

Gastroenterology, S.C. and SGNL LLC collectively have in excess of \$300,000. Please note, on February 4, 2017, Standard Bank and Trust Company merged into and currently operates as part of First Midwest Bank.

A letter from First Midwest Bank stating the available loan proceeds to fund the New Lenox Endoscopy Center project is attached at **Attachment –A- 4**.

5. Q: Principle payments and interest expense were provided for New Lenox Endoscopy Center projected financial information. In the information provided in the application for permit a mortgage or a debt instrument is not being used to finance this project. Please explain. If the principle payments and interest expense was in error please provide new projected financial statements.

A: As noted previously, with the recent departure of the group's administrator, the Applicants reviewed the previously submitted pro forma financial statements and noted they included debt service rather than rent. As noted in the certificate of need application, New Lenox Endoscopy, LLC will lease the endoscopy center from an affiliated entity, SGNL, LLC, which will carry the debt associated with this project. Revised pro forma financial statements for New Lenox Endoscopy, LLC and SGNL, LLC are attached at **Attachment – A-2**.

6. Q: Is the depreciation expense on the projected income statement for New Lenox Endoscopy Center for the equipment or the building? The application states that SGNL, LLC is the owner of the building; therefore depreciation for the building would not be recorded on the proposed licensee's income statement.

A: Upon further review of the pro forma financial statements, the Applicants' noted the depreciation expense included in the previously submitted pro forma financial statements included both equipment and building depreciation expenses. As shown in the revised pro forma financial statements, the New Lenox Endoscopy, LLC depreciation expense pertains to the purchased equipment. The building depreciation expense is recorded on the SGNL, LLC pro forma financial statements. **See Attachment – A-2**.

7. Q: Please clarify the expected Medicaid population that will be served by the proposed facility and the

A: See Applicant's response in body of letter on page 6.

8. Q: The opposition letter from Silver Cross Hospital and Medical Center questions the number of outpatient GI procedures performed at Silver Cross Hospital and Medical Center by Southwest GI physicians. The application for permit states 7,359 outpatient GI procedures were performed at Silver Cross Hospital while Silver Cross Hospital states that 6,321 outpatient GI procedures were performed at the Hospital or a difference of approximately 1,038 procedures. Please explain the difference.