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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
DEC 03 2018
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification ASTC00005608

Facility Name: Ophthalmology Surgery Center of Illinois		
Street Address: 1300 Arlington Heights Rd		
City and Zip Code: Itasca, IL 60143		
County: DuPage	Health Service Area: 7	Health Planning Area:

Applicant(s) [Provide for each applicant (refer to Part 1130.220)] 05716

Exact Legal Name: Ophthalmology Surgery Center of Illinois, LLC
Street Address: 152 N. Addison Ave
City and Zip Code: Elmhurst, IL 60126
Name of Registered Agent: Ron Rindone
Registered Agent Street Address: 180 W. Park Ave, Ste 155
Registered Agent City and Zip Code: Elmhurst, IL 60126
Name of Chief Executive Officer: Kevin J. Kovach
CEO Street Address: 152 N. Addison Ave
CEO City and Zip Code: Elmhurst, IL 60126
CEO Telephone Number: 630-833-9621

Type of Ownership of Applicants

- ☐ Non-profit Corporation
- ☐ For-profit Corporation
- ☒ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which they are 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: Kara Friedman
Title: Attorney
Company Name: Polsinelli
Address: 150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

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

Name: Wes Kovach
Title: President
Company Name: Kovach Eye Institute
Address: 152 N. Addison Ave, Elmhurst, IL 60126
Telephone Number: 6360-833-9621
E-mail Address: Wes@kovacheye.com
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: Kara Friedman
Title: Attorney
Company Name: Polsinelli
Address: 150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Hamilton Partners, Inc.
Address of Site Owner: 300 Park Blvd, Suite 201, Itasca, IL 60143
Street Address or Legal Description of the Site: 1300 Arlington Heights Rd, Suite 150, Itasca, IL 60143 **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Ophthalmology Surgery Center of Illinois, LLC
Address: 152 N. Addison Ave, Elmhurst, IL 60126

☐ Non-profit Corporation ☐ Partnership
☐ For-profit Corporation ☐ Governmental
☒ Limited Liability Company ☐ Sole Proprietorship ☐ Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each 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 #2006-5 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 #2006-5 **(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 1110.20 and Part 1120.20(b)]

Part 1110 Classification:

☒ Substantive

☐ Non-substantive

2. Narrative Description

In the space below, provide 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.

Ophthalmology Surgery Center of Illinois, LLC (the "Applicant") seeks authority from the Illinois Health Facilities and Services Review Board (the "State Board") to establish an ambulatory surgical treatment center with two operating rooms and eight recovery stations (the "Surgery Center"). The proposed Surgery Center will consist of 3,809 GSF of clinical space, 2,107 GSF of non-clinical space for a total of 5,916 GSF of rentable square footage. The Surgery Center will be located within an existing building located at 1300 Arlington Heights Road, Itasca, IL 60143. Accordingly, this project will not involve new construction but rather modernization/modification of existing space.

This project constitutes a substantive project because it involves the establishment of a health care facility.

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 be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation	$18,672	$10,328	$29,000
Off Site Work			
New Construction Contracts			
Modernization Contracts	$1,012,006	$592,994	$1,605,000
Contingencies	$53,439	$29,561	$83,000
Architectural/Engineering Fees	$127,184	$59,291	$186,475
Consulting and Other Fees	$120,481	$44,519	$165,000
Movable or Other Equipment (not in construction contracts)	$845,000	$285,000	$1,130,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	$390,569	$216,049	$606,618
Other Costs To Be Capitalized	$85,000	$85,000	$170,000
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	**$2,652,351**	**$1,322,742**	**$3,975,093**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$1,296,011	$572,464	$1,868,475
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages	$965,771	$534,229	$1,500,000
Leases (fair market value)	$390,569	$216,049	$606,618
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	**$2,652,351**	**$1,322,742**	**$3,975,093**
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 ☐ Yes ☒ No
Purchase Price: $_____
Fair Market Value: $_____

The project involves the establishment of a new facility or a new category of service
☒ Yes ☐ 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 $ $320,351.

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:

☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): June 30, 2020

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies
☒ Financial Commitment 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 [Section 1130.620(c)] **NOT APPLICABLE**

Are the following submittals up to date as applicable:
☐ Cancer Registry
☐ APORS
☐ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☐ 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 **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (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.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**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 ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization NOT APPLICABLE

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is 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:			**CITY:**		
REPORTING PERIOD DATES:		**From:**		**to:**	
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

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

This Application is filed on the behalf of Ophthalmology Surgery Center of Illinois, LLC* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application 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 fee required for this application is sent herewith or will be paid upon request.

SIGNATURE	SIGNATURE
Kevin J. Kovach, M.D. PRINTED NAME	PRINTED NAME
Manager PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 5 day of October	Notarization: Subscribed and sworn to before me this _____ day of _____
Roxanne L Tyree Signature of Notary	Signature of Notary
Seal	Seal

ROXANNE L TYREE
Official Seal
Notary Public – State of Illinois
My Commission Expires Jan 26, 2022

*Insert the EXACT legal name of the applicant

65443302.1

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.

1110.110(a) – Background of the Applicant

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 listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.

3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

    a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.

    b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.

    c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.

    d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.

    e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.

4. 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.**

5. 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 that the information was 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.

Criterion 1110.110(b) & (d)

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 relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the 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 the age and condition of the project site, as well as 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 Staff 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 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:

   a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.

   b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.

   c. The project involves the conversion of existing space that results in excess square footage.

   d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET 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:

Provide the following information:

1. Total gross square footage (GSF) 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 is available; and
   b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

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

ASSURANCES:

Submit the following:

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

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

SECTION V. SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing the establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion, and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

G. Non-Hospital Based Ambulatory Surgery

Applicants proposing to establish, expand and/or modernize the Non-Hospital Based Ambulatory Surgery category of service must submit the following information.

ASTC Service
☐ Cardiovascular
☐ Colon and Rectal Surgery
☐ Dermatology
☐ General Dentistry
☐ General Surgery
☐ Gastroenterology
☐ Neurological Surgery
☐ Nuclear Medicine
☐ Obstetrics/Gynecology
☒ Ophthalmology
☐ Oral/Maxillofacial Surgery
☐ Orthopedic Surgery
☐ Otolaryngology
☐ Pain Management
☐ Physical Medicine and Rehabilitation
☐ Plastic Surgery
☐ Podiatric Surgery
☐ Radiology
☐ Thoracic Surgery
☐ Urology
☐ Other

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

APPLICABLE REVIEW CRITERIA	Establish New ASTC or Service	Expand Existing Service
1110.235(c)(2)(B) – Service to GSA Residents	X	X

1110.235(c)(3) – Service Demand – Establishment of an ASTC or Additional ASTC Service	X	
1110.235(c)(4) – Service Demand – Expansion of Existing ASTC Service		X
1110.235(c)(5) – Treatment Room Need Assessment	X	X
1110.235(c)(6) – Service Accessibility	X	
1110.235(c)(7)(A) – Unnecessary Duplication/Maldistribution	X	
1110.235(c)(7)(B) – Maldistribution	X	
1110.235(c)(7)(C) – Impact to Area Providers	X	
1110.235(c)(8) – Staffing	X	X
1110.235(c)(9) – Charge Commitment	X	X
1110.235(c)(10) – Assurances	X	X

APPEND DOCUMENTATION AS ATTACHMENT 24, 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)**

VI. 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]:**

$1,868,475	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;
$1,500,000 (line of credit) $606,618 (FMV of Lease)	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;
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project
$3,975,093	**TOTAL FUNDS AVAILABLE**

APPEND DOCUMENTATION AS ATTACHMENT 33, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VII. 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

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 34, 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.

	Historical 3 Years			**Projected**
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

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

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 35, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII.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:

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-38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

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 38.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			

	Outpatient			
	Total			

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

SECTION X. CHARITY CARE INFORMATION

Charity Care information MUST be furnished for ALL projects [1120.20(c)].

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 39.

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

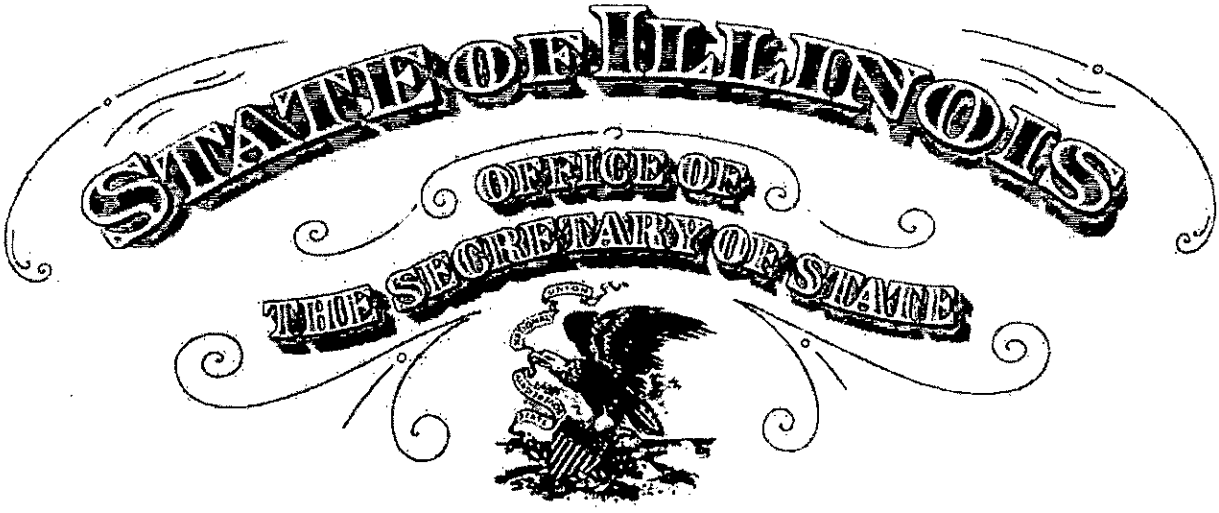
APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I, Identification, General Information, and Certification
Applicants

The Illinois Certificate of Good Standing for Ophthalmology Surgery Center of Illinois, LLC is attached at Attachment – 1.

Attachment – 1

File Number 0711929-1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

OPHTHALMOLOGY SURGERY CENTER OF ILLINOIS, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON OCTOBER 03, 2018, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 8TH *day of* OCTOBER *A.D.* 2018 .

Authentication #: 1828101076 verifiable until 10/08/2019
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Attachment - 1

Section I, Identification, General Information, and Certification
Site Ownership

A copy of the letter of intent between Ophthalmology Surgery Center of Illinois and Hamilton Partners, Inc. is attached at Attachment – 2.

Attachment – 2

Section I, Identification, General Information, and Certification
Site Ownership

A copy of the letter of intent between Ophthalmology Surgery Center of Illinois and Hamilton Partners, Inc. is attached at Attachment – 2.

Attachment – 2

HAMILTON
PARTNERS

HAMILTON PARTNERS, INC.
300 Park Boulevard, Suite 201
Itasca, Illinois 60143-2636

October 1, 2018

Via: e-mail: scott@capitalrep.com

Scott Fedyski
CEO - Managing Broker - Founder
Capital Real Estate Partners, LLC
P.O. Box 18
Wheaton, IL 60187

Jay Scholten
President
Capital Real Estate Partners, LLC
P.O. Box 18
Wheaton, IL 60187

Re: Ophthalmology Surgery Center of Illinois
1300 Arlington Heights Road – Suite 150

Dear Scott;

Hamilton Partners is pleased to present the following revised proposal for your client **Ophthalmology Surgery Center of Illinois** ("Tenant") to lease office space at **1300 Arlington Heights Road** the ("Building") in Itasca, Illinois. The following response to your Request for Proposal will outline terms under which ownership would enter into a lease;

Tenant:	Ophthalmology Surgery Center of Illinois
Premises:	Approximately, 6,000 to 8,000 rentable square foot located on the 1st floor, a mutually agreeable space plan to be determined.
Delivery Condition:	Tenant will accept the premises in "as-is" condition.
Use:	Outpatient surgical center.
Lease Commencement Date:	Within the context of the Lease term, the Lease Commencement Date shall be the same as the Rent Commencement Date as defined below. However, Tenant requires early possession of the space to complete the Tenant Improvements.
Rent Commencement Date:	Upon the later of completion of construction or receipt of Certificate of Occupancy from the Village of Itasca, but rent shall start no later than June 1, 2019. However, this date shall be further determined once the Certificate of Need is awarded.
Lease Term:	The term of the lease shall be for ninety (90) months.
Net Rental Rate:	$ 14.00 net per square foot. The net rental rate shall escalate $ .50 annually.

Operating Expenses and Real Estate Taxes: Tenant shall pay its proportionate share of Operating Expenses and Real Estate taxes. Real Estate and Operating Taxes are calculated on gross basis.

Controllable operating expenses will be capped at no more than a 5% increase annually.

Operating Expenses and Taxes History and Estimates:

Year	Taxes	Operating Expenses
2016	$ 2.44 p.s.f. Actual	$ 6.66 p.s.f. Actual
2017	$ 2.57 p.s.f. Estimate	$ 7.14 p.s.f. Actual
2018	$ 2.75 p.s.f. Estimate	$ 7.26 p.s.f. Estimate

Tenant Improvement Allowance: Landlord shall provide a Tenant Improvement allowance of $ 35.00 psf per a mutually agreeable space plan. Tenant shall use the Improvement Allowance to modify the premises form their current condition.

Space Planning: Upon Landlord's approval, Landlord shall reimburse tenant for space planning up to $0.12 per square foot, plus one Landlord approved revision of $ 0.05 per square foot.

Tenant Entrance: Landlord will work with Tenant to accommodate a separate entrance at a location to be approved by Landlord and the Village of Itasca. Tenant improvement funds may be used to pay for the cost of such new entrance.

Rent Abatement: Six (6) months net rent will be abated from the occupancy date, but rent shall not start no later than June 1, 2019.

Electricity: Electricity of lights and outlets shall be separately metered and paid for by Tenant.

Any common or shared utility costs shall be included in CAM and Operating Expenses.

Assignment and Subleasing: Tenant shall have the right to Sublease or Assign all or a portion of the Premises under the Lease with landlord's consent, which consent shall not be unreasonably conditioned, delayed or withheld. Landlord shall have no right of recapture.

Renewal Option: Tenant shall have one (1) option to renew the lease for an additional term of five (5) years by providing nine (9) months prior notice. The renewal rate shall be at the then prevailing market rate, including any concessions being offered at that time; however, in no event shall the renewal rate be less than the previous rent paid.

Relocation Rights: Landlord shall not have the right to relocate Tenant during the term of the lease or any renewal periods.

HVAC: Landlord will provide heating, ventilation and air-conditioning

(HVAC) in season as required for Tenant's comfort, use and occupancy with effective performance at the performance specifications from:

Monday - Friday:	7:00 am to 6:00 pm
Saturday:	7:00 am to 1:00 pm

The after-hours charge is estimated to be $ 22.00 per rooftop per hour.

Detailed HVAC system description is shown below.

LL will not unreasonably withhold approval for Tenant's supplemental cooling needs.

Generator: Tenant will have the right to tie into existing building generator. Tenant shall have priority use of generator over other tenants. Further discussion is required.

Power: 1300 AHR is served by a 300KA 277/480v 3 ph. Transformer is from Com Ed. For Tenant service at 120/208v/3ph, the building has 3300 amps total available. Building HVAC is served with 2500a at 277/480 3ph.

1300 AHR was designed as a high-density use building and can support in excel of 5 watts per foot electrical use.

Roof: 1300 AHR has an asphalt built up roof with gravel topping. The roof is original and is yearly inspected by a roof consultant with any repairs noted take care of. Built up roofs carry much longer lifespans that membrane roofs. Built up roofs with good care can last 30-40 years.

Building Signage: Tenant shall have signage in the lobby directory, (if common) and Landlord will provide name on monument signage and possible directional entrance sign subject to approval by the Village of Itasca.

Parking: The 1300 Arlington Heights Road building has a parking ratio of 6/1000 at no cost over the term of the Lease. Tenant requests 8 reserved parking spaces near Tenant's separate entrance.

Park Amenities: Within Hamilton Lakes are the following amenities:

- Direct access to Beautiful outdoor walking paths
- Daycare center
- Two hotels
- Hamilton Lakes Health Club
- Restaurants
- Banks
- Dash Car transportation
- Public transportation provided by Pace
  - 1300 AHR is serviced by Pace Bus route 616 connecting to the Rosemont Blueline and the Itasca Metra Station.

Security of Deposit: Subject to review of Tenants financials, security deposit may be

waived.

Encumbrances: Two existing tenants have a Right of First Offer on suite 150.

Certificate of Need: Tenant is in the processing of pursuing a Certificate of Need. Any agreement between Landlord and Tenant shall be contingent upon Tenant receiving Certificate of Need.

Confidentiality: Landlord, its agent and/or broker and Tenant acknowledge that the content of the lease and any related documents are confidential information. Both parties shall keep such information strictly confidential and shall not disclose such information to any person or entity other than their respective financial, legal, brokerage, and space planning associates. In no event shall either party, or their respective agents, employees, or contractors, issue a press release regarding this transaction without the express written consent of the other party.

Agency: As required by Section 38.35 of the Illinois Real Estate Brokers and Salesman License Act, 225 ILCS 455/38.35, please acknowledge that Landlord has been informed, both orally and by this written disclosure that (1) Capital Real Estate Partners, LLC is acting on behalf of the prospective Tenant of the real estate and (2) information given to the Agent by Landlord may be disclosed to Tenant.

Commission: Both Landlord and Tenant recognize and acknowledge that the Tenant is exclusively represented by Capital Real Estate Partners, as Broker, in this transaction. Commission will be agreed upon in a separate agreement and paid by Landlord.

This communication does not constitute an offer, acceptance or binding contract and is not intended as a final expression of any agreement of the parties. No contract or agreement will exist unless expressed in a written instrument that has been executed and delivered by all parties

Scott, please review the terms that have been proposed and contact me to discuss any questions that you might have. This proposal is valid for a period of ten (10) days and is subject final approval from building ownership. I look forward to further discussions with you in the near future.

Sincerely,

Patrick J. McKillen

Patrick J. McKillen
Partner

Accepted by:

Name (Printed): Kevin Kovach

Signature: [illegible]

Date: 10/2/18

Section I, Identification, General Information, and Certification
Operating Identity/Licensee

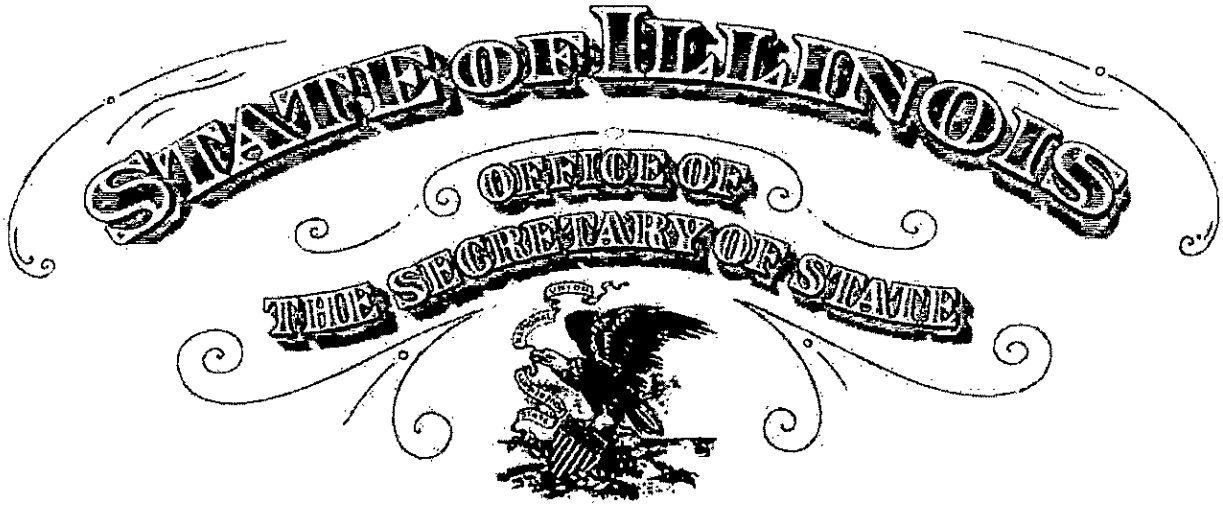
The Illinois Certificate of Good Standing for Ophthalmology Surgery Center of Illinois, LLC is attached at Attachment – 3.

The person owning a 5% or greater interest in Ophthalmology Surgery Center of Illinois, LLC is listed in the table below:

Name	Address	City	State	Ownership Interest
Kevin Kovach, M.D.	152 N Addison Ave	Elmhurst	IL	100%

Attachment – 3

File Number 0711929-1



To all to whom these Presents Shall Come, Greeting:

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OPHTHALMOLOGY SURGERY CENTER OF ILLINOIS, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON OCTOBER 03, 2018, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 8TH *day of* OCTOBER *A.D.* 2018 .

Authentication #: 1828101076 verifiable until 10/08/2019
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Attachment – 3

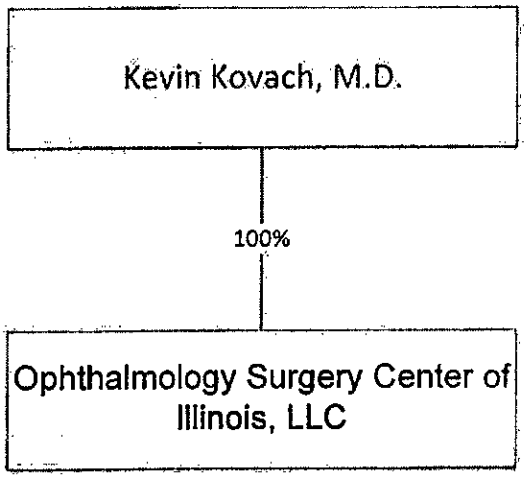
Section I, Identification, General Information, and Certification

Organizational Relationships

The organizational chart for Ophthalmology Surgery Center of Illinois, LLC is attached at Attachment – 4.

Attachment – 4

OPTHALMOLOGY SURGERY CENTER OF ILLINOIS, LLC
ORGANIZATIONAL STRUCTURE

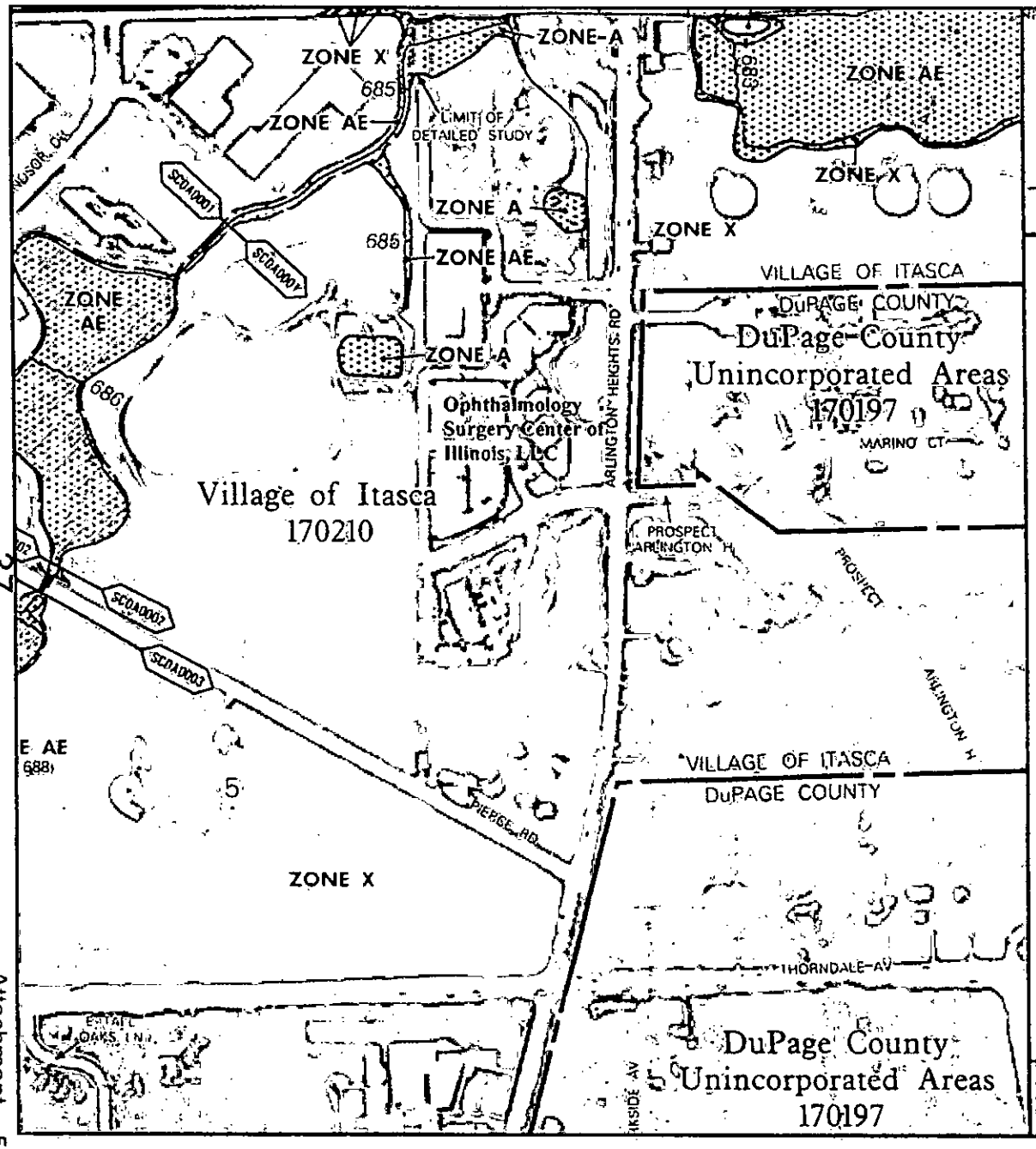


ATTACHMENT - 4

Section I, Identification, General Information, and Certification
Flood Plain Requirements

The site of the proposed surgery center complies with the requirements of Illinois Executive Order #2005-5. The proposed surgery center will be located at 1300 Arlington Heights Road, Itasca, IL 60143. As shown in the documentation from the FEMA Flood Map Service Center attached at Attachment – 5. The interactive map for Panel 17043C0301H reveals that this area is not included in the flood plain.

Attachment – 5



National Flood Insurance Program at 1-800-638-6620.

MAP SCALE 1" = 500'

250 0 500 1000 FEET

NFIP

NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0301H

FIRM

FLOOD INSURANCE RATE MAP

DuPAGE COUNTY,
ILLINOIS
AND INCORPORATED AREAS

PANEL 0301 OF 1006

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
DuPAGE COUNTY	[illegible]	[illegible]	H
ITASCA, VILLAGE OF	[illegible]	[illegible]	H

Notice to User: The Map Number shown below should be used when placing map orders; the Community Number shown above should be used on insurance applications for the subject community.

MAP NUMBER
17043C0301H

EFFECTIVE DATE
DECEMBER 16, 2004

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The Applicant submitted a request for determination that the proposed location is compliant with the Historic Resources Preservation Act. A copy of the letter is attached at Attachment – 6.

POLSINELLI

150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606-1599 • 312 819 1900

October 1, 2018

Anne M. Cooper
(312) 873-3606
(312) 276-4317 Direct Fax
acooper@polsinelli.com

Via Federal Express

Rachel Leibowitz, Ph.D.
Deputy State Historic Preservation Officer
Illinois Department of National Resources
Illinois State Historic Preservation
One Natural Resources Way
Springfield, IL 62702

Re: Historic Preservation Act Determination – Ophthalmology Surgery Center of Illinois, LLC

Dear Ms. Leibowitz:

This office represents Ophthalmology Surgery Center of Illinois, LLC (the "Requestor"). Pursuant to Section 4 of the Illinois State Agency Historic Resources Preservation Act, Requestor seeks a formal determination from the Illinois Historic Preservation Agency as to whether Requestor's proposed project to establish an ambulatory surgical treatment center to be located at 1300 Arlington Heights Road Itasca, IL 60143 ("Proposed Project") affects historic resources.

1. Project Description and Address

The Requestor is seeking a certificate of need from the Illinois Health Facilities and Services Review Board to establish an ambulatory surgical treatment center to be located at 1300 Arlington Heights Road Itasca, IL 60143. This project will involve the internal modernization of an existing building. No demolition or physical alteration of the exterior of any existing buildings will occur as a result of the Proposed Project.

2. Topographical or Metropolitan Map

A metropolitan map showing the location of the Proposed Project is attached at Attachment 1.

3. Historic Architectural Resources Geographic Information System

POLSINELLI

A map from the Historic Architectural Resources Geographic Information System is attached at Attachment 2. The property is not listed on the (i) National Register, (ii) within a local historic district, or (iii) within a local landmark.

4. Photographs of Standing Buildings/Structure

Photographs of the site of the proposed facility are attached at Attachment 3.

5. Addresses for Buildings/Structures

The Proposed Project will be located at 1300 Arlington Heights Road Itasca, IL 60143.

Thank you for your time and consideration of our request for Historic Preservation Determination. If you have any questions or need any additional information, please feel free to contact me at 312-873-3606 or acooper@polsinelli.com

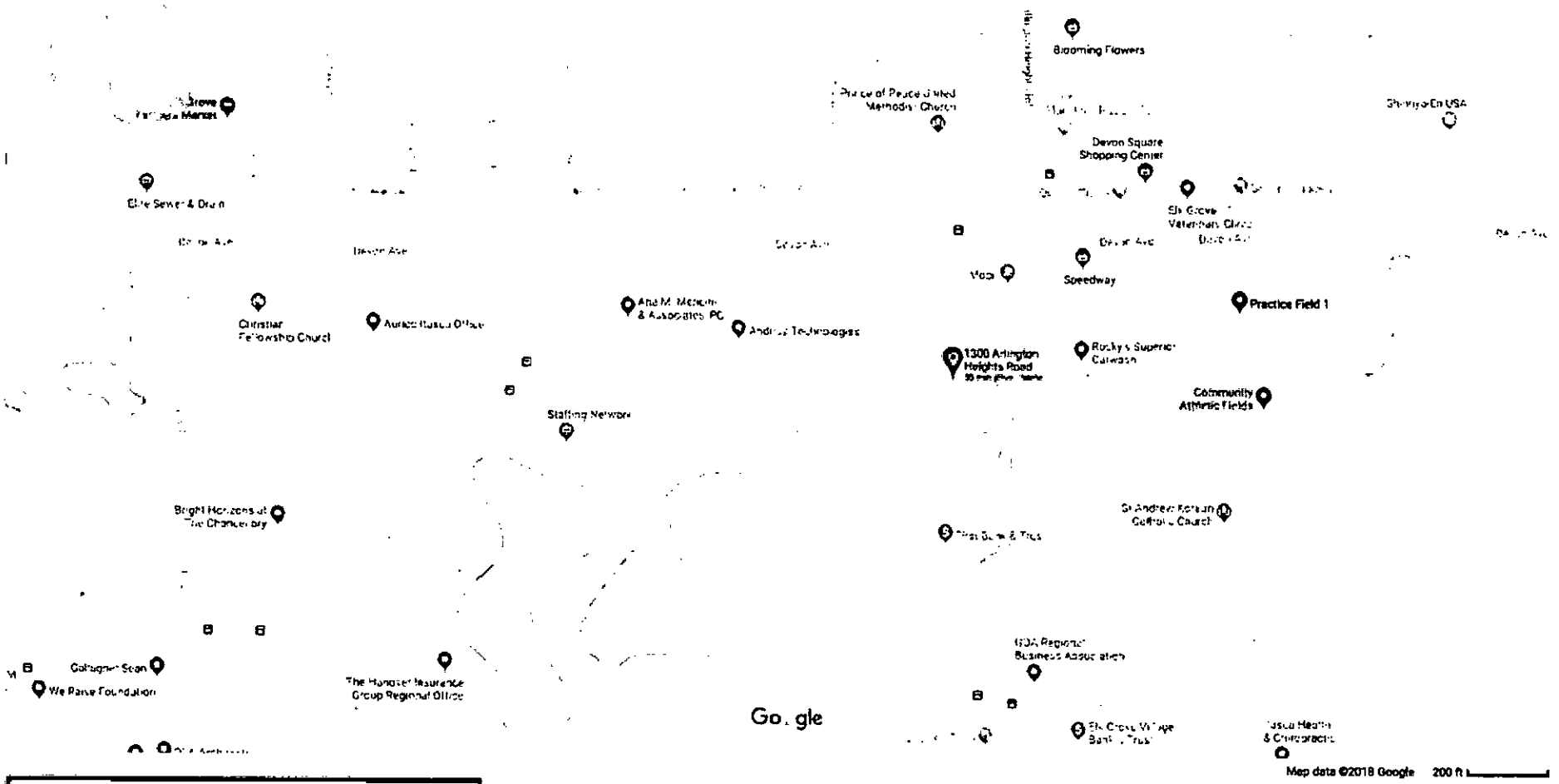
Sincerely,

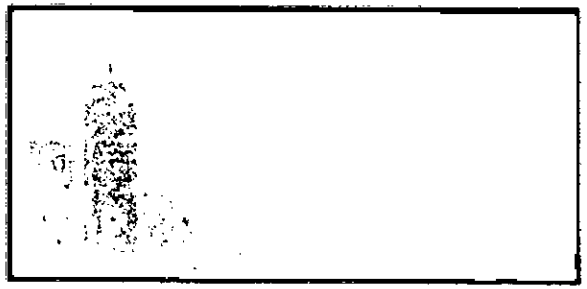
Anne M. Cooper

Anne M. Cooper

Attachments

Google Maps 1300 Arlington Heights Rd

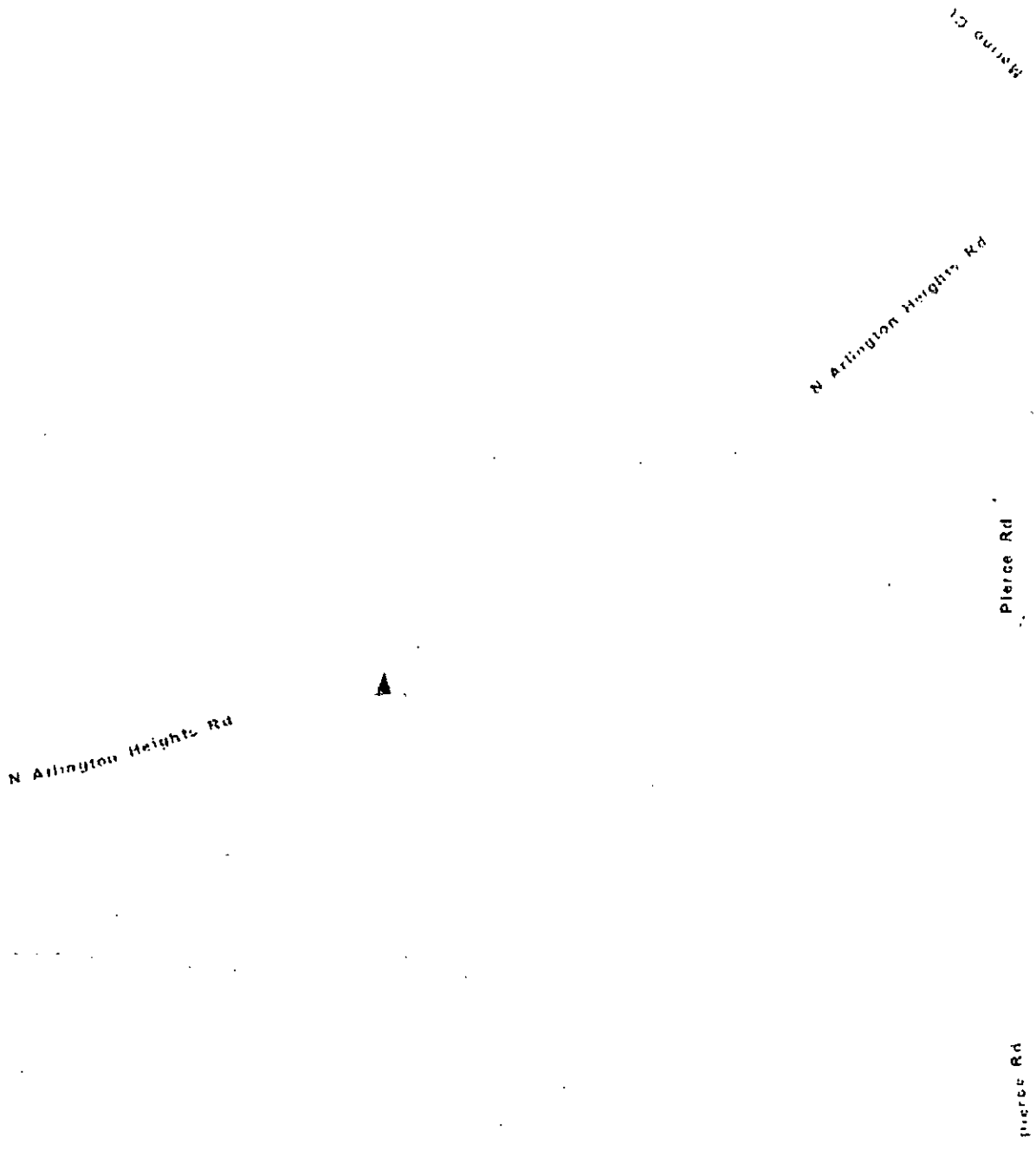




1300 Arlington Heights Rd
Itasca, IL 60143

Attachment – 6

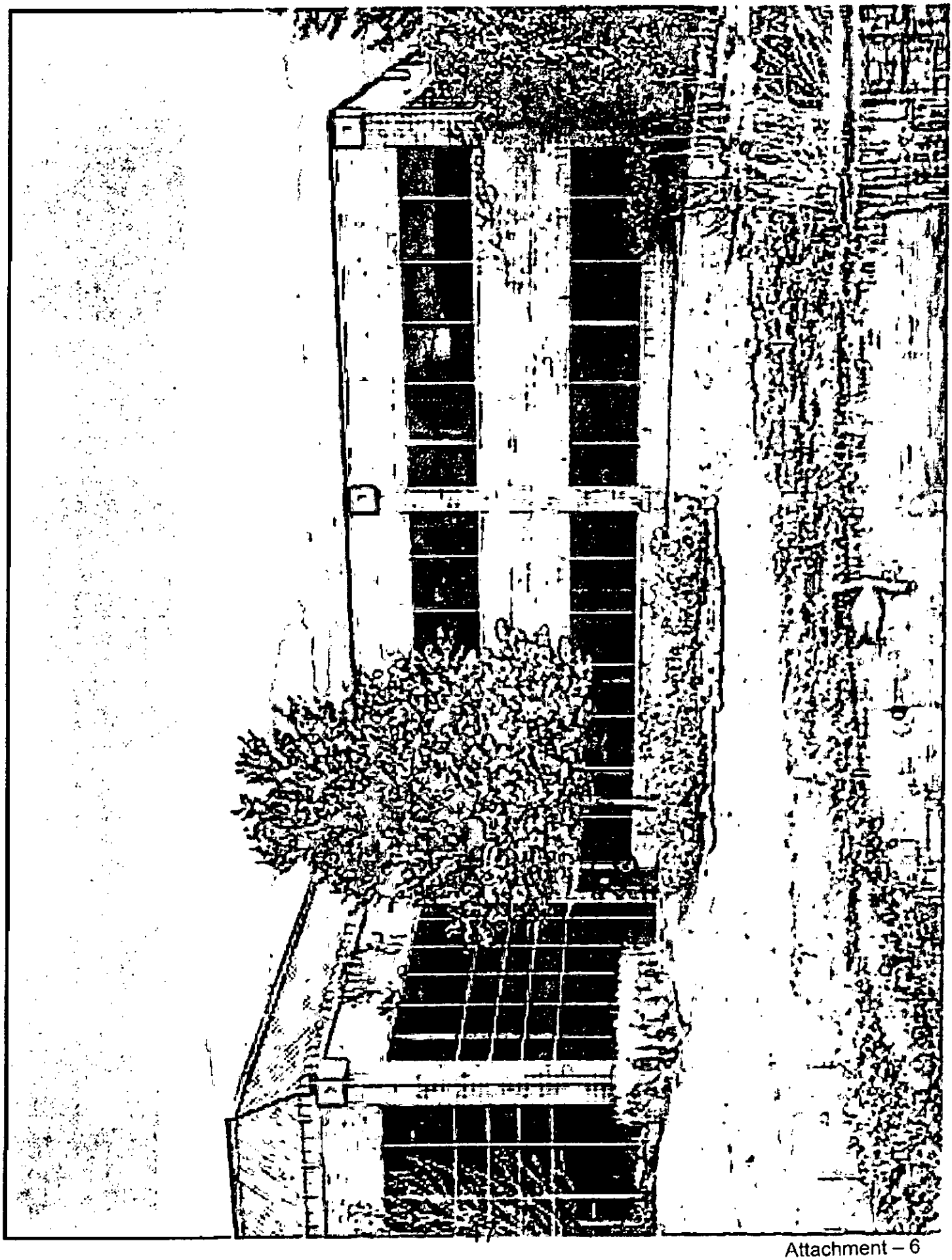
ATTACHMENT 2



Attachment – 6

ATTACHMENT 3

Attachment – 6



Attachment – 6

FOLD on this line and place in shipping pouch with bar code and delivery address visible

1. Fold the first printed page in half and use as the shipping label.
2. Place the label in a waybill pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.
3. Keep the second page as a receipt for your records. The receipt contains the terms and conditions of shipping and information useful for tracking your package.

Legal Terms and Conditions

Tendering packages by using this system constitutes your agreement to the service conditions for the transportation of your shipments as found in the applicable FedEx Service Guide, available upon request. FedEx will not be responsible for any claim in excess of the applicable declared value, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the applicable FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of 100 USD or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is 500 USD, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see applicable FedEx Service Guide. FedEx will not be liable for loss or damage to prohibited items in any event or for your acts or omissions, including, without limitation, improper or insufficient packaging, securing, marking or addressing, or the acts or omissions of the recipient or anyone else with an interest in the package. See the applicable FedEx Service Guide for complete terms and conditions. To obtain information regarding how to file a claim or to obtain a Service Guide, please call 1-800-GO-FEDEX (1-800-463-3339).

Section I, Identification, General Information, and Certification
Project Costs and Sources of Funds

Table 1120.110			
Project Cost	**Clinical**	**Non-Clinical**	**Total**
Site Preparation	$18,672	$10,328	$29,000
Modernization Contracts	$1,012,006	$592,994	$1,605,000
Contingencies	$53,439	$29,561	$83,000
Architectural/Engineering Fees	$127,184	$59,291	$186,475
Consulting and Other Fees	$120,481	$44,519	$165,000
Moveable or Other Equipment			
Operating Room Suites	$525,000		$525,000
Pre-Op/PACU	$215,000		$215,000
Central Sterilization	$80,000		$80,000
Instruments	$25,000		$25,000
Information Technology		$250,000	$250,000
Miscellaneous Office Equipment		$35,000	$35,000
Total Moveable or Other Equipment	$845,000	$285,000	$1,130,000
Fair Market Value of Leased Space or Equipment	$390,569	$216,049	$606,618
Other Costs to be Capitalized	$85,000	$85,000	$170,000
Total Project Costs	**$2,652,351**	**$1,322,742**	**$3,975,093**

Attachment – 7

Section I, Identification, General Information, and Certification
Cost Space Requirements

Cost Space Table							
		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
CLINICAL							
ASTC	$2,652,351	3,809			3,809		
Total Clinical	**$2,652,351**	**3,809**			**3,809**		
NON CLINICAL							
Administrative	$1,322,742	2,107			2,107		
Total Non-clinical	**$1,322,742**	**2,107**			**2,107**		
TOTAL	**$3,975,093**	**5,916**			**5,916**		

Attachment –9

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230, Project Purpose, Background and Alternatives

Background of the Applicant

1. The Applicant does not currently own or operate any health care facilities in Illinois. Accordingly, this criterion is not applicable.

2. The Applicant has not previously owned or operated any health care facilities in Illinois. Accordingly, this criterion is not applicable.

3. An authorization permitting the State Board and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11.

4. The Applicant has not previously submitted an application for permit during this calendar year. Accordingly, this criterion is not applicable.

Ophthalmology Surgery Center of Illinois, LLC

October 1, 2018

Richard Sewell
Vice Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Vice Chair Sewell:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action as defined in 77 Ill. Admin. Code § 1130.140 has been taken against any ambulatory surgical treatment center owned or operated by Ophthalmology Surgery Center of Illinois, LLC in the State of Illinois during the three year period prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.110(a)(2)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

Name: Kevin J. Kovach, M.D.
Manager
Ophthalmology Surgery Center of Illinois, LLC

Subscribed and sworn to me
This 5 day of October, 2018

Roxanne L Tyree
Notary Public

ROXANNE L TYREE
Official Seal
Notary Public – State of Illinois
My Commission Expires Jan 26, 2022

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(b), Project Purpose, Background and Alternatives

Purpose of the Project

1. The Applicants seek approval from the State Board to establish an ambulatory surgical treatment center with two operating rooms and eight recovery stations. The proposed Surgery Center will improve access to ophthalmology surgical services to residents in the northwestern Chicago suburbs, particularly low income residents on Medicaid. Vision is an essential part of everyday life, influencing how people of all ages learn, communicate, work, play and interact with the world. However, millions of Americans live with visual impairment, and many more remain at risk for eye disease and preventable eye disease. The eyes are an important, but often overlooked, part of overall health. Routine comprehensive eye exams can help detect common vision problems, including diabetic retinopathy, glaucoma, cataract and age-related macular degeneration. While many of these vision problems have no early warning signs, vision loss may be minimized through early detection and prescriptive eyewear, medicine or surgery. Despite the preventable nature of some vision impairments, many people do not receive recommended screenings and exams. Barriers to access routine eye care include cost of services and patient education. The 2015 Alexian Brothers Health System Community Health Needs Assessment identified high out of pocket costs associated with high deductible ACA marketplace plans as an access barrier vision care for safety net populations.

   Further, with the aging of the population, the number of Americans with major eye diseases will continue to increase, and vision loss is becoming a major public health concern. By the year 2020, the number of people who are blind or have low vision is projected to reach 5.5 million.[1] The proposed Surgery Center will improve access to ophthalmology services particularly for low income populations.

   The proposed Surgery Center will allow the Applicant to meet current and future patient needs in a high quality, cost-effective and accessible setting.

2. Ophthalmology Surgery Center of Illinois serves patients in the Du Page County within a 10 mile radius of the surgery center. A map of the market area of the Surgery Center is attached at Attachment – 12. Travel times from Ophthalmology Surgery Center of Illinois to the geographic service area ("GSA") borders are as follows:

   - East: Approximate 10 mile radius to South Elgin
   - Southeast: Approximate 10 mile radius to Wheaton
   - South: Approximate 10 mile radius to Oak Brook
   - Southwest: Approximate 10 mile radius time to Bellwood
   - West: Approximate 10 mile radius to Norwood Park
   - Northwest: Approximate 10 mile radius to Arlington Heights
   - North: Approximate 10 mile radius to Palatine
   - Northeast: Approximate 10 mile radius to Rolling Meadows

3. There are currently 8 hospitals and 18 ASTCs within 10 miles of the proposed Surgery Center. Area hospitals are not feasible as they are less efficient and a higher cost setting for patients. Further, the proposed Surgery Center will perform ophthalmology surgical procedures that require specialized equipment. Of the 18 ASTCs in the geographic service area, only four ASTCs perform ophthalmology and laser eye procedures. Two of the surgery centers, Elmhurst Outpatient Surgery Center and Hoffman Estates Surgery Center do not accept Medicaid. While the remaining ASTC provide a limited amount of Medicaid care, they have closed medical staffs. The proposed Surgery

[1] Kempen JH, O'Colmain BJ, Leske MC, et al. Eye Diseases Prevalence Research Group: Causes and Prevalence of Visual Impairment Among Adults in the United States. Arch Ophthalmol. 2004;122:477-485 *available at* https://www.ncbi.nlm.nih.gov/pubmed/15078664 (last visited Nov. 5, 2018).

Center will allow the physicians of Kovach Eye Institute a location where their Medicaid patient can receive surgical treatment for their vision problems.

4. Sources

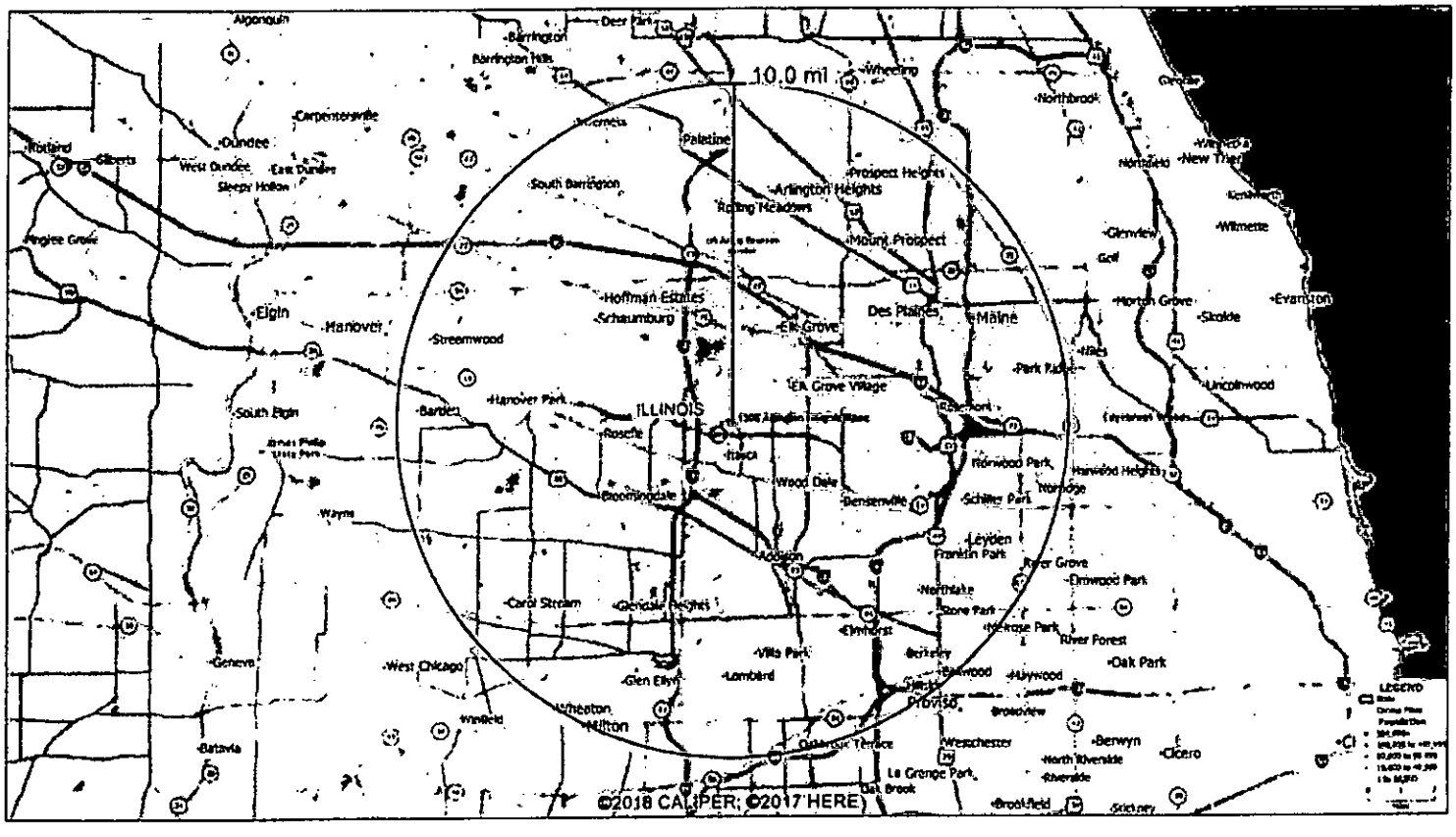
Professional Research Consultants, Inc., Summary Report: 2015 PRC-MCHC Community Health Needs Assessment: Alexian Brothers Health System Service Area *available at* https://www.alexianbrothershealth.org/upload/docs/CHNA/2015%20PRC%20MCHC%20CHNA%20Report%20Alexian%20Brothers%20Health%20System%202.pdf (last visited Nov. 5, 2018).

Office of Disease Prevention and Health Promotion, U.S. Department of Health and Human Services, Healthy People 2020 *available at* https://www.healthypeople.gov/2020/topics-objectives/topic/vision (last visited Nov. 5, 2018).

Kempen JH, O'Colmain BJ, Leske MC, et al. Eye Diseases Prevalence Research Group: Causes and Prevalence of Visual Impairment Among Adults in the United States. Arch Ophthalmol. 2004;122:477-485 *available at* https://www.ncbi.nlm.nih.gov/ pubmed/15078664 (last visited Nov. 5, 2018).

5. Goals and Objectives

The proposed Surgery Center will improve access to ophthalmology surgical services to residents of the northwestern Chicago suburbs. It will provide a high quality, lower cost alternative to hospital outpatient surgical departments.



Attachment – 12

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(c), Project Purpose, Background and Alternatives

Alternatives

The Applicant explored several options prior to determining to establish the proposed Surgery Center. The options considered are as follows:

a. Do nothing;

b. Utilize existing facilities;

c. Add orthopedic and podiatric surgery procedures to the existing ASTC.

After exploring these options, which are discussed in more detail below, the Applicant decided to add orthopedic and podiatric surgery procedures to its ASTC. A review of each of the options considered and the reasons they were rejected follows.

Do Nothing

The first alternative considered was to maintain the status quo, whereby the Applicant would continue to perform ophthalmology procedures in its office and outpatient hospital surgical departments. While this alternative would result in no cost to the Applicant, it would not address the need for ophthalmology services or improve access to low income residents. Accordingly, this alternative was rejected.

Utilize Other Health Care Facilities

Another alternative the Applicant considered was utilizing existing health care facilities. There are currently 8 hospitals and 18 ASTCs within 10 miles of the proposed Surgery Center. Area hospitals are not feasible as they are less efficient and a higher cost setting for patients. A recent article in the New York Times noted the escalation in health care costs is largely attributed to high prices charged by hospitals.[2] This article highlighted that hospitals are the most powerful players in a health care system that has little or no price regulation in the private market. Prices set by hospitals are discretionary and not connected to underlying costs or market prices. Further, according to the March 2018 Medpac Report to Congress, Medicare payment rates for most ambulatory surgical procedures performed in hospital outpatient departments (HOPDs) have become much higher than in surgery centers. In fact, for 2016, Medicare rates were 92% higher in HOPDs than surgery centers.[3]

The proposed Surgery Center will perform ophthalmology surgical procedures that require specialized equipment. Of the 18 ASTCs in the geographic service area, only four ASTCs perform ophthalmology and laser eye procedures. Two of the surgery centers, Elmhurst Outpatient Surgery Center and Hoffman Estates Surgery Center do not accept Medicaid. The other two surgery centers have closed medical staffs.

Due to the equipment needs of the proposed Surgery Center and infeasibility of utilizing other providers, this alternative was rejected.

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[2] Elisabeth Rosenthal, *As Hospital Prices Soar, a Stitch Tops $500*, N.Y. TIMES, Dec. 2, 2013

[3] Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy 128 (Mar. 15, 2018) *available at* http://www.medpac.gov/docs/default-source/reports/mar18_medpac_ch5_sec.pdf ?sfvrsn=0 (last visited Nov. 26, 2018).

Establish a the Proposed Surgery Center

As more fully discussed above, the proposed Surgery Center will address current and future patient need for ophthalmologic surgical procedures, particularly for low-income populations. The existing hospitals and surgery centers are not viable options for the Applicant and its patients. After weighing this option against others, it was determined that this alternative would provide the greatest benefit by providing a high quality, low cost option to patients and payors.

The cost of this alternative is $3,975,093.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(a), Size of the Project

The proposed Surgery Center will be an ambulatory surgical treatment center with two operating rooms and eight recovery stations. Pursuant to Section 1110, Appendix B of the State Board's rules, the State standard is 1,660 GSF to 2,200 GSF per operating/procedure room and 180 gross square feet per recovery station for a total of 5,840 GSF for two operating rooms and eight recovery stations. The gross square footage of clinical space will be 3,809 GSF. Accordingly, the proposed Surgery Center is consistent with the State standard.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(b), Project Services Utilization

By the second year of operation, the proposed Surgery Center's annual utilization shall meet or exceed the State Board's utilization standards. Pursuant to Section 1110, Appendix B of the State Board's rules, utilization for ambulatory surgical treatment centers is based upon 1,500 hours per operating room. As stated in the physician referral letter attached at Appendix - 1, Kevin Kovach, MD anticipates his medical group, Kovach Eye Institute, will collectively perform 2,096 procedures at the proposed Surgery Center within the first year after project completion. Based upon the current experience of the referring physicians, the estimated procedure time, including prep and cleanup, is approximately .75 hours, or a total of 1,572 surgical hours in the first year after project completion.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(c), Unfinished or Shell Space

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(d), Assurances

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(2)(B), Geographic Service Area Need

a. Attached at Attachment 24A is a map outlining the intended geographic service area ("GSA") for Ophthalmology Surgery Center of Illinois. As set forth in Criterion 1100.510(d), the proposed Surgery Center will serve patients residing in and around Itasca. Accordingly, the intended primary GSA consists of those areas within a 10 mile radius from the proposed Surgery Center.

b. Pursuant to Section 1100.510(d) of the State Board's rules, the normal travel radius should be based upon the location of the applicant facility. The proposed Surgery Center is located in DuPage County therefore the intended GSA is the radius of 10 miles from the proposed Surgery Center. Ophthalmology Surgery Center of Illinois will serve Itasca and surrounding communities within a 10 mile radius of the proposed Surgery Center. A list of all zip codes located, in whole or in part, within a 10 mile radius of the proposed Surgery Center as well as the 2016 U.S. Census population estimates for each zip code is provided in Table 1110.235(c)(2)(B)(i).

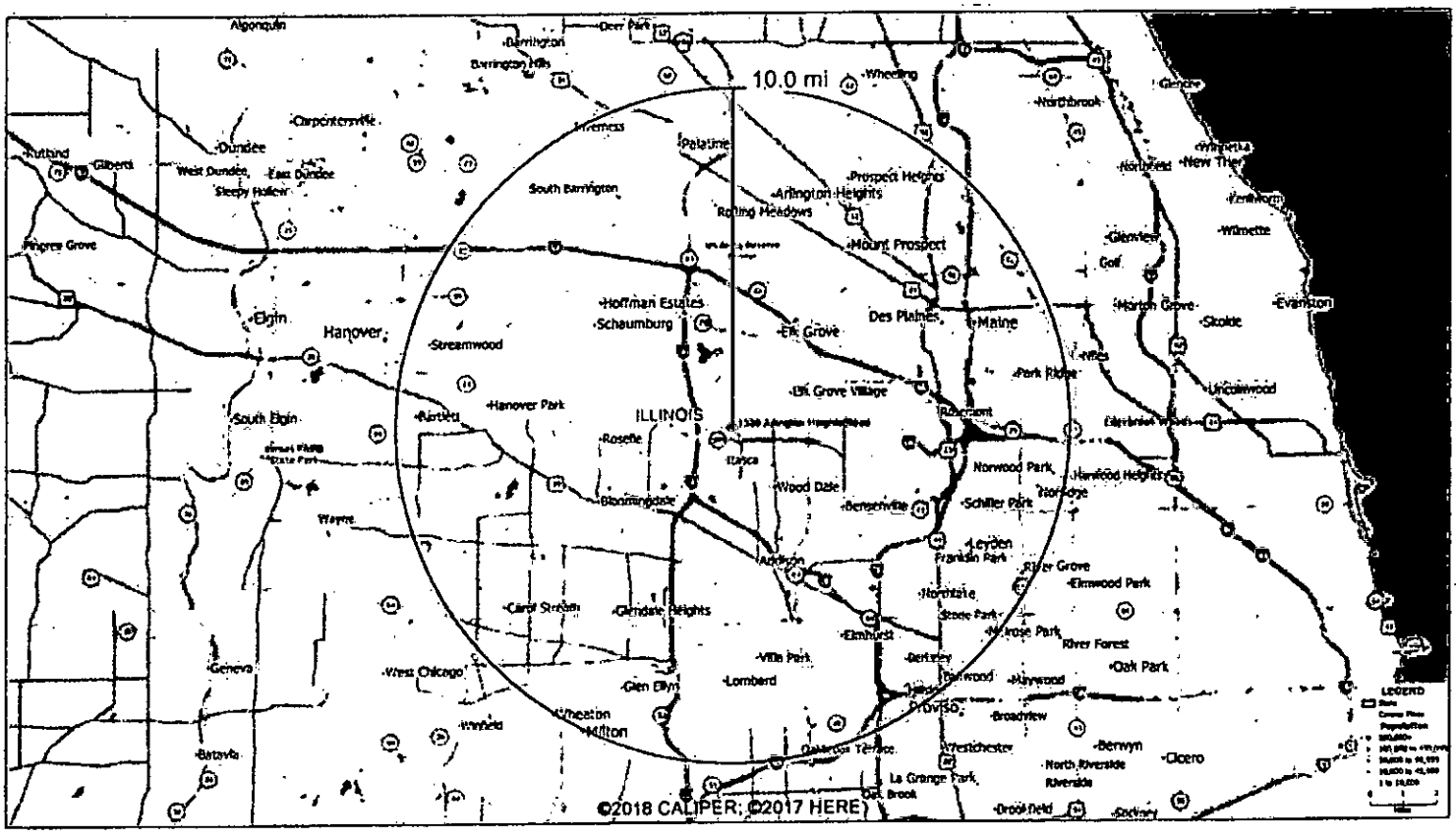
Table 1110.235(c)(2)(B)(i)
Target Population with Geographic Service Area

Zip Code	City	Population
60004	Arlington Heights	50,974
60005	Arlington Heights	29,936
60007	Elk Grove Village	33,733
60008	Rolling Meadows	22,023
60016	Des Plaines	59,726
60018	Rosemont	30,519
60025	Glenview	39,105
60056	Mount Prospect	55,366
60067	Palatine	37,988
60068	Park Ridge	37,567
60070	Prospect Heights	16,195
60074	Palatine	38,985
60101	Addison	39,645
60103	Bartlett	42,437
60106	Bensenville	20,215
60108	Bloomingdale	22,981
60126	Elmhurst	47,818
60131	Franklin Park	18,072
60133	Hanover Park	38,518
60139	Glendale Heights	34,614
60143	Itasca	10,372
60148	Lombard	52,486
60157	Medinah	2,293
60163	Berkeley	5,192
60164	Melrose Park	21,700

Table 1110.235(c)(2)(B)(i) Target Population with Geographic Service Area		
Zip Code	**City**	**Population**
60165	Stone Park	4,936
60169	Hoffman Estates	34,058
60171	River Grove	10,248
60172	Roselle	25,045
60173	Schaumburg	12,246
60176	Schiller Park	11,813
60181	Oak Brook Terrace	28,667
60187	Wheaton	29,016
60188	Carol Stream	43,118
60191	Wood Dale	14,429
60193	Schaumburg	40,192
60194	Schaumburg	19,044
60195	Schaumburg	4,783
60631	Chicago	28,641
60634	Chicago	74,298
60656	Chicago	27,926
60714	Niles	29,730
Total		**1,246,650**

Source: U.S. Census Bureau, Census 2016 ASC 5 Year Population Estimate, American Factfinder *available at* https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml (last visited Oct. 12, 2018)

c. Attachment – 24B lists the patient origin by zip code for all patients treated by the referring physicians for the last calendar year.



Attachment – 24A

Patient Origin by Zip Code	
Zip Code	Cases
60004	31
60005	16
60007	30
60008	10
60010	16
60012	6
60013	11
60014	21
60016	12
60018	7
60025	10
60029	2
60030	2
60033	1
60041	2
60044	2
60045	2
60046	2
60047	6
60048	1
60050	2
60051	2
60053	2
60056	5
60060	2
60061	3
60062	7
60067	16
60068	10
60070	6
60074	7
60077	2
60084	8
60089	13
60090	4
60098	18
60101	62
60102	5
60103	26
60104	5
60106	39
60107	18
60108	23
60109	2
60110	19
60115	2
60116	1
60118	6
60120	23
60121	3
60123	24

Patient Origin by Zip Code	
Zip Code	Cases
60124	7
60126	68
60130	2
60131	13
60132	4
60133	8
60134	4
60135	3
60136	1
60137	24
60138	2
60139	13
60140	5
60142	18
60143	21
60148	48
60152	5
60153	2
60154	3
60155	1
60156	6
60157	4
60160	3
60161	1
60163	2
60164	16
60165	2
60169	10
60171	2
60172	32
60173	9
60174	5
60175	1
60176	1
60177	3
60181	52
60184	2
60185	7
60186	1
60187	5
60188	13
60189	8
60190	5
60191	29
60192	12
60193	24
60194	11
60201	2
60302	8
60304	9
60402	14

Patient Origin by Zip Code	
Zip Code	Cases
60403	10
60404	4
60407	2
60409	1
60410	8
60416	4
60420	2
60421	2
60422	3
60426	1
60431	15
60432	2
60433	4
60434	2
60435	14
60436	8
60439	2
60440	88
60441	8
60446	40
60450	10
60451	1
60453	4
60455	10
60457	3
60459	6
60460	1
60462	5
60463	5
60464	2
60465	2
60477	2
60481	1
60490	27
60502	9
60503	8
60504	24
60505	45
60506	26
60507	1
60510	18
60513	1
60514	5
60515	23
60516	7
60517	9
60521	4
60525	3
60526	2
60527	18
60532	20

Patient Origin by Zip Code	
Zip Code	Cases
60534	2
60538	14
60540	22
60542	6
60543	23
60544	21
60545	4
60546	5
60552	2
60554	3
60555	6
60558	2
60559	13
60560	8
60561	6
60562	2
60563	19
60564	27
60565	40
60585	15
60586	12
60604	1
60605	2
60607	5
60608	3
60609	6
60610	1
60611	7
60612	1
60613	13
60614	1
60615	2
60616	3
60617	3
60618	3
60619	9
60624	3
60625	6
60626	6
60628	2
60629	10
60630	1
60631	3
60632	7
60634	14
60638	30
60639	1
60640	6
60643	5
60644	2
60646	2

Patient Origin by Zip Code	
Zip Code	**Cases**
60647	1
60651	2
60652	1
60656	11
60660	3
60700	2
60706	3
60707	8
60714	4
60804	3
60805	6
60940	2
60958	1
61104	1
61310	1
61341	2
61350	2
61364	2
61874	1
62544	2
Total	**2,096**

Attachment – 24B

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(3) – Service Demand- Establishment of an ASTC Facility

Physician referral letters providing the name and number of patients referred to health care facilities within the past 12 months and the projected number of referrals to the Surgery Center is attached at Appendix – 1. A summary of the physician referral letters is provided in Table 1110.235(c)(3) below.

Table 1110.235(c)(3)		
Hospital/ASTC	**Cases Performed In the Last 12 Months**	**Anticipated Referral to Applicant**
Midwest Center for Day Surgery	1,120	1,120
Naperville Surgical Centre	326	326
Edward Hospital	121	121
Rush Oak Park	15	15
KEI Minor Procedure Room – Elmhurst	84	84
Ashton Center for Day Surgery	430	430
Total	**2,096**	**2,096**

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(5) Treatment Room Need Assessment

As stated throughout this application, the Applicant proposes to establish an ambulatory surgical treatment center ("ASTC") limited to ophthalmology with two operating rooms and eight recovery stations. The State Board standard is 1,500 surgical hours per procedure room. As documented in Appendix – 1, the referring physicians project to perform 2,096 surgical procedures in the second year after project completion. Based upon historical caseload data, the Applicant estimates the average length of time per procedure will be .75 hours. This estimate includes 20 minutes for prep and cleanup. This amounts to 1,572 surgical hours.

V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(6), Service Accessibility

The primary purpose of this project is to offer patients residing in Itasca and the surrounding area with the full continuum of ophthalmology surgical care at one location.

There are currently 8 hospitals and 18 ASTCs within 10 miles of the proposed Surgery Center. Area hospitals are not feasible as they are less efficient and a higher cost setting for patients. Further, the proposed Surgery Center will perform ophthalmology surgical procedures that require specialized equipment. Of the 18 ASTCs in the geographic service area, only four ASTCs perform ophthalmology and laser eye procedures. Two of the surgery centers, Elmhurst Outpatient Surgery Center and Hoffman Estates Surgery Center do not accept Medicaid. The other two surgery centers have closed medical staffs.

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(7), Unnecessary Duplication/Maldistribution

1. **Unnecessary Duplication of Services**

   a. The Surgery Center will be located at 1300 Arlington Heights Road, Itasca, Illinois. A map of the proposed facility's market area is attached at Attachment – 24C. A list of all zip codes located, in total or in part, within a 10 mile radius of the site of the proposed Surgery Center as well as 2016 census figures for each zip code is provided in 1110.235(c)(7)(A).

Table 1110.235(c)(2)(A)
Target Population with Geographic Service Area

Zip Code	City	Population
60004	Arlington Heights	50,974
60005	Arlington Heights	29,936
60007	Elk Grove Village	33,733
60008	Rolling Meadows	22,023
60016	Des Plaines	59,726
60018	Rosemont	30,519
60056	Mount Prospect	55,366
60067	Palatine	37,988
60068	Park Ridge	37,567
60070	Prospect Heights	16,195
60090	Wheeling	38,045
60101	Addison	39,645
60103	Bartlett	42,437
60104	Bellwood	19,010
60106	Bensenville	20,215
60107	Streamwood	40,916
60108	Bloomingdale	22,981
60126	Elmhurst	47,818
60131	Franklin Park	18,072
60133	Hanover Park	38,518
60137	Glen Ellyn	37,798
60139	Glendale Heights	34,614
60143	Itasca	10,372
60148	Lombard	52,486
60157	Medinah	2,293
60160	Melrose Park	25,534
60163	Berkeley	5,192
60164	Melrose Park	21,700
60165	Stone Park	4,936

Table 1110.235(c)(2)(A) Target Population with Geographic Service Area		
Zip Code	**City**	**Population**
60169	Hoffman Estates	34,058
60171	River Grove	10,248
60172	Roselle	25,045
60173	Schaumburg	12,246
60176	Schiller Park	11,813
60181	Oak Brook Terrace	28,667
60188	Carol Stream	43,118
60191	Wood Dale	14,429
60193	Schaumburg	40,192
60194	Schaumburg	19,044
60195	Schaumburg	4,783
60656	Chicago	27,926
60706	Norridge	23,604
60714	Niles	29,730
Total		**1,221,512**

Source: U.S. Census Bureau, Census 2016 ASC 5 Year Population Estimate, American Factfinder *available at* https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml (last visited Oct. 12, 2018)

b. A list of all existing and approved surgery centers located within Ophthalmology Surgery Center of Illinois' geographic service area is identified in the table below.

Table 1110.235(c)(7)(A)(ii) Hospitals and Ambulatory Surgical Treatment Centers within the Geographic Service Area			
Facility	**Address**	**Straight-Line Distance (Miles)**	**Operating/ Procedure Rooms**
Adventist GlenOaks Hospital	701 Winthrop Avenue	5.86	8
Elmhurst Memorial Hospital	155 East Brush Hill Road	9.47	21
St. Alexius Medical Center	1555 Barrington Road	8.27	21
Alexian Brothers Medical Center	800 West Biesterfield Road	1.22	32
Northwest Community Hospital	800 West Central Road	5.38	23
Presence Holy Family Medical Center	100 North River Road	7.48	10
Lutheran General Hospital - Advocate	1775 Dempster Street	8.70	35
Presence Resurrection Medical Center	7435 West Talcott Avenue	9.78	17
Dupage Eye Surgery Center, LLC	2015 North Main Street	8.93	6
The Oak Brook Surgical Centre, Inc.	2425 West 22nd Street	9.97	6
Loyola Surgery Center	1 South 224 Summit	7.19	3

Table 1110.235(c)(7)(A)(ii) Hospitals and Ambulatory Surgical Treatment Centers within the Geographic Service Area			
Facility	**Address**	**Straight-Line Distance (Miles)**	**Operating/ Procedure Rooms**
OrthoTec Surgery Center, Inc.	340 West Butterfield Road	8.97	1
Elmhurst Outpatient Surgery Center	1200 South York Road	9.33	8
Hoffman Estates Surgery Center, LLC	1555 Barrington Road	8.27	6
Schaumburg Surgery Center, LLC	929 W. Higgins Road	6.73	2
Aiden Center for Day Surgery, LLC	1580 W. Lake Street	3.08	4
Advantage Health Care, Ltd.	203 E. Irving Park Road	2.37	2
Illinois Hand & Upper Extremity Center	515 West Algonquin Road	4.10	1
Northwest Surgicare, Ltd.	1100 West Central Road	5.36	5
Northwest Community Day Surgery Center	675 West Kirchoff Road	5.58	10
Northwest Endo Center LLC	1415 S. Arlington Heights Road	4.90	2
Associated Surgical Center, LLC	129 W. Rand Road	8.75	3
Northwest Community Foot and Ankle Center, LLC	1455 Golf Road	7.40	3
Presence Lakeshore Gastroenterology, LLC	150 River Road	7.33	2
Uropartners Surgery Center, LLC	2750 South River Road	7.15	2
LGH-A/Golf ASTC, LLC	8901 Golf Road	9.18	6
Total			**239**

2. Maldistribution of Services

The proposed Surgery Center will not result in a maldistribution of services. A maldistribution exists when an identified area has an excess supply of facilities and ASTC services characterized by such factors as, but not limited to: (1) ratio of surgical/treatment rooms to population exceeds one and one-half times the State Average; (2) historical utilization for existing surgical/treatment rooms for the proposed ASTC services is below the State Board's utilization standard; or (3) insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards. As discussed more fully below, the ratio of operating/procedure rooms to population in the GSA is 62% of the State average, the average utilization of existing facilities is 58%, and sufficient population exists to achieve target utilization. Accordingly, the proposed surgery center will not result in a maldistribution of services.

a. Ratio of operating rooms to population.

As shown in Table 1110.235(c)(7)(B)(i), the ratio of operating rooms to population is 89.3% of the State average.

TABLE 1110.235(c)(7)(B)(i) Ratio of Surgical/Treatment Rooms to Population				
	Population	**Operating Rooms**	**Rooms to Population**	**Standard Met?**
Geographic Service Area	1,221,512	236	1:5,175	YES
State	12,851,684	2,778	1:4,626	

b. Historic Utilization of Existing Facilities

There are currently 8 hospitals and 18 ASTCs within 10 miles of the proposed Surgery Center. Area hospitals are not feasible as they are less efficient and a higher cost setting for patients. Further, the proposed Surgery Center will perform ophthalmology surgical procedures that require specialized equipment. Of the 18 ASTCs in the geographic service area, only four ASTCs perform ophthalmology and laser eye procedures. Two of the surgery centers, Elmhurst Outpatient Surgery Center and Hoffman Estates Surgery Center do not accept Medicaid. The other two surgery centers have closed medical staffs.

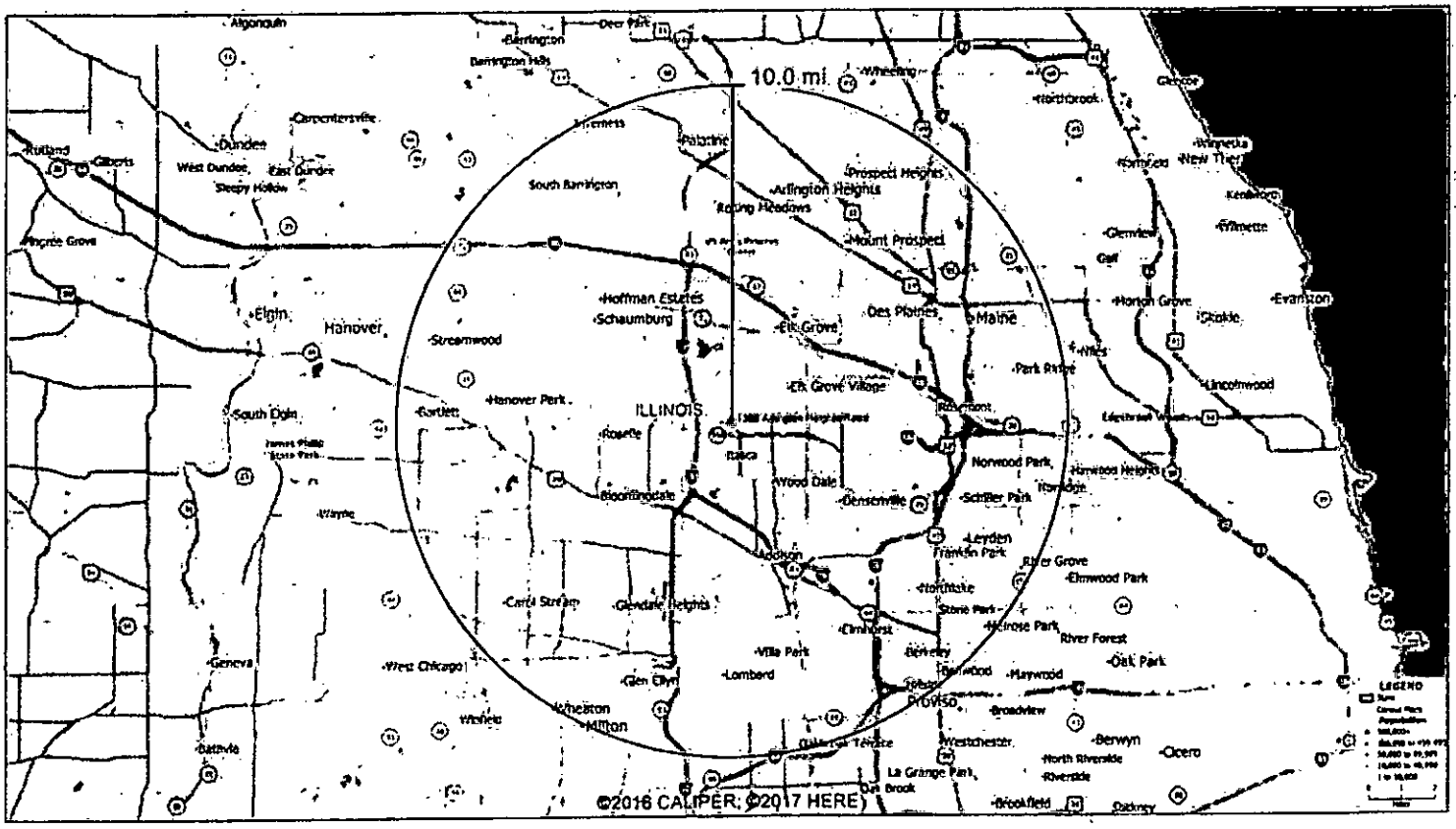
c. Sufficient Population to Achieve Target Utilization

The Applicants propose to establish a limited specialty ASTC. To achieve the State Board standard of 1,500 hours per procedure room within the first two years after project completion, the Applicants would need over two thousand referrals. As set forth above in 1110.235(c)(5)(A), the referring physicians have historically performed 2,200 procedures annually. Once the proposed Surgery Center is operational, the referring physicians anticipate performing an adequate volume of procedures at the Surgery Center to reach target utilization after the second year of project completion.

2. **Impact to Other Providers**

a. The proposed Surgery Center will not have an adverse impact on existing facilities in the GSA. As discussed throughout this application, the procedures proposed to be performed at the Surgery Center are primarily performed by the referring physicians in an office-based setting.

b. The proposed facility will not lower the utilization of other area providers that are operating below the occupancy standards.



Attachment – 24C

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(8), Staffing

1. The proposed Surgery Center will be staffed in accordance with all State and Medicare staffing requirements. Staffing for the Proposed Surgery Center will be as follows:

Personnel	Full-Time Equivalents
Administrators	2 FTEs
Registered Nurses	3 FTEs
Health Care Technicians	3 FTEs
TOTAL ASTC PERSONNEL	8 FTEs

Section V, Service Specific Review Criteria

Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(9) Charge Commitment

a. A list of the procedures to be performed at the proposed facility with the proposed charge is provided in Table 1110.235(c)(9) are attached at Attachment – 24D.

b. A letter from Kevin Kovach M.D., committing to maintain the charges listed in Table 1110.235(c)(9) on the previous page is attached at Attachment – 24E.

Fee Schedule and Projected Revenue Volume by Payor

CPT Code	Fee Schedule
0191T	$6,433.33
0474T	$728.55
65420	$2,021.18
65426	$2,479.88
65436	$2,479.88
65730	$2,479.88
65756	$2,021.18
65820	$2,479.88
65870	$2,479.88
66174	$4,430.58
66180	$4,430.58
66183	$4,430.58
66185	$3,967.80
66821	$1,016.00
66825	$3,967.80
66850	$3,967.80
66982	$3,967.80
66984	$3,967.80
66985	$3,967.80
66986	$3,967.80
67010	$3,967.80
67036	$4,430.58
67040	$4,430.58
67042	$4,430.58
67108	$4,430.58
67113	$4,430.58
67904	$4,042.35
67914	$4,042.35
67916	$4,042.35
67917	$4,042.35
67935	$4,042.35
67961	$4,042.35

Ophthalmology Surgery Center of Illinois, LLC

October 1, 2018

Richard Sewell
Vice Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Charge Commitment

Dear Vice Chair Sewell:

Pursuant to 77 Ill. Admin. Code § 110.235(c)(9)(B), I hereby commit that the attached charge schedule will not be increased, at a minimum, for the first two years of operation of Ophthalmology Surgery Center of Illinois, LLC unless a permit is first obtained pursuant to 77 Ill. Admin. Code § 1130.310(a).

Sincerely,

Name: Kevin J. Kovach, M.D.
Manager
Ophthalmology Surgery Center of Illinois, LLC

Subscribed and sworn to me
This 5 day of October, 2018

ROXANNE L TYREE
Official Seal
Notary Public – State of Illinois
My Commission Expires Jan 26, 2022

Roxanne L Tyree
Notary Public

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(10), Assurances

Attached at Attachment – 24F is a letter from Dr. Kovach, certifying that a peer review program exists or will be implemented for ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated.

Ophthalmology Surgery Center of Illinois, LLC

October 1, 2018

Richard Sewell
Vice Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Vice Chair Sewell:

Pursuant to 77 Ill. Admin. Code § 1110.235(c)(10), I hereby certify that a peer review program exists or will be implemented that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated.

I further certify that by the second year of operation after project completion, the annual utilization of procedure rooms will meet or exceed the utilization standard specified in 77 Ill. Admin. Code § 1100.

Sincerely,

Name: Kevin J. Kovach, M.D.
Manager
Ophthalmology Surgery Center of Illinois, LLC

Subscribed and sworn to me
This 5 day of October, 2018

ROXANNE L TYREE
Official Seal
Notary Public – State of Illinois
My Commission Expires Jan 26, 2022

Roxanne L Tyree
Notary Public

Section VI, Availability of Funds
Criterion 1120.120 – Availability of Funds

1. The project will be funded with cash and a $1,500,0000 line of credit. A copy of letter from CIBC Bank, evidencing sufficient funds to finance the proposed project is attached as Attachment - 33A.

2. Attached at Attachment – 33B is the letter of intent for the lease between Hamilton Partners, Inc. and Ophthalmology Surgery Center of Illinois.

CIBC Bank USA
1110 Jorie Blvd.
Oak Brook, IL 60523
Tel: 630-589-3260

November 2, 2018

To Whom It May Concern:

Re: Kovach Eye Institute Ltd.

Kovach Eye Institute Ltd has been a valued client of CIBC Bank USA since 2011 and the undersigned Relationship Banker has worked with them since they have banked with us.

Currently, Kovach Eye Institute, Ltd. maintains a secured revolving line of credit and term notes with the bank. We are very interested to review your request to provide a $1.5MM for financing of the new ambulatory center, Ophthalmology Surgery Center of Illinois.

Please feel free to contact me at 630-589-3260

Sohila Parsi

Managing Director/Business Banking
Oak Brook, IL 60523
630-589-3260

Attachment – 33A

EQUAL HOUSING LENDER | MEMBER FDIC

cibc.com/US

HAMILTON
PARTNERS

HAMILTON PARTNERS, INC.
300 Park Boulevard, Suite 201
Itasca, Illinois 60143-2636

October 1, 2018

Via: e-mail: scott@capitalrep.com

Scott Fedyski
CEO - Managing Broker - Founder
Capital Real Estate Partners, LLC
P.O. Box 18
Wheaton, IL 60187

Jay Scholten
President
Capital Real Estate Partners, LLC
P.O. Box 18
Wheaton, IL 60187

Re: Ophthalmology Surgery Center of Illinois
1300 Arlington Heights Road – Suite 150

Dear Scott;

Hamilton Partners is pleased to present the following revised proposal for your client **Ophthalmology Surgery Center of Illinois** ("Tenant") to lease office space at **1300 Arlington Heights Road** the ("Building") in Itasca, Illinois. The following response to your Request for Proposal will outline terms under which ownership would enter into a lease;

Tenant:	Ophthalmology Surgery Center of Illinois
Premises:	Approximately, 6,000 to 8,000 rentable square foot located on the 1st floor, a mutually agreeable space plan to be determined.
Delivery Condition:	Tenant will accept the premises in "as-is" condition.
Use:	Outpatient surgical center.
Lease Commencement Date:	Within the context of the Lease term, the Lease Commencement Date shall be the same as the Rent Commencement Date as defined below. However, Tenant requires early possession of the space to complete the Tenant Improvements.
Rent Commencement Date:	Upon the later of completion of construction or receipt of Certificate of Occupancy from the Village of Itasca, but rent shall start no later than June 1, 2019. However, this date shall be further determined once the Certificate of Need is awarded.
Lease Term:	The term of the lease shall be for ninety (90) months.
Net Rental Rate:	$ 14.00 net per square foot. The net rental rate shall escalate $ .50 annually..

Operating Expenses and Real Estate Taxes:

Tenant shall pay its proportionate share of Operating Expenses and Real Estate taxes. Real Estate and Operating Taxes are calculated on gross basis.

Controllable operating expenses will be capped at no more than a 5% increase annually.

Operating Expenses and Taxes History and Estimates:

Year	Taxes	Operating Expenses
2016	$ 2.44 p.s.f. Actual	$ 6.66 p.s.f. Actual
2017	$ 2.57 p.s.f. Estimate	$ 7.14 p.s.f. Actual
2018	$ 2.75 p.s.f. Estimate	$ 7.26 p.s.f. Estimate

Tenant Improvement Allowance:

Landlord shall provide a Tenant Improvement allowance of $ 35.00 psf per a mutually agreeable space plan. Tenant shall use the Improvement Allowance to modify the premises form their current condition.

Space Planning:

Upon Landlord's approval, Landlord shall reimburse tenant for space planning up to $0.12 per square foot, plus one Landlord approved revision of $ 0.05 per square foot.

Tenant Entrance:

Landlord will work with Tenant to accommodate a separate entrance at a location to be approved by Landlord and the Village of Itasca. Tenant improvement funds may be used to pay for the cost of such new entrance.

Rent Abatement:

Six (6) months net rent will be abated from the occupancy date, but rent shall not start no later than June 1, 2019.

Electricity:

Electricity of lights and outlets shall be separately metered and paid for by Tenant.

Any common or shared utility costs shall be included in CAM and Operating Expenses.

Assignment and Subleasing:

Tenant shall have the right to Sublease or Assign all or a portion of the Premises under the Lease with landlord's consent, which consent shall not be unreasonably conditioned, delayed or withheld. Landlord shall have no right of recapture.

Renewal Option:

Tenant shall have one (1) option to renew the lease for an additional term of five (5) years by providing nine (9) months prior notice. The renewal rate shall be at the then prevailing market rate, including any concessions being offered at that time; however, in no event shall the renewal rate be less than the previous rent paid.

Relocation Rights:

Landlord shall not have the right to relocate Tenant during the term of the lease or any renewal periods.

HVAC:

Landlord will provide heating, ventilation and air-conditioning

(HVAC) in season as required for Tenant's comfort, use and occupancy with effective performance at the performance specifications from:

Monday - Friday:	7:00 am to 6:00 pm
Saturday:	7:00 am to 1:00 pm

The after-hours charge is estimated to be $ 22.00 per rooftop per hour.

Detailed HVAC system description is shown below.

LL will not unreasonably withhold approval for Tenant's supplemental cooling needs.

Generator: Tenant will have the right to tie into existing building generator. Tenant shall have priority use of generator over other tenants. Further discussion is required.

Power: 1300 AHR is served by a 300KA 277/480v 3 ph. Transformer is from Com Ed. For Tenant service at 120/208v/3ph, the building has 3300 amps total available. Building HVAC is served with 2500a at 277/480 3ph.

1300 AHR was designed as a high-density use building and can support in excel of 5 watts per foot electrical use.

Roof: 1300 AHR has an asphalt built up roof with gravel topping. The roof is original and is yearly inspected by a roof consultant with any repairs noted take care of. Built up roofs carry much longer lifespans that membrane roofs. Built up roofs with good care can last 30-40 years.

Building Signage: Tenant shall have signage in the lobby directory, (if common) and Landlord will provide name on monument signage and possible directional entrance sign subject to approval by the Village of Itasca.

Parking: The 1300 Arlington Heights Road building has a parking ratio of 6/1000 at no cost over the term of the Lease. Tenant requests 8 reserved parking spaces near Tenant's separate entrance.

Park Amenities: Within Hamilton Lakes are the following amenities:

- Direct access to Beautiful outdoor walking paths
- Daycare center
- Two hotels
- Hamilton Lakes Health Club
- Restaurants
- Banks
- Dash Car transportation
- Public transportation provided by Pace
  - 1300 AHR is serviced by Pace Bus route 616 connecting to the Rosemont Blueline and the Itasca Metra Station.

Security of Deposit: Subject to review of Tenants financials, security deposit may be

waived.

Encumbrances: Two existing tenants have a Right of First Offer on suite 150.

Certificate of Need: Tenant is in the processing of pursuing a Certificate of Need. Any agreement between Landlord and Tenant shall be contingent upon Tenant receiving Certificate of Need.

Confidentiality: Landlord, its agent and/or broker and Tenant acknowledge that the content of the lease and any related documents are confidential information. Both parties shall keep such information strictly confidential and shall not disclose such information to any person or entity other than their respective financial, legal, brokerage, and space planning associates. In no event shall either party, or their respective agents, employees, or contractors, issue a press release regarding this transaction without the express written consent of the other party.

Agency: As required by Section 38.35 of the Illinois Real Estate Brokers and Salesman License Act, 225 ILCS 455/38.35, please acknowledge that Landlord has been informed, both orally and by this written disclosure that (1) Capital Real Estate Partners, LLC is acting on behalf of the prospective Tenant of the real estate and (2) information given to the Agent by Landlord may be disclosed to Tenant.

Commission: Both Landlord and Tenant recognize and acknowledge that the Tenant is exclusively represented by Capital Real Estate Partners, as Broker, in this transaction. Commission will be agreed upon in a separate agreement and paid by Landlord.

This communication does not constitute an offer, acceptance or binding contract and is not intended as a final expression of any agreement of the parties. No contract or agreement will exist unless expressed in a written instrument that has been executed and delivered by all parties

Scott, please review the terms that have been proposed and contact me to discuss any questions that you might have. This proposal is valid for a period of ten (10) days and is subject final approval from building ownership. I look forward to further discussions with you in the near future.

Sincerely,

Patrick J. McKillen

Patrick J. McKillen
Partner

Accepted by:

Name (Printed): Kevin Kovach

Signature:

Date: 10/2/18

Section VII, Financial Viability
Criterion 1120.130 Financial Viability

1. Pro forma financial statements for the first full fiscal year after the project achieves target utilization are attached at Attachment – 35.

2. Financial viability worksheets for the first full fiscal year after the project achieves target utilization are attached at Attachment – 35.

Opthalmology Surgery Center of Illinois

FINANCIAL PRO FORMA

Prepared by:

November 20, 2018

Wes Becton
Opthalmology Surgery Center of Illinois
152 N Addison Ave
Elmhurst, IL 60126

We have compiled the accompanying projected statement of operations, statement of cash flows and balance sheet of Opthalmology Surgery Center of Illinois for the first two years of operations, in accordance with the attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Christopher Macek, CPA
Partner
PBC Advisors, LLC

November 20, 2018

Opthalmology Surgery Center of Illinois

Projected Volume and Reimbursement by Procedure

Year 1 - Reimbursement Rates

CPT Code	Medicare	BCBS	Commerical	IDPA	MMAI
65730	991.95	1,190.34	1,785.51	793.56	793.56
66821	254.00	304.80	457.20	203.20	203.20
66984	991.95	1,190.34	1,785.51	793.56	793.56
67042	1,772.23	2,126.68	3,190.01	1,417.78	1,417.78
67904	808.47	970.16	1,455.25	646.78	646.78

Year 2 - Reimbursement Rates

Medicare	BCBS	Commerical	IDPA	MMAI
991.95	1,190.34	1,785.51	793.56	793.56
254.00	304.80	457.20	203.20	203.20
991.95	1,190.34	1,785.51	793.56	793.56
1,772.23	2,126.68	3,190.01	1,417.78	1,417.78
808.47	970.16	1,455.25	646.78	646.78

Year 1 - Volumes

CPT Code	Medicare	BCBS	Commerical	IDPA	MMAI	Total Volume
65730	22	11	8	3	11	54
66821	160	80	60	20	80	400
66984	807	403	303	101	403	2,017
67042	75	37	28	9	37	187
67904	20	10	8	2	10	50
	1,083	542	407	135	542	2,709

Year 2 - Volumes

Medicare	BCBS	Commerical	IDPA	MMAI	Total Volume
24	12	9	3	12	59
176	88	66	22	88	440
888	444	333	111	444	2,219
82	41	31	10	41	206
22	11	9	2	11	55
1,192	596	447	148	596	2,979

Year 1 - Revenues

CPT Code	Medicare	BCBS	Commerical	IDPA	MMAI	Totals
65730	21,426	12,856	14,463	2,143	8,570	59,457
66821	40,640	24,384	27,432	4,064	16,256	112,776
66984	800,428	480,257	540,289	80,043	320,171	2,221,187
67042	132,705	79,623	89,576	13,270	53,082	368,255
67904	16,169	9,702	11,642	1,294	6,468	45,274
	1,011,368	606,821	683,401	100,813	404,547	2,806,950

Year 2 -Revenues

Medicare	BCBS	Commerical	IDPA	MMAI	Totals
23,569	14,141	15,909	2,357	9,427	65,403
44,704	26,822	30,175	4,470	17,882	124,054
880,471	528,282	594,318	88,047	352,188	2,443,306
145,975	87,585	98,533	14,598	58,390	405,081
17,786	10,672	12,806	1,423	7,115	49,802
1,112,505	667,503	751,741	110,895	445,002	3,087,645

Opthalmology Surgery Center of Illinois

Expense Assumptions

	Year 1	% Increase	Year 2
Case Volume	2,709	*10%*	2,980
Staffing:			
Wages	435,000	*5%*	456,750
Employee Benefits	108,750	*5%*	114,188
Supplies:			
IOL's	242,077	*10%*	266,285
Surgical packs	36,000	*10%*	39,600
Other supplies	16,848	*10%*	18,533
Fixed costs:			
Accounting	7,500	*10%*	8,250
Insurance	18,000	*10%*	19,800
Legal	2,500	*10%*	2,750
Equipment leases	365,064	*0%*	365,064
Maintenance / repairs	7,691	*10%*	8,460
Miscellaneous	157,077	*10%*	172,785
Office exp / technology	6,500	*10%*	7,150
Rent	153,823	*5%*	161,214
Other	9,500	*5%*	9,975
Utilities	10,000	*5%*	10,500

Owner Contributions - working capital	300,000
Owner Contributions - Buildout/equpment	984,000
	1,284,000

Opthalmology Surgery Center of Illinois
PROJECTED STATEMENT OF OPERATIONS
Accrual Basis

	Year 1	Year 2
Number of Cases	2,709	2,979
Revenues	$ 2,806,950	$ 3,087,645
Operating Expenses		
Wages	454,031	456,750
Employee Benefits	118,266	114,188
IOL's	264,267	266,285
Surgical packs	39,300	39,600
Other supplies	18,392	18,533
Accounting	8,188	8,250
Insurance	19,650	19,800
Legal	2,729	2,750
Equipment leases	395,486	365,064
Maintenance / repairs	8,396	8,460
Miscellaneous	171,476	172,785
Office exp / technology	7,096	7,150
Rent	167,258	161,214
Other	10,331	9,975
Utilities	10,875	10,500
Interest	109,721	93,220
Total Operating Expenses	1,805,462	1,754,524
Depreciation	208,950	208,950
Net Income (loss)	$ 792,539	$ 1,124,172

Opthalmology Surgery Center of Illinois
PROJECTED STATEMENT OF CASH FLOWS

	Year 1	Year 2
Cash From Operating Activities		
Net Income	$ 792,539	$ 1,124,172
Add (subtract):		
Depreciation and Amortization	208,950	208,950
(Inc.) dec. in Accounts Receivable	(350,869)	(35,087)
Change in Accounts Payable	127,534	(614)
Cash from (used for) Operations	778,154	1,297,421
Cash from Investing & Financing Activities		
Owner Cash Contributions	1,284,000	
Loan Borrowings	1,500,000	
Fixed asset purchases	(2,484,000)	
Loan repayments	(107,397)	(115,161)
Owner Distributions	(600,000)	(900,000)
Cash (used for) from Invest. & Finance Activities	(407,397)	(1,015,161)
Beginning Cash	-	370,756
Ending Cash	$ 370,756	$ 653,016

Opthalmology Surgery Center of Illinois
PROJECTED BALANCE SHEET

	Year 1	Year 2
ASSETS		
Current Assets:		
Cash and equivalents	$ 370,756	$ 653,016
Accounts Receivable	350,869	385,956
Total Current Assets	721,625	1,038,971
Fixed Assets:		
Leasehold Improvements (15 years)	1,183,504	1,183,504
Furniture and equipment (10 years)	1,300,496	1,300,496
Accumulated Depreciation	(208,950)	(417,900)
Total Fixed Assets	2,275,050	2,066,100
Total Assets	$ 2,996,675	$ 3,105,072
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	$ 127,534	$ 126,920
Bank loan - current portion	115,161	123,486
Total Current Liabilities	242,696	250,407
Non-current liabilities		
Bank Loan - non-current portion	1,277,441	1,153,955
	1,277,441	1,153,955
Member's Equity		
Paid in capital	1,284,000	1,284,000
Net Income	792,539	1,124,172
Owner distributions	(600,000)	(900,000)
Retained Earnings	-	192,539
Total Member's Equity	1,476,539	1,700,710
Total Liabilities and Equity	$ 2,996,675	$ 3,105,072

Opthalmology Surgery Center of Illinois

Monthly Cash Flow Statement

Year 1

Month	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1
Cases/Month	226	226	226	226	226	226	226	226	226	226	226	226	2,709
Revenues	$ 233,913	$ 233,913	$ 233,913	$ 233,913	$ 233,913	$ 233,913	$ 233,913	$ 233,913	$ 233,913	$ 233,913	$ 233,913	$ 233,913	$ 2,806,950
CASH - BEGINNING		$ 151,223	$ 119,402	$ 204,537	$ 289,673	$ 374,808	$ 459,944	$ 545,079	$ 630,215	$ 715,350	$ 800,486	$ 885,621	
Collections		116,956	233,913	233,913	233,913	233,913	233,913	233,913	233,913	233,913	233,913	233,913	2,456,082
Operating Expenses													
Wages	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	36,250	435,000
Employee Benefits	9,063	9,063	9,063	9,063	9,063	9,063	9,063	9,063	9,063	9,063	9,063	9,063	108,750
IOL's	20,173	20,173	20,173	20,173	20,173	20,173	20,173	20,173	20,173	20,173	20,173	20,173	242,077
Surgical packs	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Other supplies	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	16,848
Accounting	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Insurance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Legal	208	208	208	208	208	208	208	208	208	208	208	208	2,500
Equipment leases	30,422	30,422	30,422	30,422	30,422	30,422	30,422	30,422	30,422	30,422	30,422	30,422	365,064
Maintenance / repairs	641	641	641	641	641	641	641	641	641	641	641	641	7,691
Miscellaneous	13,090	13,090	13,090	13,090	13,090	13,090	13,090	13,090	13,090	13,090	13,090	13,090	157,077
Office exp / technology	542	542	542	542	542	542	542	542	542	542	542	542	6,500
ent	12,819	12,819	12,819	12,819	12,819	12,819	12,819	12,819	12,819	12,819	12,819	12,819	153,823
Other	792	792	792	792	792	792	792	792	792	792	792	792	9,500
Utilities	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Interest	8,750	8,699	8,649	8,597	8,546	8,494	8,442	8,390	8,337	8,284	8,231	8,177	101,598
Total Operating Expenses	140,111	140,060	140,009	139,958	139,907	139,855	139,803	139,751	139,698	139,645	139,592	139,538	1,677,928
NET CASH PROFIT	(140,111)	(23,104)	93,903	93,954	94,006	94,057	94,109	94,162	94,214	94,267	94,321	94,374	778,154
Owners contribution	300,000	0	0	0	0	0	0	0	0	0	0	0	300,000
Working Capital Loan													-
Less: Loan Repayment	(8,666)	(8,717)	(8,768)	(8,819)	(8,870)	(8,922)	(8,974)	(9,026)	(9,079)	(9,132)	(9,185)	(9,239)	(107,397)
Less: owner distributions												(600,000)	(600,000)
CASH - ENDING	$ 151,223	$ 119,402	$ 204,537	$ 289,673	$ 374,808	$ 459,944	$ 545,079	$ 630,215	$ 715,350	$ 800,486	$ 885,621	$ 370,756	

Opthalmology Surgery Center of Illinois

Monthly Cash Flow Statement
Year 2

Month	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Year 2
Cases/Month	248	248	248	248	248	248	248	248	248	248	248	248	2,979
Revenues	$ 257,304	$ 257,304	$ 257,304	$ 257,304	$ 257,304	$ 257,304	$ 257,304	$ 257,304	$ 257,304	$ 257,304	$ 257,304	$ 257,304	$ 3,087,645
CASH - BEGINNING	$ 370,756	$ 448,811	$ 538,561	$ 640,006	$ 741,452	$ 842,897	$ 944,343	$ 1,045,788	$ 1,147,234	$ 1,248,679	$ 1,350,125	$ 1,451,570	
Collections	233,913	245,608	257,304	257,304	257,304	257,304	257,304	257,304	257,304	257,304	257,304	257,304	3,052,559
Operating Expenses													
Wages	38,063	38,063	38,063	38,063	38,063	38,063	38,063	38,063	38,063	38,063	38,063	38,063	456,750
Employee Benefits	9,516	9,516	9,516	9,516	9,516	9,516	9,516	9,516	9,516	9,516	9,516	9,516	114,188
IOL's	22,190	22,190	22,190	22,190	22,190	22,190	22,190	22,190	22,190	22,190	22,190	22,190	266,285
Surgical packs	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	39,600
Other supplies	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	18,533
Accounting	688	688	688	688	688	688	688	688	688	688	688	688	8,250
Insurance	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	19,800
Legal	229	229	229	229	229	229	229	229	229	229	229	229	2,750
Equipment leases	30,422	30,422	30,422	30,422	30,422	30,422	30,422	30,422	30,422	30,422	30,422	30,422	365,064
Maintenance / repairs	705	705	705	705	705	705	705	705	705	705	705	705	8,460
Miscellaneous	14,399	14,399	14,399	14,399	14,399	14,399	14,399	14,399	14,399	14,399	14,399	14,399	172,785
Office exp / technology	596	596	596	596	596	596	596	596	596	596	596	596	7,150
Rent	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	13,435	161,214
Other	831	831	831	831	831	831	831	831	831	831	831	831	9,975
Utilities	875	875	875	875	875	875	875	875	875	875	875	875	10,500
Interest	8,124	8,069	8,015	7,960	7,905	7,849	7,793	7,737	7,681	7,624	7,567	7,510	93,834
Total Operating Expenses	146,566	146,511	146,457	146,402	146,347	146,291	146,235	146,179	146,123	146,066	146,009	145,952	1,755,138
NET CASH PROFIT	87,347	99,097	110,847	110,902	110,957	111,012	111,068	111,124	111,181	111,238	111,295	111,352	1,297,421
Less: loan Repayment	(9,293)	(9,347)	(9,401)	(9,456)	(9,511)	(9,567)	(9,623)	(9,679)	(9,735)	(9,792)	(9,849)	(9,907)	(115,161)
Less: owner distributions												(900,000)	(900,000)
CASH - ENDING	$ 448,811	$ 538,561	$ 640,006	$ 741,452	$ 842,897	$ 944,343	$ 1,045,788	$ 1,147,234	$ 1,248,679	$ 1,350,125	$ 1,451,570	$ 653,016	

Opthalmology Surgery Center of Illinois
Buildout Loan

Loan amount	1,500,000
Interest Rate	7.00%
Amortization in months	120
Payment per Period	**$17,416.27**

Period	Payment Amount	Interest	Principal	Balance
				$ 1,500,000.00
1	17,416.27	8,750.00	8,666.27	1,491,333.73
2	17,416.27	8,699.45	8,716.82	1,482,616.91
3	17,416.27	8,648.60	8,767.67	1,473,849.24
4	17,416.27	8,597.45	8,818.82	1,465,030.42
5	17,416.27	8,546.01	8,870.26	1,456,160.16
6	17,416.27	8,494.27	8,922.00	1,447,238.16
7	17,416.27	8,442.22	8,974.05	1,438,264.11
8	17,416.27	8,389.87	9,026.40	1,429,237.71
9	17,416.27	8,337.22	9,079.05	1,420,158.66
10	17,416.27	8,284.26	9,132.01	1,411,026.65
11	17,416.27	8,230.99	9,185.28	1,401,841.37
12	17,416.27	8,177.41	9,238.86	1,392,602.51
13	17,416.27	8,123.51	9,292.76	1,383,309.75
14	17,416.27	8,069.31	9,346.96	1,373,962.79
15	17,416.27	8,014.78	9,401.49	1,364,561.30
16	17,416.27	7,959.94	9,456.33	1,355,104.98
17	17,416.27	7,904.78	9,511.49	1,345,593.48
18	17,416.27	7,849.30	9,566.97	1,336,026.51
19	17,416.27	7,793.49	9,622.78	1,326,403.73
20	17,416.27	7,737.36	9,678.91	1,316,724.81
21	17,416.27	7,680.89	9,735.38	1,306,989.44
22	17,416.27	7,624.11	9,792.16	1,297,197.27
23	17,416.27	7,566.98	9,849.29	1,287,347.99
24	17,416.27	7,509.53	9,906.74	1,277,441.25

Opthalmology Surgery Center of Illinois

Projected Capital Expenditures

Project Cost	Clinical	Non Clinical	Total
Leasehold improvements	850,000	473,300	1,323,300
TI / Abatement Credit	(309,796)		(309,796)
Architectual Fees	45,000		45,000
Consulting Fees	75,000		75,000
Marketing Fees	15,000		15,000
Permit Plan and Review Fees	35,000		35,000
OR Suites	525,000		525,000
Pre-OP / PACU	215,000		215,000
Central Sterilization	80,000		80,000
Instruments	25,000		25,000
IT/ IS		250,000	250,000
Miscellaneous Office		35,000	35,000
Generator Expense	85,000	85,000	170,000
Total	1,640,204	843,300	2,483,504
		Rounded =	2,484,000
		Less amount financed by bank =	(1,500,000)
		Owner contribution =	984,000

Opthalmology Surgery Center of Illinois

Ratio Analysis - Year 2

	Ratio	Calculation			Actual	Target
1	**Current Ratio**	Current Assets / Current Liabilities				
			Current assets	1,038,971	4.15	> 1.5
			Current liabilities	250,407		
2	**Net Margin Percentage**	Net Income / Net operating revenue				
			Net Income	1,124,172	36%	> 3.5%
			Net operating revenue	3,087,645		
3	**Debt to Total Capitalization**	Long-term debt / (long-term debt + net assets)				
			Long-term debt	1,277,441	43%	< 80%
			Long-term debt + Net Assets	2,978,151		
4	**Debt Service Coverage**	(Net Income + Depreciation + Interest) / (Year of Maximum Principal + Interest)				
			Net Income + Depreciation + Interest	1,426,341	6.82	> 1.75
			Annual Principal + Interest	208,995		
5	**Days Cash on Hand**	Cash / ((Operating Expenses - Depreciation)/365)				
			Cash	653,016	136	> 45 days
			(Operating Expenses - Depreciation) / 365	4,807		
6	**Cushion Ratio**	Cash / (Year of Maximum Principal + Interest)				
			Cash	653,016	3.12	> 3.0
			Annual Principal + Interest	208,995		

Section VIII, Economic Feasibility Review Criteria
Criterion 1120.140(A), Reasonableness of Financing Arrangements

Attached at Attachment – 36A is a letter from Kevin Kovach, M.D., manager of Ophthalmology Surgery Center of Illinois, LLC, attesting the total estimated project costs will be funded with cash and a line of credit.

Ophthalmology Surgery Center of Illinois, LLC

October 1, 2018

Richard Sewell
Vice Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Reasonableness of Financing Arrangements

Dear Vice Chair Sewell:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the total estimated project costs and related costs will be funded in part by borrowing because 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.

I further certify the pursuant to 77 Ill. Admin Code § 1120.140(b) that the selected form of debt financing for the project will be at the lowest net cost available.

Sincerely,

Name: Kevin J. Kovach, M.D.
Manager
Ophthalmology Surgery Center of Illinois, LLC

Subscribed and sworn to me
This 5 day of October, 2018

Notary Public

ROXANNE L TYREE
Official Seal
Notary Public – State of Illinois
My Commission Expires Jan 26, 2022

Section VIII, Economic Feasibility Review Criteria
Criterion 1120.140(B), Conditions of Debt Financing

The project will be funded with cash and a $1,500,0000 line of credit. A copy of letter from CIBC Bank, evidencing sufficient funds to finance the proposed project is attached as Attachment – 36B.

Attachment – 36B

CIBC Bank USA
1110 Jorie Blvd.
Oak Brook, IL 60523
Tel: 630-589-3260

November 2, 2018

To Whom It May Concern:

Re: Kovach Eye Institute Ltd.

Kovach Eye Institute Ltd has been a valued client of CIBC Bank USA since 2011 and the undersigned Relationship Banker has worked with them since they have banked with us.

Currently, Kovach Eye Institute, Ltd. maintains a secured revolving line of credit and term notes with the bank. We are very interested to review your request to provide a $1.5MM for financing of the new ambulatory center, Ophthalmology Surgery Center of Illinois.

Please feel free to contact me at 630-589-3260

Sohila Parsi

Managing Director/Business Banking
Oak Brook, IL 60523
630-589-3260

Attachment – 36B

Section VIII, Economic Feasibility Review Criteria
Criterion 1120.140C, Reasonableness of Project and Related Costs

1. The Cost and Gross Square Feet by Department or Service table below sets forth the modernization cost and square footage allocated to each department of the proposed ASTC.

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	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Clinical									
ASTC		$265.69			3,809			$1,012,006	$1,012,006
Contingency – Clinical		$14.03			3,809			$53,439	$53,439
Total Clinical		**$279.72**			**3,809**			**$1,065,445**	**$1,065,445**
Non-Clinical									
Administrative		$281.44			2,107			$592,994	$592,994
Contingency – Non-Clinical		$14.03			2,107			$29,561	$29,561
Total Non-Clinical		**$295.47**			**2,107**			**$622,555**	**$622,555**
TOTALS		**$285.33**			**5,916**			**$1,688,000**	**$1,688,000**
* Include the percentage (%) of space for circulation									

2. As shown in Table 1120.140(c) below, the project costs are below the State Standard.

Table 1120.310(c)			
	ASTC	**State Standard**	**Above/Below State Standard**
Site Preparation	$18,672	5% x (Construction + Contingency Costs) = 5% x ($1,072,006 + $53,439) = 5% x $1,125,445 = $56,272.25	Below State Standard
Modernization Contracts	$1,065,445	$281.00 x 3,809 GSF = $1,070,329	Above State Standard
Contingencies	$53,439	10% - 15% x Modernization Contracts = 10% - 15% x $1,072,006 = $107,200 - $160,800	Below State Standard
Architectural & Engineering Fees	$127,184	7.76% to 11.66% x (Modernization + Contingencies) = 7.76% to 11.66% x	Meets State Standard

Table 1120.310(c)			
	ASTC	State Standard	Above/Below State Standard
		($1,072,006 + $53,439) = 7.76% to 11.66% x $1,125,445 = $87,334.53 - $131,226.89	
Consulting and Other	$120,481	No State Standard	No State Standard
Equipment	$845,000	$489,744.71 per procedure room = $489,744.71 x 2 = $979,489.42	Below State Standard
Fair Market Value of Leased Space or Equipment	$390,569	No State Standard	No State Standard
Other Costs to be Capitalized	$85,000	No State Standard	No State Standard

Section VIII, Economic Feasibility Review Criteria
Criterion 1120.140D, Projected Operating Costs

Operating Expenses (2019):	$894,256
Procedures (2019):	2,096 procedures
Operating Expense per Procedure:	$426.65 per procedure

Section VIII, Economic Feasibility Review Criteria
Criterion 1120.140E, Total Effect of Project on Capital Costs

Capital Costs (2018):	$208,950
Procedures (2018):	2,096 procedures
Capital Costs per Procedure:	$99.69 per procedure

Section IX, Safety Net Impact Statement

The proposed project is limited to the establishment of an ASTC. Due to the nature of the ASTCs, it is not anticipated that a substantial amount of safety net services will be provided in the proposed Surgery Center. The establishment of the Surgery Center, however, will have no negative impact on the provision of the safety net services by area hospitals, and its long-standing commitment to the provision of those services will continue Further, the moving of the surgical cases from area hospitals' surgical suites to the proposed Surgery Center will improve access to surgical services at area hospitals, as a result of shorter waiting times in the scheduling of elective surgery, including procedures performed on Medicaid recipients, or on a charity care basis.

The proposed project is not anticipated to have any impact on the cross-subsidizing of safety net services between the proposed Surgery Center and any other facility.

Section X, Charity Care Information

This ambulatory surgery treatment center is a newly formed entity and has no historical data on net revenue or charity care. Thus, it cannot report charity care data and has no historical payor mix experience.

Appendix I – Physician Referral Letter

The physician referral letter from Dr. Kevin J. Kovach attesting to Kovach Eye Institute's total number of treatments that have been referred to existing IDPH-licensed ambulatory surgical treatment centers or hospitals located in the geographic service area during the most recent calendar year is attached as Appendix - 1.

Kovach Eye Institute
152 Addison Ave
Elmhurst, IL 60126

Courtney Avery
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Ms Avery:

I am writing on behalf of Kovach Eye Institute, an ophthalmology group with 4 physicians practicing ophthalmology in Elmhurst, Illinois. Kovach Eye Institute supports Ophthalmology Surgery Center of Illinois' application to establish a single specialty ambulatory surgical treatment center at 1300 Arlington Heights Road, Itasca, Illinois.

In the most recent calendar year, Kovach Eye Institute physicians have performed a total of 2,096 ophthalmology surgical procedures. With the opening of the proposed Ophthalmology Surgery Center of Illinois, I expect these physicians to refer 2,096 cases to Ophthalmology Surgery Center of Illinois for each of the first two years after project completion. As documented by the patient origin data for these cases attached as Exhibit 1, the majority of the projected volume shall come from the proposed geographic service area of the Ophthalmology Surgery Center of Illinois.

Hospital / Licensed ASTC	**Hospital and Licensed ASTC (number of cases) Most recent 12 months**	**Projected Referrals after Project Completion**
Midwest Center for Day Surgery	1,120	1,120
Naperville Surgical Centre	326	326
Edward Hospital	121	121
Rush Oak Park	15	15
KEI Minor Procedure Room – Elmhurst	84	84
Ashton Center for Day Surgery	430	430
Total	**2,096**	**2,096**

These referrals have not been used to support another pending or approved certificate of need application.

The information in this letter is true and correct to the best of my knowledge.

Appendix - 1

I support the proposed establishment of Ophthalmology Surgery Center of Illinois.

Sincerely,

Kevin J. Kovach, M.D.
Kovach Eye Institute
152 Addison Ave
Elmhurst, IL 60126

Subscribed and sworn to me
This 27 day of November, 2018

Notary Public

ALICIA SOLIS
Official Seal
Notary Public - State of Illinois
My Commission Expires Sep 13, 2019

EXHIBIT 1

ZIP CODE	NUMBER OF CASES
60004	31
60005	16
60007	30
60008	10
60010	16
60012	6
60013	11
60014	21
60016	12
60018	7
60025	10
60029	2
60030	2
60033	1
60041	2
60044	2
60045	2
60046	2
60047	6
60048	1
60050	2
60051	2
60053	2
60056	5
60060	2
60061	3
60062	7
60067	16
60068	10
60070	6
60074	7
60077	2
60084	8
60089	13
60090	4
60098	18
60101	62
60102	5
60103	26
60104	5
60106	39

ZIP CODE	NUMBER OF CASES
60107	18
60108	23
60109	2
60110	19
60115	2
60116	1
60118	6
60120	23
60121	3
60123	24
60124	7
60126	68
60130	2
60131	13
60132	4
60133	8
60134	4
60135	3
60136	1
60137	24
60138	2
60139	13
60140	5
60142	18
60143	21
60148	48
60152	5
60153	2
60154	3
60155	1
60156	6
60157	4
60160	3
60161	1
60163	2
60164	16
60165	2
60169	10
60171	2
60172	32
60173	9
60174	5

ZIP CODE	NUMBER OF CASES
60175	1
60176	1
60177	3
60181	52
60184	2
60185	7
60186	1
60187	5
60188	13
60189	8
60190	5
60191	29
60192	12
60193	24
60194	11
60201	2
60302	8
60304	9
60402	14
60403	10
60404	4
60407	2
60409	1
60410	8
60416	4
60420	2
60421	2
60422	3
60426	1
60431	15
60432	2
60433	4
60434	2
60435	14
60436	8
60439	2
60440	88
60441	8
60446	40
60450	10
60451	1
60453	4

ZIP CODE	NUMBER OF CASES
60455	10
60457	3
60459	6
60460	1
60462	5
60463	5
60464	2
60465	2
60477	2
60481	1
60490	27
60502	9
60503	8
60504	24
60505	45
60506	26
60507	1
60510	18
60513	1
60514	5
60515	23
60516	7
60517	9
60521	4
60525	3
60526	2
60527	18
60532	20
60534	2
60538	14
60540	22
60542	6
60543	23
60544	21
60545	4
60546	5
60552	2
60554	3
60555	6
60558	2
60559	13
60560	8

ZIP CODE	NUMBER OF CASES
60561	6
60562	2
60563	19
60564	27
60565	40
60585	15
60586	12
60604	1
60605	2
60607	5
60608	3
60609	6
60610	1
60611	7
60612	1
60613	13
60614	1
60615	2
60616	3
60617	3
60618	3
60619	9
60624	3
60625	6
60626	6
60628	2
60629	10
60630	1
60631	3
60632	7
60634	14
60638	30
60639	1
60640	6
60643	5
60644	2
60646	2
60647	1
60651	2
60652	1
60656	11
60660	3

ZIP CODE	NUMBER OF CASES
60700	2
60706	3
60707	8
60714	4
60804	3
60805	6
60940	2
60958	1
61104	1
61310	1
61341	2
61350	2
61364	2
61874	1
62544	2
Total	2,096

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

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POLSINELLI

150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606-1599 • 312.819.1900

COPY

November 29, 2018

Anne M. Cooper
(312) 873-3606
(312) 819-1910 fax
acooper@polsinelli.com

FEDERAL EXPRESS

RECEIVED

DEC 03 2018

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Michael Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Application for Permit – Ophthalmology Surgery Center of Illinois, LLC

Dear Mr. Constantino:

I am writing on behalf of Ophthalmology Surgery Center of Illinois, LLC ("Applicant") to submit the attached Application for Permit to establish an ambulatory surgical treatment center in Itasca, Illinois. For your review, I have attached an original and one copy of the following documents:

1. Check for $2,500 for the application processing fee;
2. Completed Application for Permit;
3. Copies of Certificate of Good Standing for the Applicants;
4. Authorization to Access Information; and
5. Physician Referral Letter.

Thank you for your time and consideration of Applicant's application for permit. If you have any questions or need any additional information to complete your review of the Applicant's application for permit, please feel free to contact me.

Sincerely,

Anne M. Cooper

Anne M. Cooper

Attachments