Title: Partner
Company Name: McDermott Will & Emery
Address: 227 W. Monroe Street, Chicago, IL 60606
Telephone Number: 312-984-3365
E-mail Address: cranalli@mwe.com
Fax Number: 312-277-2964

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

Name: Samuel L. Williams
Title: Executive Director, Facilities
Company Name: Cook County Health and Hospitals System
Address: 1900 W. Polk Street, Chicago, IL 60612
Telephone Number: 312-864-4680
E-mail Address: samwilliams@cchhs.org
Fax Number:

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**

Name: Samuel L. Williams
Title: Executive Director, Facilities
Company Name: Cook County Health and Hospitals System
Address: 1900 W. Polk Street, Chicago, IL 60612
Telephone Number: 312-864-4680
E-mail Address: samwilliams@cookcountyhhs.org
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Cook County, a body politic
Address of Site Owner: 69 W. Washington St., Chicago, IL 60602
Street Address or Legal Description of Site: Corner of Polk and Damen
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 <u>ATTACHMENT-2</u> , 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: John H. Stroger Hospital of Cook County
Address: 1901 W. Harrison Street Chicago, IL 60612
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input checked="" type="checkbox"/> Governmental <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. 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. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS <u>ATTACHMENT-3</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS **ATTACHMENT-5**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS **ATTACHMENT-6**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- Substantive
- Non-substantive

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Cook County either directly or through Cook County Health and Hospitals System has operated Cook County Hospital/John H. Stroger Hospital and the Fantus Health Center, a/k/a Fantus Clinic located in Chicago since 1857 and 1959 respectively. The Hospital and the Fantus Clinic provide healthcare services as a safety net to uninsured and underinsured patients. The new Cook County Hospital (Stroger) opened in 2002. This project envisions replacement of the Fantus Clinic building which is on the Stroger campus at 621 W. Winchester in Chicago, and offers outpatient services. The Clinic building is obsolete and will be demolished. The cost of demolition is not included in this project, as the proposed new building is not on the same site as the current Fantus Clinic. The Fantus Building has nothing to do with the historic structure that is the old Cook County Hospital. All services offered at Fantus will continue to be offered at the proposed new building and at Stroger Hospital.

The Hospital is constructing a 9 story Central Campus Health Center ("CCHC") at 1950 W. Polk that will offer medical services on an outpatient basis to, in part, replace the Fantus Clinic as a medical office type clinic. A full description of the project is attached to this narrative summary. These services will be "medical office based" i.e. in exam rooms and almost entirely by appointment only. They will be offered by employed physicians/dentists including endocrinologists (diabetic care), primary care, dermatology, ENT, oncology, ophthalmology and dentistry. In addition infusion therapy will be offered at the CCHC. It will also house administrative offices, conference rooms, education, library and employee health. The first floor of the new building will allocate space to public amenities, such as a coffee shop, gift shop and other similar common area amenities to be determined. The CCHC will be attached to the John H. Stroger Hospital via connectors at the first floor for the public, and second for employees.

Some current administrative space in both the Hektoen and CCHHS Administrative buildings will be vacated and moved to the CCHC. There is no current intended use for the vacated space.

In addition, space will be modernized on the 4th floor of John H. Stroger Hospital to accommodate women's health services (OB/Gyne and pediatrics with some general medicine), currently offered at Fantus. The 4th floor location at Stroger is a good location for these services, as this floor includes labor/delivery, an inpatient pediatric service and the NICU, none of which will be at all impacted by the modernization of space on the 4th Floor.

The modernized space on the 4th floor will consist of a total of 41,105 GSF. The total clinical space in the new CCHC building will be 85,393 with 199,078 non clinical GSF (total 284,471 GSF). The total project cost is \$137,717,160.00.

The project is non-substantive under the Board's rules as it does not involve the establishment or discontinuation of a category of service or health care facility.



COOK COUNTY HEALTH
& HOSPITALS SYSTEM
CCHHS

Central Campus Health Center

A new, functional and efficient 9-story, 278,000 square foot outpatient and administrative office building for the Cook County Health & Hospitals System (CCHHS) is proposed at the corner of West Polk Street and South Damen Avenue and will allow CCHHS to significantly improve outpatient services, reduce operating costs, avoid costly capital renewals for dilapidated buildings, and increase clinical and administrative efficiency. The proposed building relocates some functions from the Fantus Clinic building, Polk (CCHHS) Administration Building, and some administrative and conference space in the Hektoen Administration Building, all of which have far surpassed their useful lives.

CCHHS provides outpatient services in multiple locations throughout Cook County. John H. Stroger Hospital, its flagship facility with over 400 inpatient beds and the Fantus Health Center are located on its central campus. Outpatient services at the central campus site are currently provided at Fantus Health Center and on the first and second floors of Stroger Hospital, commonly referred to as the Specialty Care Center (SCC). CCHHS sees over 550,000 visits annually at Fantus and the SCC combined. Total system-wide outpatient visits exceed 900,000 in FY2015. In order to address national health care trends towards outpatient "health" care and away from inpatient "sick" care it is necessary to provide modern and efficient facilities reflective of CCHHS' world-class care and to improve patients' experience.

However, CCHHS does not see the new building simply as a one-to-one replacement of existing outdated structures that are no longer meeting the needs of the patients, staff, and doctors. Nor is it merely about minimally fulfilling the unmet demand upon the system. Rather, the new Central Campus Health Center is eagerly anticipated as a transformative centerpiece for system-wide operational and programmatic reform. It will enable the hospital system to offer a modern patient experience that is competitive in contemporary markets for years to come.

The construction of the new Central Campus Health Center will:

1. Provide state-of-the-art modern outpatient clinical space that will significantly improve the experience of Cook County patients, visitors and staff. While referred to as outpatient clinic services, the services offered at Fantus now and that will be provided at the new building are somewhat atypical from an outpatient clinic, in that the outpatient care

offered is via appointment only (save for emergency walk ins by patients of the CCHHS physicians at the Clinic) and provided by CCHHS employed physicians who also provide care for their patients at CCHHS hospitals, including Stroger. In essence, it is much like a medical office building, but the physicians are not independent practitioners. They are employed by and working in coordination with CCHHS/Stroger. It is anticipated that the new building will include all of the current services located at Fantus except for behavioral health which will be moved to another location, and also allow for some expansion of services that uninsured and Medicaid patients do not currently have ready access to elsewhere in the community, such as dental and ophthalmology services. Clinical services currently anticipated in this new building will include endocrinology, dermatology, primary care, medical oncology and related infusion services, otolaryngology, oral health and ophthalmology. These services have been programmed to maximize the synergies between one another, leading to both a higher quality patient experience and more efficient operating structure. The building is planned for maximum flexibility with floorplans that would work for a variety of clinical areas, should adjustments need to be made to the types of services provided in this building. The demolition of Fantus will also provide some immediate surface parking relief for patients.

2. This new building will centralize approximately 860 CCHHS employees who currently work out of three buildings: Fantus (built in 1959), some administrative and conference space in the Hektoen Administrative Building (1964), a former medical research building, and the CCHHS Administrative Building (1931), which in its day served as a dormitory for the Cook County School of Nursing. No significant investments have been made to these buildings in recent years. It is estimated that the deferred maintenance on these buildings alone would equate to \$128 million in 2016 dollars. The Fantus Health Center will be demolished and the remaining vacated space in the Hektoen and CCHHS administrative building will eventually be vacated. The new administrative space will be in a much smaller footprint and will be more efficient as it, for the most part, will be located in one building.
3. In addition, CCHHS will create a women and children's health center on the fourth floor of Stroger Hospital where labor and delivery and inpatient pediatrics are currently located. Outpatient pediatrics, and gynecological services which are currently provided in Fantus Health Center, and prenatal care services, which is provided in the hospital's SCC, will be re-located to the fourth floor. Today, delivery of women's services is fragmented and the space in Fantus lacks the type of rooms to provide appropriate care. The women and children's health center will include modern outpatient and

inpatient space to provide both a better patient experience and considerable staffing efficiencies.

Outpatient Care at the CCHHS Central Campus

Health Care Landscape. Changes as the result of Medicaid expansion under the Affordable Care Act and mandatory Medicaid managed care require CCHHS to shift its focus from one that has historically been hospital-focused to one focused on prevention, disease management and population health in an outpatient setting. In response to significant health care changes at both the state and national levels, CCHHS must position itself to both provide more efficient care to those it serves as part of its core mission, but also to a growing number of insured patients who choose to use CCHHS. To maintain its core mission of serving the uninsured, CCHHS must continue to attract and retain insured patients to minimize taxpayer funding of CCHHS operations. The inclusion of funding for this project in the Capital Improvement Plan (CIP) reflected this changed Medicaid environment.

Operating Cost Reduction. The new building will generate operating savings such as utility cost savings and savings on repair and maintenance.

- The estimated cost savings in utilities is approximately \$332,000 annually.
- According to a 2013 Real Estate Study, the County would incur \$128M in deferred maintenance and repair costs for the Fantus Health Center, and Hektoen and Administration Buildings, as measured in 2016 dollars.
- This \$128M repair and maintenance cost only would address basic deferred maintenance and repair; if the buildings were renovated it would cost an additional \$60M.

Efficient and Flexible Space. The new Central Campus Health Center will use space efficiently and flexibly.

- For administrative space, the new building is below the County space recommendation of 190 square feet per person, with only 150 square feet per person planned.
- For clinical efficiency, the volume numbers assume increased efficiency.
 - Physicians now see between 2-2.5 patients per hour, but this plan assumes physicians see 3 patients per hour.

Growth. CCHHS' current patient volumes and growth projections for the future support the need for the new central campus building. CCHHS is projecting that existing volume for services to be housed in the new building will grow 2.6% each year. By 2025 (Note: The clinics identified to go into the new building are a combination of clinics currently located

in Fantus and some that are located in Stroger and this growth projection is based on those specific service lines).

- The growth projections reflect healthcare trends, including increasing the type of services available (e.g. oral health).
- Through our network of Federally Qualified Health Center (FQHC) partners, we are working to refer more patients for specialty care to the central campus. The response has been positive and the FQHCs have noted CCHHS' commitment to improving patients' experience with efforts including parking and scheduling improvements and service expansions.
- CCHHS now has been continuing to enter into more Medicaid managed care contracts that will drive more reimbursements to CCHHS.
- Critically, the space being built will be consistent with market trends, replacing non-marketable outdated buildings in need of significant investment. The new building will serve as a second invitation to the hospital campus, offering a separate point of entry from the hospital, and likewise enhance the patient's arrival experience.

Project Costs and Sources of Funds

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

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$201,415	\$342,950	\$544,365
Site Survey and Soil Investigation	\$21,107	\$35,938	\$57,045
Site Preparation	\$2,726,672	\$4,647,820	\$7,377,492
Off Site Work	\$0	\$458,689	\$458,689
New Construction Contracts	\$28,810,287	\$56,030,219	\$84,840,506
Modernization Contracts	\$8,416,000	\$0	\$8,416,000
Contingencies	\$2,183,942	\$3,718,604	\$5,902,546.00
Architectural/Engineering Fees	\$1,881,007	\$3,202,795	\$5,083,802.00
Consulting and Other Fees	\$194,250	\$330,750	\$525,000.00
Movable or Other Equipment (not in construction contracts)	\$12,251,500	\$8,550,000	\$20,801,500
Bond Issuance Expense (project related)	\$368,103	\$626,770	\$994,873.00
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$1,004,667	\$1,710,665	\$2,715,342.00
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	\$58,061,959	\$79,655,201	\$137,717,160
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$7,000,000	\$6,000,000	\$13,000,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)	\$54,199,830	\$54,199,830	\$108,399,660
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources	\$16,317,500	\$0	\$16,317,500
TOTAL SOURCES OF FUNDS	\$77,517,330	\$60,199,830	\$137,717,160
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

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 non-capitalized operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100. Estimated start-up costs and operating deficit cost is \$ <u> N/A </u> .

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
Indicate the stage of the project's architectural drawings: <input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary <input checked="" type="checkbox"/> Schematics <input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>October 31, 2018</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 <input checked="" type="checkbox"/> Project obligation will occur after permit issuance.
APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

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

Cost Space Requirements

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

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							
APPEND DOCUMENTATION AS <u>ATTACHMENT-9</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available**. Include **observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: John H. Stroger of Cook County		CITY: Chicago			
REPORTING PERIOD DATES:		From: 01/01/15		to: 12/31/15	
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	240	16,136	74,894	0	240
Obstetrics	40	1,284	6,105	0	40
Pediatrics	40*	441	2,161	0	40
Intensive Care	86	4,000	20,427	0	86
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care	58	338	9,217	0	58
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:	464*	21,517	112,884	0	464*

*On May 6, 2016 the Hospital notified HFSRB and IDPH it was surrendering 14 of its 40 pediatric beds (see attached). However, the reporting period reflected above is for 2015 when 40 beds were in place.

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 manager 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 Cook County Health and Hospitals System* 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.

John Jay Shannon
SIGNATURE

John Jay Shannon, M.D.
PRINTED NAME

CEO
PRINTED TITLE

Douglas L. Elwell
SIGNATURE

Douglas L. Elwell
PRINTED NAME

Deputy CEO, Finance & Strategy
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 24 day of June

Notarization:
Subscribed and sworn to before me
this 24 day of June

Trumell Shells
Signature of Notary

Trumell Shells
Signature of Notary

Seal
OFFICIAL SEAL
TRUMELL SHELLS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:08/18/16
*Insert EXACT legal name of the applicant

Seal
OFFICIAL SEAL
TRUMELL SHELLS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:08/18/16

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT: NOT APPLICABLE – PROJECT IS FOR PHYSICIAN OFFICE, EDUCATION AND GENERAL ADMIN SPACE

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: **NOT APPLICABLE – NO STANDARDS FOR SPACE AT ISSUE**
 - 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: NOT APPLICABLE – PROJECT IS FOR PHYSICIAN OFFICE, EDUCATION AND GENERAL ADMIN SPACE

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 – NO SHELL SPACE

Provide the following information:

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

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

ASSURANCES: NOT APPLICABLE – NO SHELL SPACE

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.

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:**

\$13,000,000	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
\$108,399,660	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
\$16,317,500	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$137,717,160	TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS ATTACHMENT-36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver – NOT APPLICABLE – Body Politic

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

Provide Data for Projects Classified as:	Category A or Category B (last three years)	Category B (Projected)
Enter Historical and/or Projected Years:	NOT APPLICABLE GOVERNMENT/BODY POLITIC FINANCIAL VIABILITY WAIVER	
Current Ratio		
Net Margin Percentage		
Percent Debt to Total Capitalization		
Projected Debt Service Coverage		
Days Cash on Hand		
Cushion Ratio		

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

2. Variance

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

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

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements

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

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following: **NOT APPLICABLE – OUTPATIENT MEDICAL OFFICE SPACE**

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									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

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

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:
 N/A – Non Substantive Project

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)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			

	Outpatient			
Total				
Medicaid (revenue)				
	Inpatient			
	Outpatient			
Total				

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

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

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

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

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

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT-41, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing	24
2	Site Ownership	25
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	26
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	27
5	Flood Plain Requirements	27A-28
6	Historic Preservation Act Requirements	29-31H
7	Project and Sources of Funds Itemization	32
8	Obligation Document if required	
9	Cost Space Requirements	33
10	Discontinuation	
11	Background of the Applicant	34-34B
12	Purpose of the Project	35
13	Alternatives to the Project	36
14	Size of the Project	37
15	Project Service Utilization	38
16	Unfinished or Shell Space	N/A
17	Assurances for Unfinished/Shell Space	N/A
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	
27	Non-Hospital Based Ambulatory Surgery	
28	Selected Organ Transplantation	
29	Kidney Transplantation	
30	Subacute Care Hospital Model	
31	Children's Community-Based Health Care Center	
32	Community-Based Residential Rehabilitation Center	
33	Long Term Acute Care Hospital	
34	Clinical Service Areas Other than Categories of Service	
35	Freestanding Emergency Center Medical Services	
	Financial and Economic Feasibility:	39
36	Availability of Funds	19
37	Financial Waiver	19
38	Financial Viability	19
39	Economic Feasibility	40,41
40	Safety Net Impact Statement	N/A
41	Charity Care Information	42

Ownership of Applicant

John H. Stroger Hospital of Cook County is owned by the County of Cook, Illinois. It and other Cook County health facilities are operated by the Cook County Health & Hospitals System, an agency of the County of Cook that is governed by the Cook County Health & Hospitals Systems Board of Directors.

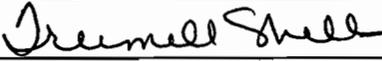
Ownership of Site

John H. Stroger and its grounds and facilities are owned by the County of Cook, Illinois, as is the proposed site for the Central Campus Health Center.



John Jay Shannon, M.D.
CEO
Cook County Health and Hospitals System

Subscribed and sworn to before me
this 24 day of June, 2016.



Notary Public





House Number Certificate

City of Chicago Department of Transportation

Division of Maps and Plats

This certificate is valid only for the type listed below:

New Construction

Certificate Number: 64782

Date of Issue: 06/03/2016

This is to certify that the correct number of the building at:
SITE PLAN, SURVEY, AND LEGAL DESCRIPTION OF LAND ATTACHED.
FOR CCHHS CENTRAL CAMPUS HEALTH CENTER.
NEW CONSTRUCTION WITH CONNECTIONS TO EXISTING COOK COUNTY HOSPITAL.

in the City of Chicago is number
1950 W POLK ST

In accordance with plats on file and approved by the Division of Maps and Plats of the City of Chicago. By order of the Commissioner of the Department of Transportation

Rebekah Scheinfeld
Commissioner of
Transportation

Fee \$10.00

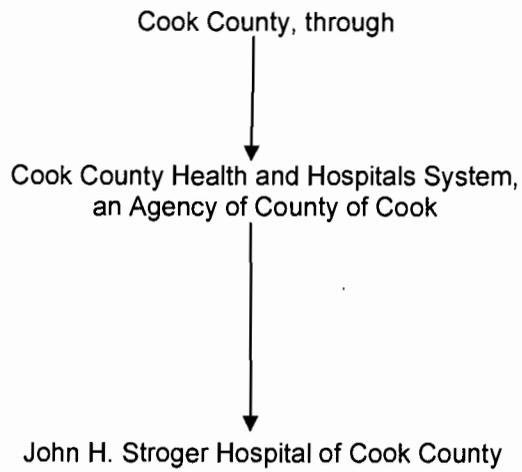
Any Variation or changes made to the site plan will invalidate this certificate

*****Attention*****
Please be aware that the above legal address will be conveyed to the Office of Emergency Management and Communication. This is the address to which the CHICAGO POLICE and FIRE DEPARTMENTS will respond in the event of an EMERGENCY.
The main entrance of your building must be located at the above address and clearly labeled. This will also be the location of the fire alarm panels when a fire alarm System is required. The panels must be located within viewing distance of the entrance, as approved by the Fire Prevention Bureau during the Plan Review Process.

Operating Identity/Licensee

By Cook County ordinance, the Cook County Health & Hospitals System (CCHHS), an agency of Cook County government, is responsible for management and operations of Cook County's health facilities, including John H. Stroger and Provident Hospital along with various outpatient clinics. CCHHS is governed by the Cook County Health & Hospitals System Board of Directors.

Organizational Relationships



FEMA's National Flood Hazard Layer (Official)

Data from Flood Insurance Rate Maps (FIRMs) where available digitally. Try <http://bit.ly/1bPpUjq> (Unofficial) if this map is down

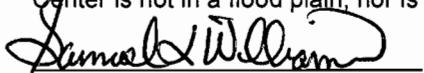


National Geospatial-Intelligence Agency (NGA); Delta State University; Esri | scott.mcafee@fema.dhs.gov

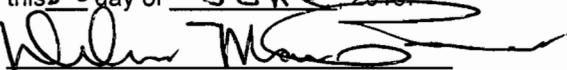
JTA

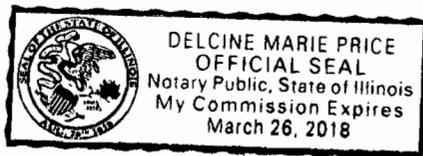
Flood Plain

I, Samuel L. Williams, Realtor, CCHHS, do hereby attest the site of the proposed Central Campus Health Center is not in a flood plain, nor is John H. Stroger Hospital.


Samuel L. Williams, Realtor

Subscribed and sworn to before me
this 22 day of June 2016.


Notary Public



Historic Preservation Agency Finding

See attached.

McDermott Will & Emery

Boston Brussels Chicago Düsseldorf Frankfurt Houston London Los Angeles Miami
Milan Munich New York Orange County Paris Rome Seoul Silicon Valley Washington, D.C.
Strategic alliance with MWE China Law Offices (Shanghai)

Clare Connor Ranalli
Attorney at Law
cranalli@mwe.com
+1 312 984 3365

June 24, 2016

VIA OVERNIGHT MAIL

Illinois Historic Preservation Agency
1 Old State Capitol Plaza
Springfield, Illinois 62701-1512
Attention: Director Amy Martin

Re: Illinois Certificate of Need ("CON") Clearance Letter Request

Dear Director Martin:

We represent John H. Stroger Hospital of Cook County (the "Hospital") in pursuing a CON from the Health Facilities & Services Review Board to construct a building on its campus. A new nine story building will be constructed adjacent to the Hospital and attached to it. The Hospital's mailing address is 1901 W. Harrison and its main entrance is located at 1969 W. Ogden Avenue. The new hospital building opened in 2002. The proposed building will be located at the corner of Polk and Damen Streets in Chicago (1950 W Polk). The Illinois State Agency Historic Resources Preservation Act, 20 ILCS 34201/1 et seq. (the "Act"), provides that written notice of a proposed undertaking shall be given to the Director of the Illinois Historic Preservation Agency ("HPA") either by a State agency or a recipient of its funds, licenses or permits when the proposed undertaking might affect historic, architectural or archaeological resources. In addition, the CON application process requires a letter from HPA regarding any construction project's impact on possible architecturally significant or historical structures.

Enclosed is the information necessary for the HPA to conduct a review of the Project to determine whether any historic, architectural or archaeological sites might be impacted by the Project. Specifically, we provide the following information to you for review:

1. General project description and address: The project will include an approximate 275,000 GSF building which will include outpatient medical office type space and administrative space.
2. Topographic or metropolitan map showing the general location of the project: See attached.
3. Photographs of any standing buildings/structure within the project area: See enclosed.

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U.S. practice conducted through McDermott Will & Emery LLP

227 West Monroe Street Chicago, Illinois 60606-5096 Telephone: +1 312 984 2000 Facsimile: +1 312 984 7700 www.mwe.com

4. Address for building/structures, if present: None at the location of Polk and Damen. If this project is approved by the CON Board the Fantus Health Center located at 621 W. Winchester Avenue in Chicago will be demolished when the new building construction is complete, and the 4th floor of the new (opened in 2002) Hospital (main address 1969 W. Ogden) will be subject to interior modernization.

Upon review of the information provided in this letter, kindly forward confirmation to my attention indicating whether, in the HPA's opinion, the Project will have any impact on a historical or architecturally significant building or structures.

To our knowledge, there are no historical buildings in the area. Further, there are no state-designed historical sites in the vicinity of the proposed site.

Thank you for your consideration. If you have questions, please contact me at (312) 984-3365.

Sincerely,

McDermott Will & Emery


Clare Connor Kanalli

Enclosures

From: Lisa DiChiera [<mailto:DiChieraL@lpci.org>]
Sent: Thursday, June 23, 2016 11:59 AM
To: Jessica Caffrey (Capital Planning); Close, Letitia
Cc: Bonnie McDonald
Subject: Fantus Clinic

Jessica and Letty,

Regarding the Fantus Clinic (1959, architect Richard Prendergast), with a preliminary and expedited bit of research the only information I was able to find on the architect, and his overall body of design work, other than the article you provided when the building was completed, is the below information from his entries in two AIA directories. He graduated from the Armour Institute (to become IIT) before Mies van der Rohe's tenure began in 1938 and it appears most of his work was with the County. While the city of Chicago's Historic Resources Survey ends at 1940, I did reach out to an architectural historian who did some unpublished mid-century survey work for the city and she confirmed this building was not identified in her survey. Its association with any significant historical events has not been assessed. Also, attached is a 2003 document we submitted to the County of a conceptual redevelopment plan for Old Cook County Hospital during our earliest advocacy efforts for that building. As you will see, Fantus was envisioned as being replaced, as our priority was the historic hospital building and the opportunities for improving the area around it as well. At that time, there was no discussion about Fantus having any significance. I hope this is helpful.

Lisa DiChiera
Director of Advocacy
Landmarks Illinois

American Architects Directory First edition, 1956

PRENDERGAST, RICHARD W. (AIA)

Office: 228 N. LaSalle St, Chicago 1. Home: 8046 Kingston Ave, Chicago 17.

b.

Los Angeles, Feb. 4, 02. M. 24, Children

2,

Educ: Armour Inst, of Tech,

B.S.

in Arch, 25. Present Occup: Asst. Axcht, Bd. of Educ, City of Chicago, snee 52. Reg: 111. Gen. Types:

1,2,4,5,9.

Mem: 111. Soc. of Archts; Triangle

Frat. Gov. Serv: Archt. & Construct. Engr, Pub. Bldg. Serv, Gen. Serv,

Admin. AIA Mem: Chicago Chapter.

American Architects Directory Second edition, 1962

PRENDERGAST, RICHARD W. AIA 47. Chicago Chapter

t Richard W. Prendergast & Assoc, 30 N. Dearborn St, Chicago 2, 111.

b.

Los Angeles, Feb. 4, 02. Educ: Armour Inst, of Tech, B.S. in Arch, 25.

Present Firm: Richard W. Prendergast & Assoc, org. 55. Present Occup:

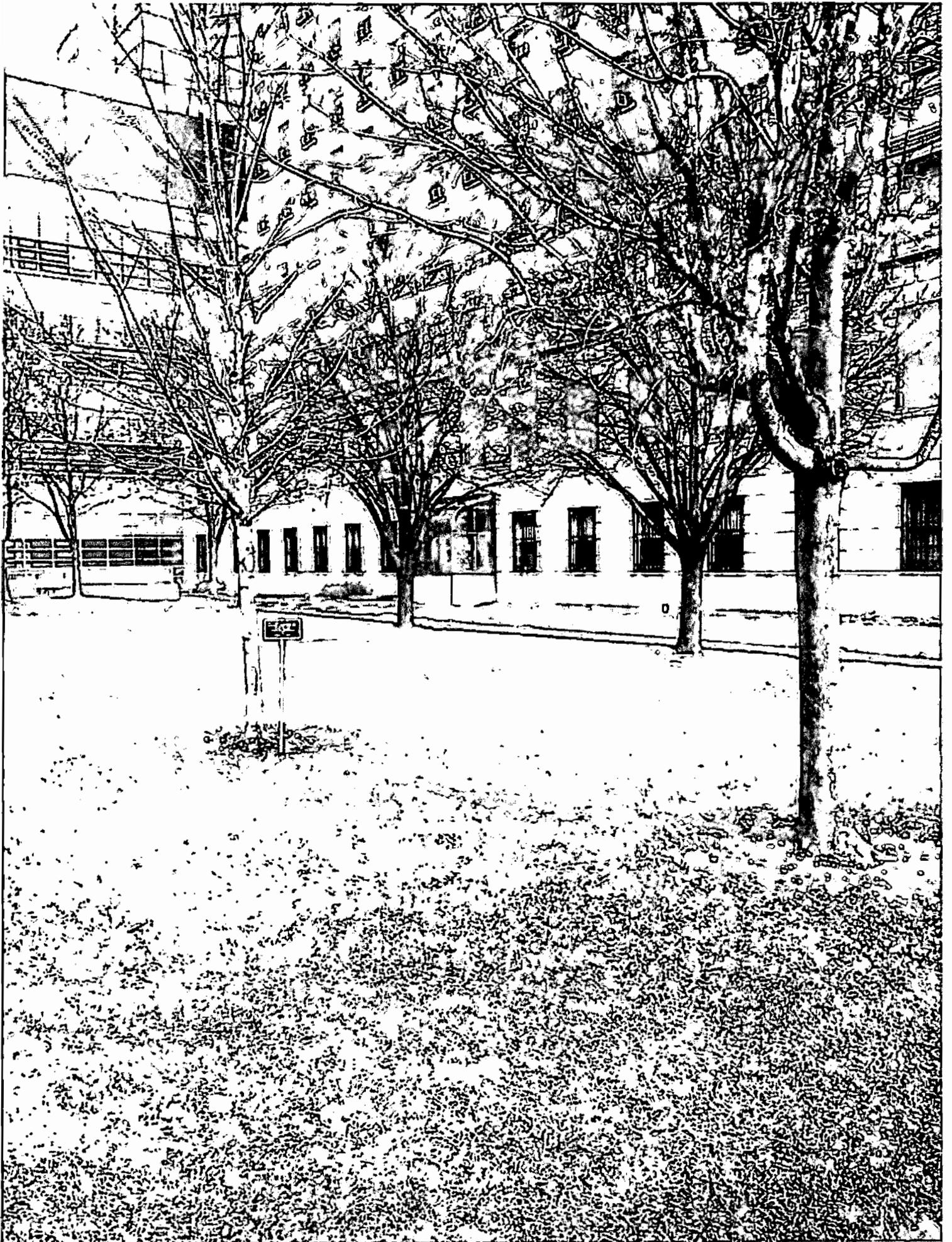
Cook Co. Archt. Reg: 111. Gen. Types: 1,2,3,4,5,7,8,9,10, 19. Prin. Wks; New

Out Patient Clinic, Cook Co. Hosp, 61; New Receiving Bed Hosp, Oak Forest

Hosp,

61, Add. Karl Meyer Hall, Co. Hosp, 61. Gov. Serv: Archt. & Construct.

Engr, Pub. Bldg. Serv, Gen. Serv. Admin.



314



310



31E



PROPOSED CONCEPT

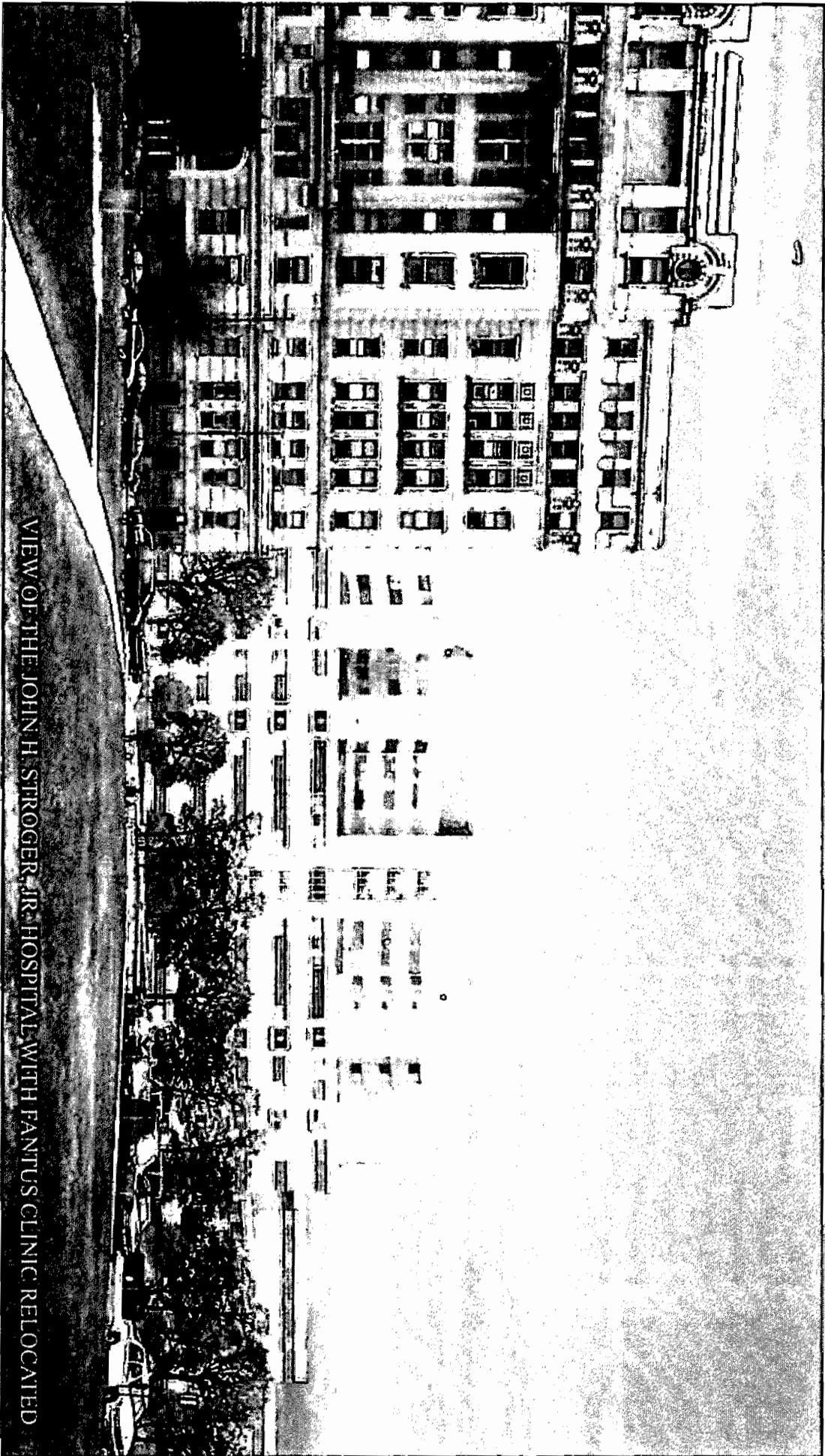
ANTUNOVICH ASSOCIATES
Architects.

LANDMARKS PRESERVATION COUNCIL OF ILLINOIS
Chicago, Illinois.

PLANT CONSTRUCTION COMPANY
General Contractors.

McCAFFERY INTERESTS
Developers.

31F



VIEW OF THE JOHN H. STROGER, JR. HOSPITAL WITH PANTUS CLINIC RELOCATED

Itemization of Costs

Pre Planning Costs - \$544,365.00 for feasibility studies, market studies, fee solicitations/bids

Site Survey - \$57,045 – Phase I Survey

Site Prep - \$7,377,492.00 – Equipment rental for earthwork, concrete, lifting, site drainage, utilities clearing, grading and related earthwork

Offsite Work - \$458,689 – Drainage, utilities, sidewalks, traffic signals

Construction - \$85,007,916 – Includes Fixed Equipment and Contractor's Overhead

Contingencies - \$5,902,546 – Design and Construction plus winter weather allowance

Consulting Fees - \$525,000.00 – environmental, consulting and professional

Movable Equipment - \$20,801,500 – exam tables, desks, miscellaneous movable medical equipment, office furniture, lobby furniture, kitchen equipment

Other Costs To Be Capitalized - \$2,715,342 – Builders Risk Insurance, Building Permit Allowance, A&E Reimbursables, Signage Allowance, Art Work, General Liability Insurance

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE*							
Medical Exam Rooms	\$52,494,703	206,706	126,498	75,640	41,105	0	206,706*
Infusion Therapy	\$5,567,256	0	9,753	9,753	0	0	0
NON REVIEWABLE							
Administrative	\$48,330,767	480,000**	122,000	122,000	0		480,000
Education/Conf. Rooms	\$5,546,154	N/A	14,000	14,000	0	0	0
Circulation (bridges, tunnels, general circulation and mechanicals)	\$23,197,580	N/A	43,000	39,000	0	0	0
Common Areas (Lobby/public areas)	\$5,546,154	N/A	10,000	14,000	0	0	0
Employee Health	\$2,580,700		4,521	4,521	0	0	0
Total Non-clinical	\$79,655,201	480,000	199,078		0	0	150,000
TOTAL	\$137,717,160	480,000	199,078	278,914	41,105	330,000	356,706

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

*Clinical space is listed here, but is not technically reviewable. The clinical space will be designated for CCHHS employed physicians who will see patients scheduled by appointment (i.e. medical office space) and, in addition, in the CCHC there will be an area for infusion therapy. Medical services offered at the CCHC will include oncology, ENT, Dermatology general medicine, endocrinology, dentistry and ophthalmology services. Medical services offered on the 4th floor of Stroger will include women's and children's health services.

*Fantus Building – Essentially all clinic (medical) space.

**This represents administrative space in the Hektoen and CCHHS Admin Building, which will be vacated and relocated to the new building.

1110.230 Background

Cook County Health and Hospitals System owns and operates John H. Stroger and Provident Hospitals. See attached licenses.

Medicare #s: 14-0124 Stroger

14-0300 Provident

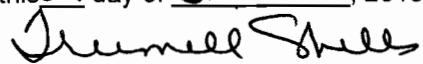
No adverse action, as that term is defined in rules and regulations of the Illinois Health Facilities and Services Review Board ("IHFSRB") has been taken over the past three (3) years against John H. Stroger or Provident Hospitals.

Both the IHFSRB and the Illinois Department of Public Health are authorized to access whatever documents necessary to verify the accuracy of this information.

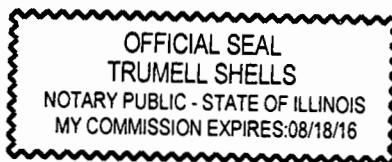


John Jay Shannon, M.D.
CEO, Cook County Health and Hospitals System

Subscribed and sworn to before me
this 24 day of June, 2016.



Notary Public





**Illinois Department of
PUBLIC HEALTH**

HF110629

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

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

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	ID NUMBER
5/14/2017		0005272
General Hospital		
Effective: 05/15/2016		

John H. Stroger, Jr. Hospital of Cook County
1901 W. Harrison Street
Chicago, IL 60612

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 5/14/2017

Lic Number 0005272

Date Printed 4/7/2016

John H. Stroger, Jr. Hospital of Cook
1901 W. Harrison Street
Chicago, IL 60612

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #4012320 10M 5/12

FEE RECEIPT NO.

334A
~~33A~~

DISPLAY THIS PART IN A CONSPICUOUS PLACE

HF 109547



Illinois Department of PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and regulations and is hereby authorized to practice in the specialty of

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

Director

1-800-661-1111
www.idph.state.il.us

EXPIRES	12/31/2016	ISSUE NO.	0004549
General Hospital			
Effective: 01/01/2016			

Exp. Date 12/31/2016
Lic Number 0004549

Date Printed 10/28/2015

Provident Hospital of Cook County
500 East 51st Street
Chicago, IL 60615

Provident Hospital of Cook County

500 East 51st Street
Chicago, IL 60615

FEE RECEIPT NO

3413

1120.230 Purpose

Cook County Health and Hospitals System is the safety net for health care in Chicago and suburban Cook County, which is the market and service area of the proposed project. Fifty-five percent of the Hospital's inpatients and 44% of its outpatients seen in 2014 are Medicaid insureds and 13% of its outpatients were self pay (2014 data). In 2015 John H. Stroger Hospital provided approximately \$370,000,000.00 in charity care (unreimbursed care). Fantus Clinic accounts for approximately 200,000 visits and 10% of the charity care amount. CCHHS does not engage in collection activity for those who cannot pay its bills, and all are served by the Hospital and its employed physicians regardless of the ability to pay.

For over 50 years the Fantus Health Center has provided outpatient care to patients who would otherwise have barriers to access to such care. It has seen millions of patients with over 500,000 visits combined annually at its location and at the outpatient area at Stroger. In 2015, 90,000 patients were seen by physicians employed by CCHHS, most all by appointment. The ability to access preventive care through various specialists and primary care physicians improves community health and reduces the cost of health care overall. The Fantus Clinic building is old and has many structural issues, including narrow corridors, low ceiling heights, outdated electrical system, poor design for modern outpatient services and old mechanicals. This project will address these problems by constructing a new outpatient services building that will replace the Fantus Health Center building. It will also offer education and conference space for our medical, nursing and administrative staff, and administrative offices for CCHHS physicians and administrative staff. The new building construction will allow for modernization of the 4th floor at Stroger to accommodate outpatient visits for women and children. These services are currently provided at Fantus and Stroger. Consolidating them will offer efficiencies for CCHHS patients and care providers.

While CCHHS is the primary public provider of comprehensive health services in Chicago, its patients, caregivers and staff of all levels deserve access to quality care in a modern healthcare delivery environment. The goal of this project is to provide for same. See attached for more information on the project.

Alternatives

Modernize the Existing Fantus Building and Hektoen and CCHHS Administration Buildings

The cost of doing so would be approximately \$188,000,000.00, which would only bring the buildings into good working order and address current Life Safety Code Standards. The cost efficiencies of operating in a new building would be lost and the result would be ongoing expensive capital maintenance of an aged structure, and the ability to deliver modern care would not be realized.

Build at an Alternative Site

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

This project is not amenable to a joint venture as an alternative, nor are other health resources available to take the place of CCHHS safety net services provided through the Fantus Clinic and Stroger CCS.

There is no empirical evidence directly available to CCHHS regarding this project, other than the 900,000 combined patient visits at Stroger and Fantus, most of which were Medicaid and/or unreimbursed care. The service cannot be eliminated and should no longer be provided in an obsolete building.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Med Exam	126,498	N/A	N/A	N/A
Infusion Therapy	9,753	N/A	N/A	N/A

NOT APPLICABLE – NO STANDARDS FOR CLINICAL SERVICES AT ISSUE.

THE FANTUS HEALTH CENTER HAD APPROXIMATELY 200,000 VISITS AND 90,000 PATIENTS IN CALENDAR YEAR 2015. AS OF 05/31/2016, IT HAS HAD 83,333 PATIENT VISITS.

IT OFFERS SCHEDULED APPOINTMENTS FOR PATIENTS WHO TYPICALLY COULD NOT SEE PHYSICIANS ON A REGULAR AND/OR SCHEDULED BASIS DUE TO BEING UNINSURED OR UNDER INSURED

The project is funded through cash, bond issuance and a financing lease.

The bond issuance will occur in September, if the HFSRB approves this project, with a 30 year maturity date and at an interest rate consistent with the market at the time. The financing lease will be for a 5 year term and the supplier is First American.

The project will be funded in part by borrowing because borrowing is less costly than liquidation of existing investments.

The selected form of debt financing will be at the lowest net cost available, to the extent possible.

Douglas Z. Elwell
Douglas Elwell,
Deputy CEO, Strategy and Finance
CCHHS

Subscribed and sworn to before me this
24 day of June, 2016.
Trumell Shells
Notary Public



The direct annual operating cost (increment dollars per equivalent patient day) for the first full year after project completion will be zero and the projected annual capital costs will be zero.

CHARITY CARE			
	Year 2013	Year 2014	Year 2015
Net Patient Revenue	60%	40%	31%
Amount of Charity Care (charges)	311,399,757	238,410,551	265,739,453
Cost of Charity Care	251,524,764	173,942,176	365,044,304