

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Metroeast Endoscopic Surgery Center		
Street Address: 5023 N. Illinois St., Suite 3		
City and Zip Code: Fairview Heights, IL 62208		
County: St. Clair	Health Service Area: 11	Health Planning Area: N/A

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

Exact Legal Name: Metroeast Endoscopic Surgery Center, LLC		
Street Address: 5023 N. Illinois St., Suite 3		
City and Zip Code: Fairview Heights 62208		
Name of Registered Agent: Shakeel Ahmed		
Registered Agent Street Address: 5023 N. Illinois St, Suite 3		
Registered Agent City and Zip Code: Fairview Heights 62208		
Name of Chief Executive Officer: Shakeel Ahmed		
CEO Street Address: 5023 N. Illinois St., Suite 3		
CEO City and Zip Code: Fairview Heights 62208		
CEO Telephone Number: 618-239-0678		

Type of Ownership of Applicants

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

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which 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:
Title:
Company Name:
Address:
Telephone Number:
E-mail Address:
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: Ahmed Investments, LLC
Address of Site Owner: 5023 N. Illinois St., Suite 3 Fairview Heights, IL 62208
Street Address or Legal Description of the Site: 5023 North Illinois Street Suite 3 Fairview Heights, IL 62208
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: Metroeast Endoscopic Surgery Center, LLC
Address: 5023 North Illinois Street, Suite 3, Fairview Heights, IL 62208
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS 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.

Metroeast Endoscopic Surgery Center, LLC (the "Applicant"), proposes to add orthopedic surgery to its existing multi-specialty ambulatory surgical treatment center located at 5023 N. Illinois St, in Fairview Heights, Illinois ("MESc").

The existing ASTC includes two procedure rooms. There will not be any construction or other alterations associated with the project.

This project does not propose to establish a new category of service or a new health care facility as defined by the Planning Act. The Project is non-substantive.

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			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)	\$180,000		\$180,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$180,000		\$180,000
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$180,000		\$180,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$180,000		\$180,000
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 \$ n/a .

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): March 31, 2021

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)]

Are the following submittals up to date as applicable:

Cancer Registry

APORS (NOT APPLICABLE)

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.**

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

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

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert 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:					

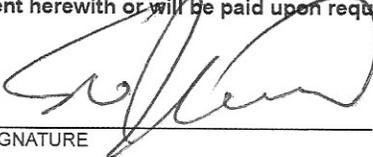
Not applicable because the Applicant is an ASTC.

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 Metroeast Endoscopic Surgery Center, 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

Shakeel Ahmed, MD

 PRINTED NAME

Owner

 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 10 day of April, 2020

 SIGNATURE

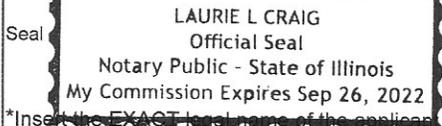
 PRINTED NAME

 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this ____ day of _____



 Signature of Notary



 Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

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	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

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.

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.

<input type="checkbox"/> Cardiovascular
<input type="checkbox"/> Colon and Rectal Surgery
<input type="checkbox"/> Dermatology
<input type="checkbox"/> General Dentistry
<input checked="" type="checkbox"/> General Surgery
<input checked="" type="checkbox"/> Gastroenterology
<input type="checkbox"/> Neurological Surgery
<input type="checkbox"/> Nuclear Medicine
<input checked="" type="checkbox"/> Obstetrics/Gynecology
<input checked="" type="checkbox"/> Ophthalmology
<input type="checkbox"/> Oral/Maxillofacial Surgery
<input checked="" type="checkbox"/> Orthopedic Surgery
<input type="checkbox"/> Otolaryngology
<input checked="" type="checkbox"/> Pain Management
<input type="checkbox"/> Physical Medicine and Rehabilitation
<input checked="" type="checkbox"/> Plastic Surgery
<input checked="" type="checkbox"/> Podiatric Surgery
<input type="checkbox"/> Radiology
<input type="checkbox"/> Thoracic Surgery
<input type="checkbox"/> Urology
<input type="checkbox"/> 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]:

<p>_____ \$180,000</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 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; <p>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.</p> <p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p> <p>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:</p> <ol style="list-style-type: none"> 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;
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<p>_____</p> <p>_____</p> <p>_____</p>	<p>5) For any option to lease, a copy of the option, including all terms and conditions.</p> <p>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;</p> <p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p> <p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>
<p>\$180,000</p>	<p>TOTAL FUNDS AVAILABLE</p>
<p>APPEND DOCUMENTATION AS <u>ATTACHMENT 33</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</p>	

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 36, 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.

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

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Section I, Type of Ownership of Applicants

Attachment 1

Metroeast Endoscopic Surgery Center, LLC ("Metroeast") is an Illinois limited liability company. A copy of Metroeast's Good Standing Certificate dated January 17, 2019 is attached.

ATTACHMENT 1

File Number 0378969-1



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

METROEAST ENDOSCOPIC SURGERY CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 30, 2011, 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 17TH day of JANUARY A.D. 2019 .

Jesse White

SECRETARY OF STATE

Authentication #: 1901702588 verifiable until 01/17/2020
Authenticate at: <http://www.cyberdriveillinois.com>

ATTACHMENT 1

Section I, Site Ownership

Attachment 2

Attached is a copy of the Lease Agreement between Metroeast Endoscopic Surgery Center, LLC ("Lessee") and Ahmed Investments, LLC ("Lessor"), dated as of June 1, 2014, which shows that Metroeast Endoscopic Surgery Center, LLC has control of the site.

ATTACHMENT 2

**LEASE AGREEMENT
(TRIPLE NET)**

THIS LEASE AGREEMENT (the "Lease"), made and entered into effective as of the day of June, 2014 (the "Effective Date") by and between Ahmed Investments, LLC (the "Lessor") and Metroeast Endoscopic Surgery Center, LLC (the "Lessee")

WHEREAS, Lessor owns the real property and improvements commonly known as 3023 North Illinois Street, Fairview Heights, Illinois 62208 (the "Premises") situated in St. Clair County, Illinois, evidence of such ownership is attached hereto as Exhibit A, and

WHEREAS, Lessee desires to lease a portion of the Premises from Lessor as further specified herein

NOW THEREFORE, the parties hereto agree as follows

1 Leased Space Lessor agrees to lease and Lessee agrees to rent, for Lessee's exclusive use, the portion of the Premises designated on Exhibit B attached hereto, which encompasses approximately one thousand seven hundred and sixty (1,760) gross square feet of the Premises (the "Leased Space"). The Leased Space shall be used for the provision of endoscopy services performed by qualified physicians employed by or under contract with the Lessee, and related uses, including but not limited to, operating a licensed Ambulatory Surgical Treatment Center ("ASTC"). Lessee shall maintain all licenses and certifications necessary to conduct such business in the Leased Space

2 Term and Termination. The initial term of this Lease (hereinafter referred to as the "Initial Term") shall begin on the 1 day of June, 2014 (the "Commencement Date") and be for a period of ten (10) years. Unless otherwise previously terminated in accordance with the terms of this Lease, the term of this Lease may be extended for two additional periods of five (5) years, once on the 10th anniversary of the Commencement Date and again on the 15th anniversary of the Commencement Date (each a "Renewal Term", and together the Initial Term and any Renewal Term(s) shall be collectively referred to herein as the "Term" of this Lease) at the option of the Lessee. Notwithstanding the foregoing, this Lease shall be terminated: (a) without cause by giving the other party thirty (30) days advanced written notice of such termination; (b) in the event of breach of this Lease, upon thirty (30) days written notice to the breaching party following failure of the breaching party to cure such breach for more than thirty (30) days following notice of such breach; or (c) in the event of an exclusion of a party hereto, or its affiliates, from participation in any Federal health care program, as defined under 42 U.S.C § 1320a-7b(f), the other party shall have the right to immediately terminate this Lease. In the event that there is a change in applicable health care law or related regulation or the interpretation thereof, including Federal and State of Illinois laws and regulations, or the initiation of an enforcement action with respect to any health care law or regulation, any of which affects the continuing legality of this Lease, a party hereto may, by notice to the other party, propose an amendment to conform this Lease to the applicable law(s) and/or regulation(s). If the parties hereto are unable to agree within ninety (90) days upon an amendment, then either party may terminate this Lease by giving ten (10) days advance written notice to the other party, unless a sooner termination is required under applicable law or circumstances.

3 **Base Rent** Lessee agrees to pay Lessor base rent for the Leased Space in the amount of one thousand, seven hundred and fifty-one dollars (\$1,760.00) per month (the "Base Rent"), payable monthly by the fifth (5th) day of each month during the term of this Lease. The calculation of such Rent is set forth hereto on Exhibit C. The parties agree that the Base Rent is consistent with fair market value (for a triple net lease) was negotiated in an arms-length transaction and that the rental value of the Leased Space has not been determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties.

4 **Additional Rent and Other Maintenance Expenses.** In order that the fixed rent shall be absolutely net to Lessor, Lessee covenants to pay, as additional rent, all real estate taxes (see Paragraph 5), and all other operating expenses, respecting the Leased Space, including the following:

4.1 **Generally** Accordingly, Lessee shall pay to or as directed by Lessor the amount of such operating expenses reasonably allocated to or attributable to the Lease Space within ten (10) days after each periodic invoicing or other billing received by Lessee therefore from either the party providing such services or Lessor, as the case may be.

4.2 **Public Charges.** Lessee shall pay to Lessor, within a reasonable time after written demand therefore by Lessor but before any fine, penalty, interest or cost may be added thereto for nonpayment thereof, all public charges with respect to the Leased Space, including, but not limited to, water and sewer use charges and betterment assessments, as well as real estate taxes (pursuant to Paragraph 5)

4.3 **Utilities.** Lessee shall pay directly to the proper authorities charged with collection thereof all charges for water, sewer, gas, electricity, telephone, and any other power, utilities, or services used or consumed on the premises. Lessee shall make its own arrangements for such utilities and Lessor shall be under no obligation to furnish any utilities to the Leased Space and shall not be liable for any interruption or failure in the supply of any such utilities to the Leased Space. Lessee agrees to pay for janitorial service and any other maintenance services for or repairs of the Leased Space, all in accordance with the provisions of this Lease (including Paragraph 9)

4.4 **Receipts.** Lessee shall furnish to Lessor, at Lessor's written request, for Lessor's inspection, within thirty (30) days after the date any amount is payable by Lessee, as provided in Paragraphs 4, 5, 8, 9, and 10, official receipts or other proof satisfactory to Lessor evidencing such payment.

5. **Real Property Taxes**

5.1 **Payment of Taxes** Within ten (10) days after written demand by Lessor, Lessee shall pay to Lessor the "Real Property Tax", as defined in Paragraph 5.2, applicable to the Leased Space during the term of this Lease. If any such taxes shall cover any period of time prior to or after the expiration of the term hereof, Lessee's share of such taxes shall be equitably prorated to cover only the period of time within the applicable tax fiscal year when this Lease was in effect

5.2 Definition of "Real Property Tax". As used herein, the term "Real Property Tax" shall include any form of real estate tax or assessment, be it ad valorem, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal income or estate taxes) imposed on or reasonably attributable to the Leased Space by any authority having the direct or indirect power to tax, including any city, state or federal government, or any school, agricultural, sanitary, fire, street, drainage or other improvement district thereof. The term "Real Property Tax" shall also include any tax, fee, levy, assessment or charge (i) in substitution of, partially or totally, any tax, fee, levy, assessment or charge hereinabove included within the definition of "Real Property Tax", or (ii) the nature of which was hereinbefore included within the definition of "Real Property Tax", or (iii) which is imposed by reason of this transaction, any modifications or changes hereto or any transfers hereof.

6 Security Deposit

6.1 Amount. Lessee shall make the following deposit with Lessor upon execution hereof as security for Lessee's faithful performance of Lessee's obligations hereunder: Cash in the amount of \$1,260.00, to be held by Lessor.

6.2 Return of Security Deposit. If Lessee fails to pay rent or other charges due and payable hereunder, or otherwise defaults with respect to any provision of this Lease, then, after 10-days' written notice of the default and failure by Lessee to cure within said 10-day period, Lessor may use, apply or retain all or any portion of said deposit for the payment of any rent, damages or other charge in default. If Lessor so uses or applies all or any portion of said deposit, the Lessor shall, within ten (10) days after written demand therefore, deposit cash with Lessor in an amount sufficient to restore said deposit to the full amount hereinabove stated (\$1,260.00). Lessee's failure to do so shall be a material breach of this Lease. Lessor shall be required to keep said deposit separate from its general accounts and in a separate interest-bearing account. At the end of each calendar year, any accrued interest shall be paid to Lessee, if not needed to bring account up to full balance. If Lessee performs all of Lessee's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by Lessor shall be returned, together with any interest accrued on it, to Lessee at the expiration of the term hereof (and once Lessee has vacated the Leased Space). No trust relationship is created herein between Lessor and Lessee with respect to said Security Deposit.

7 Use of Leased Space. Notwithstanding anything in Paragraph 1 to the contrary, the Leased Space shall be used and occupied only for the provision of endoscopy services and related uses. The Leased Space may not be used for any other uses which are not in compliance with zoning restrictions governing the use of the Premises and the Lease Space. Lessor expressly disclaims any/all representations and warranties regarding the lawfulness of Lessee's intended use or occupation of the Leased Space. It is Lessee's responsibility to determine and comply with all applicable covenants, conditions and restrictions and all applicable zoning ordinances or other ordinances, regulations, requirements, stipulations and conditions affecting the use or occupancy of the Leased Space.

7.2 Compliance with Law. Lessee shall, at Lessee's expense, comply promptly with all applicable laws, statutes, ordinances, rules, regulations, orders, covenants, restrictions of record, and requirements in effect during the term or any part of the term hereof, regulating Lessee's operation on and occupancy and use of the Leased Space including but not limited to compliance with all environmental laws. Environmental laws shall mean any and all federal and state laws and regulations that concern the regulation and/or protection of the environment, including the ambient air, ground water, surface water, noise, vibration, asbestos, hazardous materials, and land use, including substrata land. Lessee shall not use or permit the use of the Leased Space, including placing loads on any floor or wall, in a manner for which the premises were not designed, engineered or constructed. Lessee shall not place a load upon any floor or wall exceeding the design engineering criteria which such floor or wall was designed to carry and/or which are prescribed by any law or regulation in existence during the term of this Lease. Lessee may request in writing Lessor's approval of any or all of Lessee's trade fixtures and equipment for compliance with the design engineering criteria for the Leased Space and Lessor shall reply to Lessee's request within a reasonable period of time. Lessee hereby indemnifies Lessor against liability for any of the above items. Lessee shall not use nor permit the use of the Leased Space in any manner that will create waste or a nuisance.

7.3 Condition of Leased Space. Unless otherwise specifically provided in this Lease, Lessee hereby accepts the Leased Space in its "AS IS" condition including any and all defects, latent or otherwise, existing as of the Lease commencement date or the date that Lessee takes possession of the Leased space, whichever is earlier, subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Leased Space, and any covenants or restrictions of record, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Lessee acknowledges that Lessor has made no representation or warranty as to the present or future suitability of the Leased Space for Lessee's use or the conduct of Lessee's business.

8 Maintenance, Repairs and Alterations.

8.1 Lessee's Obligations. Lessee shall maintain, replace and keep in good order, condition and repair the Leased Space and every part thereof, which is nonstructural (whether or not such portion of the Leased Space requiring repair, or the means of repairing the same are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, or any prior use, the elements or the age of such portion of the Leased Space), including, without limiting the generality of the foregoing, the maintenance and replacement of all plumbing, heating, air conditioning, ventilating, electrical, lighting facilities and equipment within the Leased Space, fixtures, walls (interior and exterior), ceilings, roofs (interior and exterior), windows, doors and plate glass located within the Leased Space; and all landscaping, driveways, parking lots, sidewalks, fences and signs located on the Premises which are reserved for Lessee's use. Lessee shall not be responsible for replacement of any structural part of the building.

8.2 Surrender. On the last day of the Term hereof, or on any sooner termination, Lessee shall surrender the Leased Space to Lessor in the same condition as when received, ordinary wear and tear excepted, clean and free of damage or debris. Lessee shall repair any

damage to the Leased Space and/or the Premises occasioned by the installation or removal of Lessee's trade fixtures, furnishings and equipment. Notwithstanding anything to the contrary otherwise stated in this Lease, Lessee shall leave the power panels, electrical distribution systems, lighting fixtures, space heaters, air conditioning, plumbing, doors and fencing on the Premises which will belong to the Lessor in good operating condition.

8.3 Lessor's Rights If Lessee fails to perform Lessee's obligation under this Paragraph, or under any other paragraph of this Lease, Lessor may at its option (but shall not be required to) enter upon the Leased Space after ten (10) days prior written notice to Lessee (except in the case of urgency, in which case no notice shall be required), perform such obligation on Lessee's behalf and put the same in good order, condition and repair, and the cost thereof, together with interest thereon (at the prime rate as set and announced by the Wall Street Journal from time to time), shall become due and payable on demand as additional rental to Lessor.

8.4 Lessor's Obligations. It is intended by the parties hereto that Lessor shall have no obligation, in any manner whatsoever, to repair or maintain the Leased Space or any part thereof, or the Premises, or any equipment on the Leased Space, which are nonstructural, or which obligations are intended to be those of the Lessee under Paragraph 9 hereof. Lessee expressly waives the benefit of any statute of law now or hereinafter in effect which would otherwise afford Lessee the right to make repairs at Lessor's expense or to terminate this Lease because of Lessor's failure to keep the Leased Space in good order, condition and repair. Notwithstanding the foregoing, should Lessor receive any warranty or guaranty respecting any material, equipment, or workmanship, and should such warranty or guaranty be applicable to portions of the Leased Space which Lessee is liable to repair and maintain (as required hereunder), Lessor shall, upon Lessee's request, assign and transfer such warranty or guaranty to Lessee for Lessee's use and benefit.

9 Alterations and Additions

9.1 Leasehold Improvements. The Lessor shall pay for all improvements to the Lease Space incurred in conjunction with and pursuant to any Permit issued by the State of Illinois Health Facilities Planning Board under the Illinois Health Facilities Planning Act 20 ILCS 3960 (the "Funds"). The Lessee shall repay the Lessor the Funds in equal, monthly payments over the duration of the Initial Term as set forth in Paragraph 2. Additionally, the Lessee shall pay to the Lessor interest thereon at the prime rate (on the Effective Date), amortized over the Initial Term. In the event the lease is terminated prior to the expiration of the Initial Term, by either party for any reason, the remaining unpaid Funds and any accrued interest shall become immediately due and payable to the Lessor.

9.2 Alterations, Improvements, Additions and Utility Installations. Notwithstanding any contrary provision of Paragraph 9.1 above, Lessee shall not, without Lessor's prior written consent, which shall be given if reasonable, make any alterations, improvements, additions or Utility Installation in, on or about the Leased Space. Lessee shall make no change or alteration to the exterior of the Leased Space, or to the Premises, without Lessor's prior written consent. As used in this Paragraph 9 and its subparts, the term "Utility Installation" shall mean carpeting,

window covering, air lines, power panels, electrical distribution systems, lighting fixtures, space heaters, air conditioning, plumbing or fencing. Lessor may not require that Lessee remove any or all of said alterations, improvements, additions or Utility Installations at the expiration of the term. Lessor may require Lessee to provide Lessor, at Lessee's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure Lessor against any liability for mechanic's and material men's liens and to insure completion of the work. Lessor may impose reasonable conditions from time to time with respect to the improvements to which Lessor may consent, including without limitation, compliance with all laws, including environmental laws, regulations, ordinances and requirements of governments or governmental agencies, and the time and manner in which such work shall be accomplished. Should Lessee make any alterations, improvements, additions or Utility Installation without the prior approval of Lessor, Lessor may require that Lessee remove any or all of the same

9.3 Consent of Lessor Any alteration, improvement, addition, or Utility Installation in or about the Premises that Lessee shall desire to make and which requires the consent of the Lessor shall be presented to Lessor in written form, with proposed detailed plans, and Lessor shall respond to Lessee on the matter within fifteen (15) days after Lessor's receipt of the plans and specifications and other information requested by Lessor in order to make an informed decision. If Lessor shall give its consent, the consent shall be deemed conditioned upon Lessee acquiring applicable permit(s) to do so from appropriate governmental agencies, the furnishing of a copy thereof to Lessor prior to the Commencement of the work and the compliance by Lessee with all conditions of said permit in a prompt and expeditious manner, and compliance by Lessee with all laws, rules, regulations, recommendations and/or applicable requirements of any government or governmental agency.

9.4 Payment Lessee shall pay, when due, all claims for labor, professional services and materials furnished, or alleged to have been furnished to or for Lessee at (or for use in) the Premises, which claims are or may be secured by any mechanic's or material men's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in the Leased Space, and Lessor shall have the right to post notices of non-responsibility in or on the Leased Space as provided by law. If Lessee shall, in good faith, contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend itself and Lessor against same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against the Lessor or the Leased Space, upon the condition that if Lessor shall require, Lessee shall furnish to Lessor a surety bond satisfactory to Lessor in an amount sufficient to cover Lessor against liability on account of such contested lien, claim or demand, and indemnifying Lessor against liability for the same, and holding the Leased Space and the Premises free from the effect of such lien or claim. In addition, Lessor may require Lessee to pay Lessor's attorney fees and costs incurred on account of participation in such action, if Lessor determines in its discretion to do so and does so.

9.5 All Alterations, Improvements, Additions, and Utility Installations Shall Become Property of the Lessor Unless Lessor requires their removal, as set forth in Paragraph 9.2, all alterations, improvements, additions, and Utility Installations (unless such Utility Installations constitute trade fixtures of Lessee), which may be made on the Leased Space, shall become the

property of Lessor and remain upon and be surrendered with the Leased Space at the expiration of the term. Notwithstanding the foregoing provision, Lessee's furniture, machinery and equipment shall remain the property of Lessee and may be removed by Lessee subject to the provisions of Paragraph 8.2.

10. Insurance Indemnity. It is understood and agreed that Lessee shall be obliged to pay for insurance coverage, including property casualty and public liability insurance, with respect to the Leased Space, as specified in Paragraph 4.1 above. In case such insurance coverage is deemed inadequate by Lessor at any time in its reasonable discretion, Lessee shall be obliged to provide insurance coverage pursuant to the following Paragraphs 10.1 through 10.4.

10.1 Liability Insurance. Lessee shall, at Lessee's expense, obtain and keep in force during the term of this Lease and during Lessee's occupancy of the Leased Space a policy of comprehensive general liability insurance with at least \$1,000,000 combined single limit for bodily injury (including death and property damage), covering the Leased Space, and Lessee's use and occupancy thereof against all claims on account of bodily injury or death and property damage occurring upon, in or about such areas or in connection with the ownership, maintenance, use and/or occupancy of such areas Lessor, and, at Lessor's option, any mortgagee of Lessor, shall be named as insured or as an additional insured under the policy. The limits of said insurance shall not, however, limit the liability of Lessee hereunder.

10.2 Property Casualty Insurance. Lessee shall obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to the Leased Space in the amount of the full replacement value thereof, as the same may exist from time to time, but in no event less than the total amount required by lenders having liens on the Leased Space, against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief and flood (in the event same is required by a lender having a lien on the) Lessor shall be named as insured (or an additional insured) on the policy. Said insurance shall provide for payment of loss thereunder to Lessor or to the holders of mortgages or deeds of trust on the Premises.

10.3 Insurance Policies. Insurance required hereunder shall be in companies holding a "General Policyholders Rating" of at least B-plus, or such other rating as may be required by a lender having a lien on the Premises, as set forth in the most current issue of "Best's Insurance Guide". Lessee shall provide to Lessor copies of insurance certificates naming the insured parties and evidencing the existence and the amounts of the insurance required in this Paragraph 10, promptly upon execution of this Lease. No such policy shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days prior written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor and any mortgagee of Lessor named as an insured with renewals certificates, or Lessor may, but shall not be obligated to, order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee upon demand. Lessee shall not do or permit to be done anything which shall invalidate the insurance policies referred to in this section 10. If Lessee does or permits to be done anything which shall increase the costs of the insurance policies referred to in Paragraph 10, then Lessee shall forthwith upon Lessor's demand pay such additional cost, or

reimburse Lessor for any additional premium payable by it which is attributable to any act or omission or operation or Lessee causing such increase in the cost of insurance

10.4 Waiver of Subrogation Lessee and Lessor each hereby release and relieve the other, and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against under Paragraph 10.2, which perils occur in, on or about the Premises, whether due to the negligence of Lessor or Lessee or their agents, employees, contractors and/or invitees but only to the extent that insurance policies then in effect permit such waiver and only to the extent of the coverage provided by such insurance policies. Lessee and Lessor shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease

10.5 Indemnity. Lessee shall indemnify and hold harmless Lessor from and against any and all claims arising from Lessee's (or Lessee's agents', servants', employees' or contractors') use or occupancy of the Leased Space, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by Lessee (or Lessee's agent, servants, employees or contractors) in or about the Leased Space and shall further indemnify and hold harmless Lessor from and against any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any negligence of the Lessee, or any of Lessee's agents, contractors or employees, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding brought against Lessor by reason of such claim, Lessee (upon notice from Lessor) shall defend the same at Lessee's expense, by counsel satisfactory to Lessor. For valuable, sufficient consideration, Lessee hereby assumes all risk of damage to property or injury to persons in, upon or about the Leased Space arising from any cause (except Lessor's negligence), and Lessee hereby waives all claims with respect thereto against Lessor. Lessee shall indemnify and hold harmless Lessor from and against any and all liability, claims or actions for injury, liability, or damage to persons or property, and any and all claims or actions brought by any person, firm, governmental body, or other entity, including reasonable legal fees and expenses, alleging or resulting from or arising from or in connection with contamination of or adverse affects on the Leased Space, the environment, or any violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any governmental or judicial entity, and from and against any damages, liabilities, costs, and penalties assessed as a result of any activity or operation on the Leased Space during the term of this Lease. Lessee's obligations or liabilities under this Paragraph shall survive the term(s) of this Lease, termination of this Lease or termination of Lessee's occupancy of the Premises

11. Access. During the term of this Lease, the Lessee shall have the right to exclusive use of the Leased Space during the Term of this Agreement. During the Term of this Agreement, the Leased Space shall be used exclusively by the Lessee for purposes set forth in Section 1 hereto. If necessary, Lessee shall furnish and provide Lessor with access to the Leased Space, provided, however, that Lessor provides reasonable prior notice that access to the Leased Space is required.

11

12 Non-Exclusion. The parties hereto both acknowledge and affirm that such party, nor any of its affiliates, (i) are excluded from participation in any Federal health care program, as defined under 42 U.S.C. §1320a-7b(f), for the provision of items or services for which payment may be made under such Federal health care program; or (ii) have arranged or contracted (by employment or otherwise) with any employer, contractor or agent that the other party, or its affiliates, know or should know are excluded from participation in any Federal health care program.

13. Relationship of Parties. Lessor and Lessee shall remain separate and independent entities. None of the provisions of this Lease are intended to create, nor shall be deemed or construed to create, any relationship between or among the parties other than that of independent contractors.

14 Indemnification and Hold Harmless. A party hereto shall indemnify and hold harmless the other party, its respective affiliates and subsidiaries, and the respective agents, employees, officers, directors, trustees, members, partners, successors, and assigns of each party and its respective affiliates and subsidiaries from and against any and all claims, demands, causes of action, damages, or penalties arising from the use or occupancy of the Leased Space, or from the conduct of either party's business or from the act or neglect of either party. A party shall not be liable to the other party for any damage or injury caused solely by the gross negligence or intentional acts occurring at the Premises or the Leased Space, and its affiliates and subsidiaries, and the respective agents, employees, officers, directors, trustees, members, partners, successors, and assigns of each party and its respective affiliates and subsidiaries. The provisions of this Section 14 shall survive the expiration or sooner termination of this Lease.

15 Miscellaneous

15.1 Compliance with Laws. The parties hereto agree to comply with all applicable Federal, State of Illinois and local laws, regulations, ordinances and rules throughout the Term of this Lease.

15.2 No Intent to Induce Referrals. The parties hereto agree that Lessor may be considered a current or potential source of patient referrals to Lessee. To the Lessor's and Lessee's knowledge (a) the Leased Space does not exceed that which is reasonable and necessary for the legitimate, commercially-reasonable, business purposes of the Lessee in the Leased Space; (b) if applicable, the Lessee's share of taxes, utilities and operating expenses do not exceed Lessee's pro rata share of such expenses for the space based upon the total space anticipated to be used by Lessee; and (c) the Rent (i) is set in advance, (ii) is consistent with fair market value, (iii) does not take into account the volume or value of any referrals or other business generated between the parties for which payment may be made in whole or in part under Medicare, Medicaid or other Federal health care program, nor do they include any additional charges attributable to the proximity or convenience of Lessor as a potential referral source, and (iv) would be commercially-reasonable even if no referrals were made between Lessee and Lessor or their representative affiliates. Lessor and Lessee hereby acknowledge and agree that it is not a purpose of this Lease or any of the transactions contemplated herein to exert influence in any manner over the reason or judgment of any party with respect to the referral of patients or business of any nature whatsoever. It is the intent of the parties hereto that any

referrals that may be made directly or indirectly by Lessor to Lessee's business, shall be based solely upon the medical judgment and discretion of a patient's physician while acting in the best interests of the patient

15.3 Medicare Access to Books and Records. In the event, and only in the event, that Section 952 of PL 96-499 (42 U.S.C. § 1395x(v)(1)(I)) is applicable to this Lease, Lessor and Lessee agree as follows: (i) until the expiration of four (4) years after the termination of this Lease, Lessor and Lessee shall make available, upon written request by the Secretary of the Federal Department of Health and Human Services or upon request by the Comptroller General of the United States, or any of their duly authorized representatives, this Lease, and books, documents and records of Lessor and Lessee that are necessary to certify the nature and extent of the costs incurred pursuant to this Lease; (ii) if Lessor or Lessee carries out any of the duties of this Lease or other contract between the parties through a subcontract, with a value or cost of \$10,000 or more over a twelve-month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary of the Federal Department of Health and Human Services or upon request to the Comptroller General of the United States, or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of the costs incurred pursuant to such subcontract; and (iii) Lessor and Lessee shall notify the other party immediately of the nature and scope of any request for access to books and records described above and shall provide copies of any books, records or documents to the other party prior to the provision of same to any governmental agent to give such party an opportunity to lawfully oppose such production of documents if such party believes such opposition is warranted. Nothing herein shall be deemed to be a waiver of any applicable privilege (such as attorney-client privilege) by Lessor or Lessee as the case may be

15.4 Amendment and Severability. This Lease may be amended only by a written agreement signed by all of the parties hereto. If any provision, clause or part of this Lease is held invalid, the remainder of this Lease, clause or part shall not be affected thereby

15.5 Waiver. The failure of the parties to insist, in any one or more instances, upon performance of any of the terms and conditions of this Lease, shall not be construed as a waiver or relinquishment of any rights granted hereunder or the future performance of any such term, covenant or condition.

15.6 Notices. Any notice to be given hereunder shall be deemed given and sufficient if in writing and delivered or mailed by registered or certified mail to the following addresses

In the case of Lessor to:

Ahmed Investments, F.I.C.

Attn: _____

In the case of Lessee to:

Metroeast Endoscopic Surgery Center, LLC

Attn: _____

15.7 **Benefit** This Lease shall be binding upon and inure to the benefit and burden of and shall be enforceable by Lessor and its successors and assigns and Lessees and their successors and assigns. This Lease may not be assigned by either party without the written consent of the other party.

15.8 **No Third-Party Beneficiary** None of the provisions contained in this Lease are intended by the parties, nor shall such provisions be deemed, to confer any benefit on any person or entity not a party to this Lease.

15.9 **Entire Agreement** This Lease constitutes the entire agreement among the parties, and supersedes any prior agreements among the parties relating to its subject matter. This Lease shall be governed by and construed in accordance with the internal laws of the State of Illinois.

15.10 **Headings** The captions and headings throughout this Lease are for convenience and reference only, and shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or to the scope or intent of this Lease or in any way to affect the Lease.

15.11 **Counterparts** This Lease may be executed in multiple counterparts. When at least one (1) copy of this Lease has been executed by each party hereto, this Lease shall be in full force and effect, and all of such counterparts shall be read together as a single agreement.

15.12 **Contingency** Notwithstanding any other provision herein, this Lease shall be contingent upon Lessee's receipt of the Certificate of Need from the Department of Health (the "CON") and neither the term of this Lease nor the accrual of any obligation to pay Rent shall commence until Lessee has obtained a final unappealable CON. In the event that Lessee has not obtained a final unappealable CON on or before August 1, 2013 or is revoked anytime thereafter, Lessee may terminate this Lease by providing Lessor with written notice and the parties hereto shall be released from all liability hereunder.

[Signatures on Following Page]

IN WITNESS WHEREOF. the parties have hereunto set their hands effective the day and year first above written

Lessor.

Lessee.

AHMED INVESTMENTS, LLC

METROEAST ENDOSCOPIC SURGERY CENTER, LLC

By [Signature]
Name Shakal Ahmed
Title Manager / CEO

By [Signature]
Name Shakal Ahmed
Title Manager / CEO

Section I, Operating Identity/Licensee

Attachment 3

Metroeast Endoscopic Surgery Center, LLC ("Metroeast") is an Illinois limited liability company. A copy of Metroeast's Good Standing Certificate dated January 17, 2019 is attached. Shakeel Ahmed, M.D. ("Applicant") owns 100% of Metroeast.

ATTACHMENT 3

File Number 0378969-1



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

METROEAST ENDOSCOPIC SURGERY CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 30, 2011, 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 17TH day of JANUARY A.D. 2019 .

Jesse White

SECRETARY OF STATE

Authentication #: 1901702688 verifiable until 01/17/2020
Authenticate at: <http://www.cyberdriveillinois.com>

ATTACHMENT-3

Section I, Organizational Relationships

Attachment 4

A copy of Metroeast Endoscopic Surgery Center, LLC's ("Metroeast") organizational chart is attached.

ATTACHMENT 4

METROEAST ENDOSCOPIC SURGERY CENTER, LLC

**Metroeast Endoscopic
Surgery Center, LLC**
(Senior Corporation)
Dr. Shakes Ahmed - Owner/CEO/CFO

**Metroeast Endoscopic
Surgery Center, LLC**
5023 North Illinois St.
Fairview Heights, IL
62208
Laurie Craig - Administrator

ATTACHMENT-4

Flood Plain Requirements

The requirement to provide documentation that the project is not in a flood plain is not applicable because there is no construction associated with the project.

Historic Resources Preservation Act Requirements

This project does not involve the demolition or other modification of buildings and will have no impact on historic resources. Thus, the requirement to obtain clearance from the Historic Preservation Agency is not applicable.

Project Costs			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$0	\$0	\$0
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$0	\$0	\$0
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$0	\$0	\$0
Architectural Fees	\$0	\$0	\$0
Consulting and Other Fees	\$0	\$0	\$0
Movable or Other Equipment (not in construction contracts)	\$180,000	\$0	\$180,000
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$0	\$0	\$0
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$180,000	\$0	\$180,000

Active CON Permits

Metroeast Endoscopic Surgery Center, LLC has two active permits:

CON 19-010: Metroeast Endoscopic Surgery Center, LLC, Fairview Heights

- The CON permit for project 19-010 was approved on June 4, 2019.
- The project completion date of record is June 1, 2020. A cost report will be submitted within 90 days of the completion date.

CON 19-043: Add Podiatry, Pain Management and Ophthalmology surgical services

- The CON permit for project 19-043 was approved on February 25, 2020.
- The project completion date of record is June 30, 2021. A cost report will be submitted within 90 days of the completion date.

Cost Space Requirements

The Applicant seeks to add a specialty at its Existing ASTC. There is no construction associated with the project.

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Clinical							
ASTC	\$180,000	2,642	2,642	0	0	2,642	0
Total Clinical	\$180,000	2,642	2,642	0	0	2,642	0
Non-Clinical							
Total Non-Clinical	\$0	0	0	0	0	0	0
Total	\$180,000	2,642	2,642	0	0	2,642	0

Section 1110.130 Discontinuation

The applicant does not propose the discontinuation of a health care facility or a category of service. Therefore this section is not applicable.

Debra Savage, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RE: Attachment 11 - Background of Applicant

Dear Chair Savage:

The following information addresses the four points of the subject criterion 1110.230:

1. The healthcare facility owned by the Applicant is:

Metroeast Endoscopic Surgery Center

License Identification Number: 7003185

Accreditation Identification Number: TJC 508160

Shakeel Ahmed, MD also owns:

Physicians' Surgical Center

License Identification Number: 7003229

Accreditation Identification Number: TJC 643948

2. Proof of current licensure and accreditation for Metroeast Endoscopic Surgery Center is attached. Physicians' Surgical Center does not have an active Medicare number nor is it accredited; however, the Applicant is currently applying for both.
3. There have been no adverse actions taken against the health care facilities owned or operated by the applicant during the three years prior to the filing of this application.
4. This letter serves as authorization permitting the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information which the State Board or Agency finds pertinent to this subsection.

Sincerely,

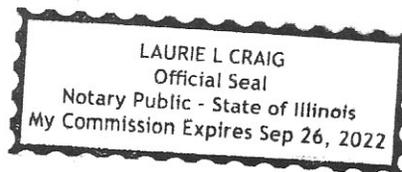
Shakeel Ahmed, MD
President

Attachments

Notarization:

Subscribed and sworn to before
me this 10th day of April, 2020

Signature of Notary
seal





**Illinois Department of
PUBLIC HEALTH**

HF 119796

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Ngozi O. Ezike, M.D.
Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	LIC. NUMBER
3/9/2021		7003185
Ambulatory Surgery Treatment Center		
Effective: 03/10/2020		

Metroeast Endoscopic Surgery Center
5023 N Illinois St
Fairview Heights, IL 62208

The face of this license has a colored background. Printed by Authority of the State of Illinois • PQ #19-483-001 10M 9/18

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp Date 3/9/2021

Lic Number 7003185

Date Printed 1/29/2020

Metroeast Endoscopic Surgery Center

5023 North Illinois St
Fairview Heights, IL 62208

Attachment- 11a
FEE RECEIPT 490.



November 16, 2017

Re: # 508160
CCN: #14C0001160
Program: Ambulatory Surgical Center
Accreditation Expiration Date: August 23, 2020

Shakeel Ahmed
Owner, MD
Metroeast Endoscopic Surgery Center
5023 North Illinois Street
Fairview Heights, Illinois 62208

Dear Dr. Ahmed:

This letter confirms that your August 21, 2017 - August 22, 2017 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for ambulatory surgical centers through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on October 23, 2017, The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of August 23, 2017.

The Joint Commission is also recommending your organization for continued Medicare certification effective August 23, 2017. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency. This recommendation applies to the following location(s):

Metroeast Endoscopic Surgery Center, LLC 5023 N Illinois, Suite 3, Fairview Heights, IL, 62208

Please be assured that The Joint Commission will keep the report confidential, except as required by law or court order. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

A handwritten signature in black ink that reads 'Mark Pelletier'.

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 792 5000 Voice



cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office 5 /Survey and Certification Staff



**Illinois Department of
PUBLIC HEALTH**

HF 120082

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Ngozi O. Ezike, M.D.
Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	LIC. NUMBER
4/7/2021		7003229
Ambulatory Surgery Treatment Center		
Effective: 04/08/2020		

Ahmed 15, LLC
dba Physicians' Surgical Center
311 W Lincoln St Ste 300

Belleville, IL 62220

The face of this license has a colored background. Printed by Authority of the State of Illinois • PDJ #19-493-001 10M 9/16

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

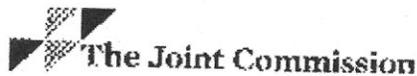
RECEIVED
APR 01 2020

Exp. Date 4/7/2021
Lic Number 7003229

Date Printed 3/5/2020

Ahmed 15, LLC
dba Physicians' Surgical Center
311 W Lincoln St Ste 300
Belleville, IL 62220-1902

Attachment- 11a
FEE RECEIPT 52



November 14, 2019

Re: # 643948

CCN: Pending

Program: Ambulatory Surgical Center

Accreditation Expiration Date: November 07, 2022

Shakeel Ahmed
 Medical Director
 Ahmed 15, LLC
 311 W. Lincoln St.
 Belleville, Illinois 62220

Dear Dr. Ahmed:

This letter confirms that your November 05, 2019 - November 06, 2019 unannounced initial survey was conducted for the purposes of assessing compliance with the Medicare conditions for ambulatory surgical centers through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on November 12, 2019, The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of November 12, 2019.

The Joint Commission is also recommending your organization for Medicare certification effective November 12, 2019. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is responsible for notifying the State Survey Agency that a recommendation for Medicare certification has been made. Please provide your State agency with a copy of your accreditation report, accreditation award letter, and this Medicare recommendation letter.

This recommendation applies to the following location(s):

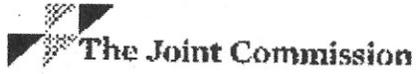
Ahmed 15, LLC
 d/b/a Physicians' Surgical Centre
 311 W. Lincoln St., Belleville, IL, 62220

Please be assured that The Joint Commission will keep the report confidential, except as required by law or court order. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

www.jointcommission.org

Headquarters
 One Renaissance Boulevard
 Oakbrook Terrace, IL 60181
 630.592.5000 Voice



Mark Pelletier

Mark G. Pelletier, RN, MS
Chief Operating Officer and Chief Nurse Executive
Division of Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office 5 /Survey and Certification Staff

Section III, Purpose of the Project, and Alternatives – Information Requirements

Purpose of Project

1. **Document that the Project will provide health care services that improve the health care or well-being of the market area population to be served.**

The Applicant seeks to add orthopedic surgery services at its existing ASTC.

The purpose of this project is to improve access and quality of care and to reduce costs for residents of the geographic service area (GSA). With the relocation of St. Elizabeth's Hospital from Belleville to O'Fallon (Project #14-043) and The Memorial Network shifting services from Memorial Hospital Belleville to Memorial Hospital East in Shiloh (Project #16-018), residents of Fairview Heights and Belleville need additional services to be provided locally to fill the void left by these departures. It is well known that many patients travel to St. Louis for specialty care and advanced care, including orthopedic surgery. MESC hopes to be able to serve these residents in their communities rather than having them travel outside of Illinois to obtain healthcare.

There are not currently any freestanding surgery centers that offer orthopedic surgery within St. Clair County where the applicant center is located. This is particularly surprising given the significant population of over 265,000 county residents. In fact, 16 counties in Illinois with a smaller population have surgery centers offering orthopedic care. In the county to the north of St. Clair County, Madison County, the only surgery center that is approved to offer orthopedic surgery within the GSA is nearly 17 miles away and is not scheduled to be open for over a year and half. All of the orthopedic cases projected to be referred to that facility come from Cardinal Glennon Children's Hospital in Missouri as opposed to adult patients residing in Belleville and Fairview Heights. The lack of access to lower cost orthopedic surgical care in St. Clair County is particularly concerning given the high demand for musculoskeletal surgical care associated with an aging population and other reasons discussed below, including efforts by health insurance companies to lower costs while maintaining quality. Also, the deferral of non-urgent or emergent cases during the COVID-19 pandemic is creating pent up demand for all surgical care.

The Project will address the following:

A. Patients residing in the GSA are currently undergoing surgical procedures in the hospital setting despite the fact that the ASTC represents a lower cost option

Many of the volumes identified in the physician referral letters in Appendix 1 are associated with outpatient cases that are currently being performed in the hospital setting. By offering additional ASTC services in Fairview Heights, the Applicant will allow these patients to obtain this same high quality care in a more convenient, lower cost setting. Doing so aligns with the preferences of patients, providers and insurance companies.

B. There is limited access to safety net services within the GSA

During Calendar Year 2017, MESC and Physicians' Surgical Center (PSC), which is a sister provider to MESC, were the only ASTCs in the GSA for which Medicaid patients constituted a material portion of their total patients. MESC will welcome Medicaid patients seeking

orthopedic services as it does with current specialties. In 2017, MESC saw 1,133 Medicaid patients (27% of patients) and in 2018 it saw 823 Medicaid patients (22% of patients). The Applicant anticipates that a similar percentage of Medicaid patients will utilize the proposed additional specialty. It is imperative for patients to be able to obtain safety net services in the ambulatory surgery center setting particularly in light of the State of Illinois' budgetary crisis.

C. There is unused capacity at MESC

MESC currently has unused capacity and is expecting to see a decrease in endoscopy cases as they shift to its sister facility, Physician's Surgical Center, upon PSC's relocation to O'Fallon, Illinois (Project #19-025). Accordingly, healthcare resources such as operating rooms and staff are underutilized. Adding an additional specialty would allow MESC to lower the cost of care by better utilizing its existing space and staffing resources.

2. Define the planning area or market area, or other, per the applicant's definition.

The mandated geographic service area (GSA) pursuant to the State Board rules consists of those Illinois areas within 17 miles of the existing location. A map of this area is attached as attachment 12B. Distances from MESC to the market area borders are as follows:

- East: Clinton County, Illinois (17 miles)
- South: Waterloo, Illinois (17 miles)
- West: Eastern Missouri (17 miles)
- North: Edwardsville, Illinois (17 miles)

As shown in 1110.235(c)(2)(B)(ii), which is attached as Attachment 12A, 88% of the patients who undergo ambulatory surgery at MESC reside within 17 miles of the ASTC.

3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the Project.

As discussed in greater detail above, the Project would allow GSA residents to obtain orthopedic care in an in-state ASTC as opposed to the higher cost, less convenient hospital setting or a Missouri surgery center. It would also improve access to safety net services, as MESC and its sister provider, PSC, are the only ASTCs in the GSA for which Medicaid patients constituted a material portion of their total patients. Finally, the Project would lower the cost of care by increasing use of underutilized resources at MESC. Accordingly, the applicant seeks to provide a high-quality, lower cost option to area residents.

Access to ambulatory surgical care is essential to the overall well-being of the community, particularly in light of the aging population and the co-morbidities associated with that shifting age cohort. As set forth in a letter from the ASC Advocacy Committee to Secretary Sebelius regarding implementation of a value-based purchasing system for ASTCs, ASTCs are efficient providers of surgical services. ASTCs provide high quality surgical care, excellent outcomes and a high level of patient satisfaction at lower cost than hospital outpatient departments (HOPDs). Surgical procedures performed in an ASTC are reimbursed at lower rates than HOPDs and result in lower out-of-pocket expenses to patients. In fact, based on United Healthcare's desire to cover certain procedures only in the ASTC setting, the payor has announced prior authorization guidelines in Fairview Heights for certain surgical procedures in outpatient hospital settings that will not apply to ASTCs.

Metroeast Endoscopic Surgery Center (MESC) expects other payors to follow suit in the near future.

Furthermore, due to the ongoing COVID-19 pandemic, the Ambulatory Surgery Center Association has urged ASTCs to coordinate with local hospitals and health systems to perform elective urgent surgeries. As hospitals struggle to ensure sufficient capacity, ASCs are able to serve as an alternative setting to provide surgical care for patients who would suffer from a delay. Going forward, with the uncertainty of the lasting effects of the COVID-19 pandemic, it will be particularly important to have a non-hospital option for patients who are at high risk for severe COVID-19 illness, such as older adults or those with comorbidities.

4. **Cite the sources of the information provided as documentation.**

Letter from ASC Advocacy Committee to Secretary Sebelius *available at* <http://wasca.net/wp-content/uploads/2010/10/Final-ASCAC-ASCA-VBP-letter-to-Sebelius.pdf> (last visited April 6, 2020).

United Healthcare's prior authorization requirements for HOPDs *available at* <https://www.uhcprovider.com/content/dam/provider/docs/public/policies/protocols/Prior Authorization Outpatient Surgical Procedures FAQ.pdf> (last visited July 24, 2019).

Ambulatory Surgery Center Association Guidance for Surgery Centers Amid COVID-19 Spread *available at* <https://www.beckersasc.com/leadership/asca-issues-guidance-for-surgery-centers-amid-covid-19-spread.html> (last visited April 6, 2020).

5. **Detail how the Project will address or improve the previously referenced issues as well as the population's health status and well-being.**

As discussed in greater detail above, by offering an additional surgical specialty, MESC can better meet the needs of patients residing in the Metro East St. Louis Region of Illinois. Since the ASTC is the lowest cost and most convenient setting for these procedures, the addition of orthopedic surgery will increase access to high quality health services for patients residing in MESC's service area.

6. **Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.**

The Applicant's prevailing objectives are to enhance access to ambulatory surgical care for patients and to improve the quality of these services. Specifically, the goals of the Project are:

- To meet the demand for lower cost ambulatory surgery services in the defined service area.
- To improve access to safety net services for residents of the GSA.
- To increase utilization of MESC.

These goals can be achieved at the time of project completion.

ATTACHMENT 12-A

The table below lists the patient origin by zip code for all patients treated at MESC during calendar year 2018. As documented in Attachment- 24, 3,312 (or 88%) of the cases were from patients residing in the GSA.

Patient Home Zip Code	2018 Volume
62269	449
62226	311
62221	308
62208	279
62234	209
62040	205
62223	161
62220	139
62258	122
62206	91
62232	89
62205	79
62204	76
62203	75
62254	69
62025	59
62207	50
62260	50
62294	49
62060	43
62201	42
62298	39
62034	34
62255	34
62285	33
62243	32
62293	31
62264	30
62249	29
62062	25
62230	25
62231	22
62278	21

62239	20
62281	19
62002	18
62236	16
62271	15
62257	12
62286	12
62088	11
62240	11
66216	10
62225	10
62095	9
62215	8
62222	8
62245	8
62292	8
62237	7
62246	7
62263	7
62966	7
62052	6
62059	6
62090	6
62275	6
62288	6
62801	6
62864	6
62881	6
62214	5
62255	5
62289	5
62084	4
62272	4
62282	4
62891	4
62907	4
63026	4
63129	4
63301	4

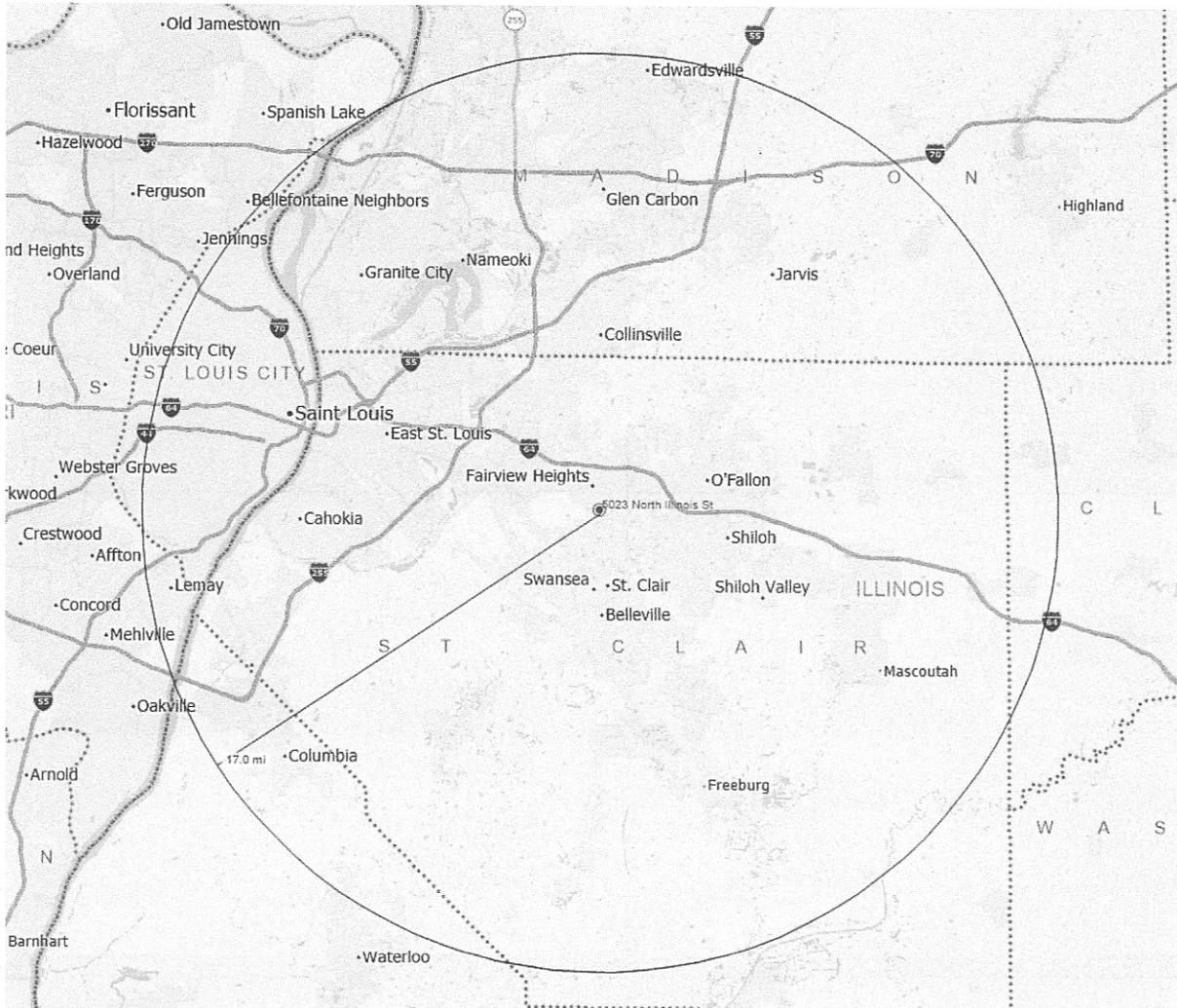
63303	4
62018	3
62024	3
62035	3
62046	3
62202	3
62248	3
62882	3
63031	3
63116	3
63121	3
29412	2
38316	2
39772	2
46311	2
62241	2
62244	2
62256	2
62274	2
62414	2
62553	2
62828	2
62832	2
62853	2
62888	2
63005	2
63021	2
63038	2
63080	2
63088	2
63102	2
63105	2
63108	2
63111	2
63118	2
63119	2
63125	2
63128	2
63130	2

63138	2
63146	2
63368	2
63376	2
23608	1
23665	1
38016	1
60202	1
60439	1
60560	1
61550	1
62010	1
62012	1
62016	1
62097	1
62217	1
62253	1
62273	1
62277	1
62295	1
62401	1
62454	1
62471	1
62612	1
62704	1
62810	1
62837	1
62838	1
62846	1
62848	1
62859	1
62896	1
62924	1
162932	1
63025	1
63034	1
63090	1
63104	1
63106	1

63112	1
63115	1

ATTACHMENT 12-B

17 Mile Radius from MESC



Alternatives to the Proposed Project

The Applicant proposes to add orthopedic surgery at its existing ASTC. The Applicant believes that the proposed project is the optimal alternative when balancing access and quality with costs. The following narrative consists of a comparison of the proposed project to an alternative option.

The Applicant has considered the following alternatives:

Do Nothing (\$0)

This alternative would maintain the status quo, which is to have patients undergo procedures in the hospital setting and/or travel to Missouri to obtain care. It would not improve access to high-quality, lower cost ASTC care as described throughout this application. Furthermore, doing nothing would not improve access to safety net services for residents of the GSA or increase utilization at Metroeast Endoscopic Surgery Center (MESC). For these reasons, this alternative was rejected.

Add orthopedic surgery at MESC (Proposed). (\$180,000)

To improve access for Fairview Heights area residents to orthopedic surgery services in the ASTC setting, the Applicant decided to add orthopedic surgery to its existing multi-specialty ASTC. After weighing this option against others, it was determined that this alternative would provide the greatest benefit in terms of increased utilization and increased access to health care services.

For all of these reasons, this was the chosen alternative.

Size of Project

The Applicant proposes to add orthopedic surgery services at an existing multi-specialty ASTC. The gross square footage of clinical space at the existing facility is 2,642 gsf. There is no change in square footage associated with this planned addition of a surgical specialty.

Project Services Utilization

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which the HFSRB has established utilization standards or occupancy targets in 77 Il. Admin. Code 1100. There are no such standards for the addition of a specialty to an existing ASTC.

Unfinished or Shell Space

The proposed project does not entail unfinished or shell space, so this section is not applicable.

Section VII Service Specific Review Criteria

This project does not involve any of the following services. Therefore the associated sections are not applicable.

- Medical/Surgical, Obstetric, Pediatric and Intensive Care
- Comprehensive Physical Rehabilitation
- Acute Mental Illness and Chronic Mental Illness
- Open Heart Surgery
- Cardiac Catheterization
- In-Center Hemodialysis
- Selected Organ Transplantation
- Kidney Transplantation
- Subacute Care Hospital Model
- Community-Based Residential Rehabilitation Center
- Long Term Acute Care Hospital
- Clinical Service Areas Other than Categories of Service
- Freestanding Emergency Center Medical Services
- Birth Center

Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(2) – Service to Geographic Area Residents

- Attached as Attachment- 24a is a map outlining the intended geographic service area (GSA) for the existing ASTC. As set forth in Criterion 1110.235, Metroeast Endoscopic Surgery Center (MESOC) serves residents of Fairview Heights and surrounding communities within 17 miles of the existing site. Accordingly, the intended GSA consists of those areas within 17 miles of MESOC.
- Table 1110.235(c)(2)(B)(i) below lists all of the Illinois zip codes located, in total or in part, within 17 miles of the existing ASTC as well as 2017 population estimates for each zip code.

ZIP	City	2017 Population
62040	Granite City	42,517
62269	O Fallon	33,265
62234	Collinsville	32,496
62025	Edwardsville	32,008
62226	Belleville	28,550
62221	Belleville	28,460
62220	Belleville	19,510
62223	Belleville	17,204
62208	Fairview Heights	16,822
62298	Waterloo	16,604
62249	Highland	15,705
62206	East Saint Louis	15,233
62294	Troy	14,322
62236	Columbia	13,573
62034	Glen Carbon	13,217
62258	Mascoutah	9,452
62204	East Saint Louis	8,364
62207	East Saint Louis	8,327
62205	East Saint Louis	8,276
62201	East Saint Louis	8,199
62203	East Saint Louis	7,674
62062	Maryville	7,624
62260	Millstadt	7,226
62232	Caseyville	6,942
62254	Lebanon	5,953
62243	Freeburg	5,587
62239	Dupo	4,908
62060	Madison	4,763

62265	New Baden	4,558
62285	Smithton	4,484
62293	Trenton	4,434
62225	Scott Air Force Base	3,702
62264	New Athens	3,534
62026	Edwardsville	2,757
62281	Saint Jacob	2,640
62257	Marissa	2,623
62087	South Roxana	2,247
62240	East Carondelet	1,782
62084	Roxana	1,773
62048	Hartford	1,671
62061	Marine	1,667
62090	Venice	1,267
62059	Lovejoy	582

Source: 2017 American Community Survey

3. Table 1110.235(c)(2)(B)(ii) lists the patient origin by zip code for all patients treated at MESC during calendar year 2018. As documented in Table 1110.235(c)(2)(B)(ii) below 3,312 (or 88%) of the cases were from patients residing in the GSA.

1110.235(c)(2)(B)(ii)	
Patient Home Zip Code	2018 Volume
62269	449
62226	311
62221	308
62208	279
62234	209
62040	205
62223	161
62220	139
62258	122
62206	91
62232	89
62205	79
62204	76
62203	75
62254	69
62025	59
62207	50

62260	50
62294	49
62060	43
62201	42
62298	39
62034	34
62255	34
62285	33
62243	32
62293	31
62264	30
62249	29
62062	25
62230	25
62231	22
62278	21
62239	20
62281	19
62002	18
62236	16
62271	15
62257	12
62286	12
62088	11
62240	11
66216	10
62225	10
62095	9
62215	8
62222	8
62245	8
62292	8
62237	7
62246	7
62263	7
62966	7
62052	6
62059	6
62090	6

62275	6
62288	6
62801	6
62864	6
62881	6
62214	5
62255	5
62289	5
62084	4
62272	4
62282	4
62891	4
62907	4
63026	4
63129	4
63301	4
63303	4
62018	3
62024	3
62035	3
62046	3
62202	3
62248	3
62882	3
63031	3
63116	3
63121	3
29412	2
38316	2
39772	2
46311	2
62241	2
62244	2
62256	2
62274	2
62414	2
62553	2
62828	2
62832	2

62853	2
62888	2
63005	2
63021	2
63038	2
63080	2
63088	2
63102	2
63105	2
63108	2
63111	2
63118	2
63119	2
63125	2
63128	2
63130	2
63138	2
63146	2
63368	2
63376	2
23608	1
23665	1
38016	1
60202	1
60439	1
60560	1
61550	1
62010	1
62012	1
62016	1
62097	1
62217	1
62253	1
62273	1
62277	1
62295	1
62401	1
62454	1
62471	1

62612	1
62704	1
62810	1
62837	1
62838	1
62846	1
62848	1
62859	1
62896	1
62924	1
162932	1
63025	1
63034	1
63090	1
63104	1
63106	1
63112	1
63115	1

**Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(3) – Service Demand**

A physician referral letter providing historical utilization data and anticipated case volume is attached at Appendix- 1. Zip code data for historical patients is also included with the letter.

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

- a. The existing ASTC currently operates two procedure rooms. No changes will be made to the current facility. In 2018, 3,763 cases (1,381 surgical hours) were performed at MESC. There is sufficient capacity to accommodate the additional cases identified in Appendix- 1.
- b. The estimated time per procedure including clean-up and set-up time is shown in the table below. This figure is based on the CY2018 ASTC questionnaire state summary.

Specialty	Average Case Time (Hours)
Orthopedic Surgery	1.49

**Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(6) – Service Accessibility**

This project would expand access to care in the ASTC setting for residents of the GSA and address the exodus of healthcare services from the Fairview Heights/Belleville area as discussed in Attachment- 12. Further, by adding orthopedic surgery at its existing ASTC, the Applicant will be able to shift procedures appropriate for an ASTC setting away from hospital outpatient departments (HOPDs). Doing so is important since HOPDs are more costly, less efficient and less convenient than ASTCs.

As described in Attachment- 12, ASTCs provide high quality surgical care, excellent outcomes and high levels of patient satisfaction at a lower cost than HOPDs. Surgical procedures performed in an ASTC are reimbursed at lower rates than HOPDs and result in lower out-of-pocket expenses for patients. Furthermore, patients often report an enhanced experience at ASTCs compared to HOPDs due, in part, to easier access to parking, shorter waiting times and ease of access into and out of the operating rooms. Finally, surgeons are more efficient due to faster turnover of operating rooms, designated surgical times without risk of delay due to more urgent procedures and specialized nursing staff. As a result of these efficiencies, more time can be spent with patients thereby improving the quality of care.

With the above in mind, adding orthopedic surgery at MESC would benefit local communities and keep patients in Illinois.

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

1. Unnecessary Duplication of Services

- a. The existing ASTC will remain in its current location in Fairview Heights. A map of the facility's market area is attached at Attachment- 24a. Table 1110.235(c)(7)(A) below lists the zip codes that comprise the GSA as well as the corresponding populations.

Table 1110.235(c)(7)(A)		
ZIP	City	2017 Population
62040	Granite City	42,517
62269	O Fallon	33,265
62234	Collinsville	32,496
62025	Edwardsville	32,008
62226	Belleville	28,550
62221	Belleville	28,460
62220	Belleville	19,510
62223	Belleville	17,204
62208	Fairview Heights	16,822
62298	Waterloo	16,604
62249	Highland	15,705
62206	East Saint Louis	15,233
62294	Troy	14,322
62236	Columbia	13,573
62034	Glen Carbon	13,217
62258	Mascoutah	9,452
62204	East Saint Louis	8,364
62207	East Saint Louis	8,327
62205	East Saint Louis	8,276
62201	East Saint Louis	8,199
62203	East Saint Louis	7,674
62062	Maryville	7,624
62260	Millstadt	7,226
62232	Caseyville	6,942
62254	Lebanon	5,953
62243	Freeburg	5,587
62239	Dupo	4,908
62060	Madison	4,763
62265	New Baden	4,558
62285	Smithton	4,484
62293	Trenton	4,434

62225	Scott Air Force Base	3,702
62264	New Athens	3,534
62026	Edwardsville	2,757
62281	Saint Jacob	2,640
62257	Marissa	2,623
62087	South Roxana	2,247
62240	East Carondelet	1,782
62084	Roxana	1,773
62048	Hartford	1,671
62061	Marine	1,667
62090	Venice	1,267
62059	Lovejoy	582

Source: 2017 American Community Survey

- b. A list of all existing and approved healthcare facilities that offer orthopedic surgery within the MESC GSA is attached at Attachment- 24b.

2. Maldistribution of Services

Ratio of Stations to Population

As shown in Table 1110.235(c)(7)(B), the ratio of operating rooms to population is below the state average. Since access to operating rooms is more limited than in other parts of the state, it is important that MESC is able to offer an additional specialty to increase access to surgical services. This is particularly true because there are far more operating rooms in the hospital setting than in the lower cost ASTC setting, which is the more appropriate setting for simple surgical procedures. Specifically, there will be 102 surgical suite rooms in the GSA and 79.4% of those rooms will be operated under a hospital license with a much higher cost to patients, the government, employers and private payors.

Table 1110.235(c)(7)(B)			
Ratio of Stations to Population			
	Population	Operating & Procedure Rooms	Rooms to Population
Geographic Service Area	481,577	102	1 : 4,721
State	12,854,526	2,778	1 : 4,627

Sources: 2017 American Community Survey, Illinois HFSRB Hospital and ASTC Profiles

3. Impact to Other Providers

The Project will not have an adverse impact on existing facilities in the GSA or lower utilization of other area providers that are operating below the occupancy standards. As discussed throughout the application, MESC is seeking authority from the State Board to add a surgical specialty at its existing ASTC. The volumes involved in adding this specialty are nominal and would have a very limited impact on any single provider.

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

The Applicant does not anticipate issues with hiring Registered Nurses and Certified Surgical Technologists as needed. Dr. Ahmed routinely recruits for various clinical staff and offers fair wages and if necessary, sign-on and referral bonuses for newly hired clinical employees.

The Applicant anticipates that MESC's current Medical Director, Dr. Shakeel Ahmed, will continue to function as Medical Director. Dr. Ahmed's CV can be found at Attachment- 24d.

Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(9) – Charge Commitment

Table 1110.1540(c)(9)		
Name of Procedure	Primary CPT	Max Charge
Remove Part Of Neck Vertebra	22100	\$39,897
Remove Part Thorax Vertebra	22101	\$18,363
Remove Part Lumbar Vertebra	22102	\$39,897
Closed Tx Vert Fx W/O Manj	22310	\$5,500
Closed Tx Vert Fx W/Manj	22315	\$18,363
Manipulation Of Spine	22505	\$9,193
Perq Cervicothoracic Inject	22510	\$18,363
Perq Lumbosacral Injection	22511	\$18,363
Perq Vertebral Augmentation	22513	\$39,897
Spine Surgery Procedure	22899	\$18,363
Tenotomy Shoulder Area 1 Tendon	23405	\$39,897
Tenodesis Long Tendon Biceps	23430	\$39,897
Open Tx Clavicular Fracture Internal Fixation	23515	\$39,897
Arthrt Elbow Capsular Excision Capsular Rls Spx	24006	\$18,363
Excision Olecranon Bursa	24105	\$18,363
Partial Excision Bone Humerus	24140	\$18,363
Partial Excision Bone Olecranon Process	24147	\$18,363
Tenolysis Triceps	24332	\$18,363
Rinsj Rptd Biceps/Triceps Tdn Dstl W/Wo Tdn Grf	24342	\$39,897
Tnot Elbow Lateral/Medial Debride Open	24358	\$18,363
Tnot Elbow Lateral/Medial Debride Open Tdn Rpr	24359	\$18,363
Arthroscopy Shoulder Surgical Capsulorrhaphy	29806	\$39,897
Arthroscopy Shoulder Surgical Repair Slap Lesion	29807	\$39,897
Arthroscopy Shoulder Surgical Removal Loose/Fb	29819	\$18,363
Arthroscopy Shoulder Surg Debridement Extensive	29823	\$18,363
Arthroscopy Shoulder Distal Claviculectomy	29824	\$18,363
Arthroscopy Shoulder Ahesiolysis W/Wo Manipj	29825	\$18,363
Arthroscopy Shoulder W/Coracoacrm Ligmnt Release	29826	\$19,527
Arthroscopy Shoulder Biceps Tenodesis	29828	\$39,897
Arthroscopy Elbow Surgical W/Removal Loose/Fb	29834	\$18,363
Arthroscopy Elbow Surgical Debridement Extensive	29838	\$18,363
Arthroscopy Knee Osteochondral Agrft Mosaicplast	29866	\$39,897
Arthroscopy Knee Removal Loose/Foreign Body	29874	\$18,363
Arthroscopy Knee Synovectomy 2/>Compartments	29876	\$18,363
Arthrs Kne Surg W/Meniscectomy Med/Lat W/Shvg	29881	\$18,363
Office Consultation	99244	\$4,106
Arthroscopy Shoulder Rotator Cuff Repair	29827	\$39,897

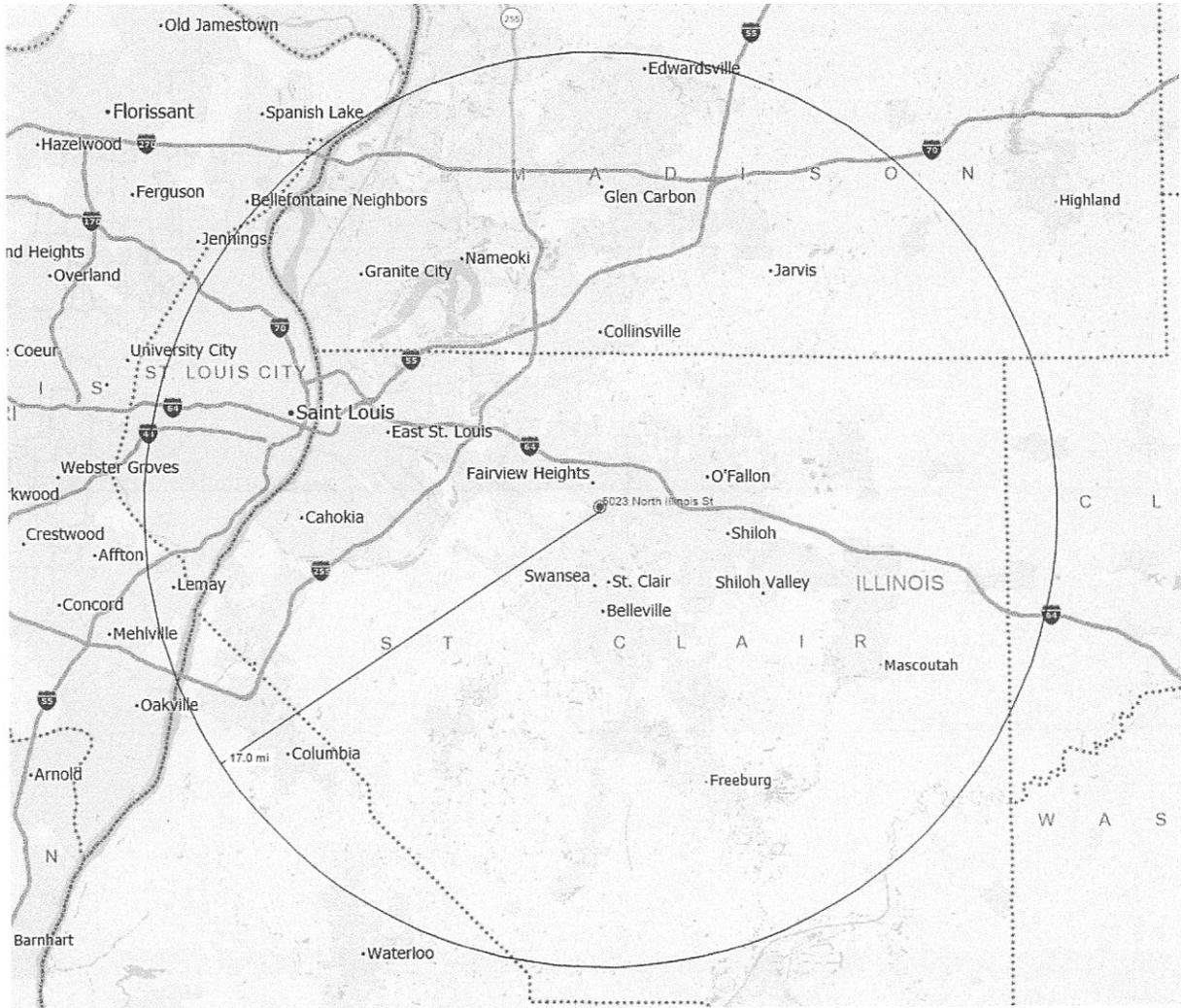
Table 1110.235(c)(9) above is a non-exhaustive list of the procedures by primary CPT code that will be typically performed within the new specialty. Each line shows anticipated maximum charges for two years for a surgical case with the primary CPT code shown.

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

Attached as Attachment- 24c is a letter from MESC that contains assurances as outlined in 1110.235(c)(10).

ATTACHMENT- 24a

17 Mile Radius from MESC



ATTACHMENT- 24b

Type	Facility Name	Address	City	County	Zip	Travel Distance (Miles)
Hospital	Memorial Hospital	4500 Memorial Dr.	Belleville	St. Clair	62226	4
Hospital	Memorial Hospital - East	1404 Cross St.	Shiloh	St. Clair	62226	5
Hospital	HSHS St. Elizabeth's Hospital	1 St. Elizabeth's Blvd.	O'Fallon	St. Clair	62269	6
Hospital	Touchette Regional Hospital	5900 Bond Ave.	Centreville	St. Clair	62207	9
Hospital	Anderson Hospital	6800 State Route 162	Maryville	Madison	62062	12
Hospital	Gateway Regional Medical Center	2100 Madison Ave.	Granite City	Madison	62040	17
ASTC	Anderson Surgery Center	NE corner of Goshen Rd. & Gusewelle Rd.	Edwardsville	Madison	62025	17

Debra Savage, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RE: Non-Hospital Based Ambulatory Surgical Treatment Center Assurances

Dear Chair Savage:

- The charge schedule submitted as part of this certificate of need application will not be increased, at a minimum, for the first two years of operation unless a permit is first obtained pursuant to 77 Ill. Admin. Code § 1130.310(a).
- Metroeast Endoscopic Surgery Center will continue its existing peer review program that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for surgical services. If outcomes do not meet or exceed those standards, a quality improvement plan will be initiated.
- By the second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms at Metroeast Endoscopic Surgery Center will meet or exceed the utilization standard specified in 77 Ill. Admin. Code 1100.

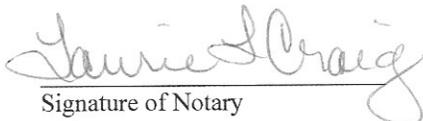
Sincerely,



Shakeel Ahmed, MD
President

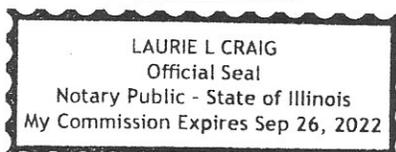
Notarization:

Subscribed and sworn to before
me this 10th day of April, 2020



Signature of Notary
seal

Attachment-24c



AH-24c
83

SHAKEEL AHMED, M.D., FACP, FACG, FASGE

CEO, Atlas Surgical Group: Center for Gastrointestinal Health, Center for Cosmetic and Obesity Surgery, Metroeast Endoscopic Surgery Center, Apollo Ambulatory Surgery Center, Elite Ambulatory Surgery Center, Physicians' Surgical Centre, Belleville Surgical Center, O'Fallon Surgical Centre, Interventional Pain and Spine Institute, Atlas Diagnostic Imaging, Transform Me MedSpa

www.atlassurg.com ■ shakeelahmedgi@gmail.com

CEO/FOUNDER - HEALTHCARE ENTITIES
INTERVENTIONAL GASTROENTEROLOGIST / HEPATOLOGIST

Distinguished 25+ year career as a quadruple board certified medical specialist skilled in cultivating rapport with patients and building strong working relationships with referring physicians. CEO and founder of multiple domestic and foreign healthcare entities. Facilitator and builder of world-class surgical facilities around the Midwest.

MEDICAL TRAINING

<u>University of Montreal</u> – Montreal, Canada	2002
Advanced Training in Endoscopic Ultrasonography	
<u>University of Louisville</u> – Louisville, KY	2000 – 2002
Fellow – Interventional Gastroenterology	
<u>University of Louisville</u> – Louisville, KY	1999 – 2000
Fellow – Transplant Hepatology	
<u>Flushing Hospital, Affiliate of Cornell University Medical Center</u> – Queens, NY	1996 – 1999
Resident – Internal Medicine	
<u>Dow University of Health Sciences</u> - Karachi, Pakistan	1989 - 1995
Medical Doctor - MB, BS	

CERTIFICATION

BOARD CERTIFICATION

Diplomat - American Board of Gastroenterology, 2002
Diplomat - American Board of Hepatology, 2002
Diplomat - American Board of Internal Medicine, 1999
Diplomat - American Board of Aesthetic Medicine, 2018

CLINICAL CERTIFICATION

Certified in Endoluminal Gastroplication (ELGP), 2003

PROFESSIONAL EXPERIENCE

Center for Gastrointestinal Health – Southern Illinois/St. Louis, MO 2004 – Present

Interventional Gastroenterologist/Hepatologist

- ◇ Founded and operates practice specializing in advanced therapeutic endoscopy and interventional pancreato-biliary endosonography.
- ◇ Consult with and treat patients at a tertiary referral center referred from general practice physicians and primary gastroenterologists for complicated pancreato-biliary disorders.

Atlas Surgical Group - Southern Illinois/St Louis, MO 2004 - Present

CEO/Founder

- ◇ CEO and founder of the largest privately owned ambulatory surgical center group in the Midwest.
- ◇ Acquisitions include multiple surgical facilities, obesity surgical centers, neurosurgical institutes, imaging centers, and medical spas.

University Digestive Disease Center – Chicago, IL 2002 – 2003

Private Practitioner – Interventional Gastroenterologist/Hepatologist

Provided specialist medical care and treatment in gastroenterology and hepatology.

LEADERSHIP & TEACHING APPOINTMENTS

Apollo Ambulatory Surgery Center - St. Louis, Missouri 2019 - present
Medical Director

Elite Ambulatory Surgery Center - St. Louis, Missouri 2019 - present
Medical Director

MetroEast Endoscopy Centre – Fairview Heights, Illinois 2010 - present
Medical Director

Physician's Surgical Centre – Belleville, Illinois 2010 - present
Medical Director

St. Louis University – St. Louis, MO 2004 - 2015
Assistant Clinical Professor of Medicine

Committee of Interns and Residents (CIR) – New York, NY 1998 – 1999
Elected Representative

Civil Hospital, Department of Vascular Surgery – Karachi, Pakistan 1995 – 1996
Resident House Officer

HONORS

Dow University of Health Sciences – Merit No. 3 in Final Professional MB, BS with Gold Medal for Academic Excellence, Grade A, and Distinctions in Gynecology/Obstetrics and ENT.

Dow University of Health Sciences – Merit No. 2 in Third Professional MB, BS with Gold Medal for Academic Excellence, Grade A, and Distinction in Pathology, 1993.

RESEARCH

A Phase 3, Multicenter, Randomized, Double-Blind, Placebo and Active Controlled, Treat-Through Study to Evaluate the Efficacy and Safety of Mirikizumab in Patients with Moderately to Severely Active Crohn’s Disease.

Apollo OPAS-1 Endo Surgery Inc. Obesity (Orbera Balloon) study, PI July 2017 - July 2019

Ahmed, S. and Wright, R. *A Randomized Clinical Trial (120 patients) Comparing Rabeprazole with Lansoprazole in Patients with Erosive GERD.* 2000.

Ahmed, S. *Cardiac Findings in a Patient with Klinefelter's Syndrome.* Case report, 1997.

Ahmed, S. *Incidence of Carotid Stenosis in Patients with Hypertension.* 1996.

AFFILIATIONS

American College of Gastroenterology (ACG)

American Society of Gastrointestinal Endoscopy (ASGE)

American Gastroenterological Association (AGA)

American College of Physicians (ACP)

American Board of Aesthetic Medicine (ABAM)

Ambulatory Surgery Center Association (ASCA)

Missouri Ambulatory Surgery Center Association (MASCA)

NON-CLINICAL RECOGNITION

Member – American MENSA

Black Belt in Chinese Kenpo

Management – American Red Cross; Levittown, PA (1996)

Section 1120.120 Availability of Funds

The Project will be funded by cash on hand. Because Metroeast Endoscopic Surgery Center, LLC is owned 100% by a single owner, there are no audited financial statements available. To support the fact that there are sufficient funds to cover the cost of the proposed project, the Applicant provides the enclosed letter from Mr. Aaron Vickar from Buckingham Strategic Wealth noting the sufficiency of cash available for the Project.



8182 Maryland Ave.
Suite 500
St. Louis, MO 63105

800.711.2027
314.725.0455

April 6, 2020

To Whom It May Concern:

My name is Aaron Vickar and I serve as the Wealth Advisor for Dr. Shakeel Ahmed. I can confirm that he has well in excess of \$180,000 available that has not been earmarked for another project and can be accessed, in cash, within 24 hours.

If you have any questions, please let me know.

Thank you.

Aaron Vickar

A handwritten signature in black ink, appearing to read 'AV' with a stylized flourish.

Aaron Vickar
Wealth Advisor

BUCKINGHAM STRATEGIC WEALTH

avickar@bamadvisor.com | 314.743.2241 (direct) | 800.711.2027, ext. 241

8182 Maryland Ave. Suite 500, St. Louis, MO 63105

Section VII, 1120.130 Financial Viability
Financial Viability Waiver

The Project will be funded through internal resources (cash on hand). Therefore, the project qualifies for a financial viability waiver and financial viability ratios are not required to be computed or provided.

Section VII, 1120.140 Financial Viability
Financial Viability Waiver

This project will be funded entirely with cash on hand. A copy of a letter from Aaron Vickar evidencing sufficient funds to finance the proposed project is attached as Attachment- 35a.

#20-017



8182 Maryland Ave.
Suite 500
St. Louis, MO 63105

800.711.2027
314.725.0455

April 6, 2020

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If you have any questions, please let me know.

Thank you.

Aaron Vickar

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Aaron Vickar
Wealth Advisor

BUCKINGHAM STRATEGIC WEALTH

avickar@bamadvisor.com | 314.743.2241 (direct) | 800.711.2027, ext. 241

8182 Maryland Ave. Suite 500, St. Louis, MO 63105

Section 1120.140 Economic Feasibility
A. Reasonableness of Financing Arrangements

Attached at Attachment- 36A is a letter from the Applicant attesting that the total estimated project costs will be funded entirely with cash.

Debra Savage, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Reasonableness of Financing Arrangements

Dear Chair Savage:

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 there will be no long term debt associated with the project and all project costs and related costs will be funded in total with cash on hand.

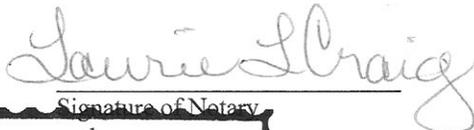
Sincerely,



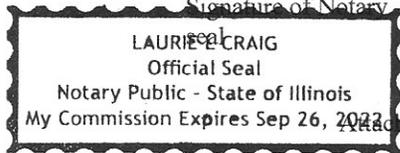
Shakeel Ahmed, MD

Notarization:

Subscribed and sworn to before
me this 10th day of April, 2020



Signature of Notary



Attachment-36a

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

The Project will be funded in total with cash. Accordingly, this criterion is not applicable.

1120.140 Economic Feasibility
C. Reasonableness of Project and Related Costs

1. The proposed project is for the addition of a surgical specialty to an existing multi-specialty ASTC. There will be no construction or modernization associated with the proposed project. Accordingly, this criterion is not applicable.
2. The proposed project does not include the purchase of major medical equipment. Therefore this criterion is not applicable.
3. The proposed project does not anticipate a capital expenditure to exceed \$3,585,250, and there is otherwise no standard applicable to the purchase of medical equipment by an existing ASTC. The anticipated capital costs are identified below:

Orthopedic Surgery	\$180,000
Total Movable or Other Equipment (not in construction contracts)	\$180,000

Section 1120.140 Economic Feasibility
D. Projected Operating Costs
E. Total Effect of the Project on Capital Costs

The Applicant seeks to add a surgical specialty to an existing multi-specialty ASTC.

The table below provides information regarding costs as they relate to 221 units of service.

Line 5 of the table addresses criterion 1120.140(d), Projected Operating Costs.

Line 4 of the table addresses criterion 1120.140(e), Total Effect of the Project on Capital Costs.

Review Criteria Relating to Economic Feasibility		
1	Additional Units of Service (2021 Projected)	221
2	Total Capital Cost (2021 Projected)	\$25,714
3	Total Operating Cost (2021 Projected)	\$135,849
4	Capital Cost per Unit of Service	\$116.35
5	Operating Cost per Unit of Service	\$614.70

Section IX, Safety Net Impact Statement

This project is non-substantive. Accordingly, this criterion is not applicable.

Charity Care Information

Charity care figures for MESC for the latest three audited fiscal years are provided in the table below:

Metroeast Endoscopic Surgery Center

Charity Care				
		2016	2017	2018
1	Net Patient Revenue	\$3,971,552	\$2,705,717	\$2,343,762
2	Amount of Charity Care (charges)	\$9,850	\$16,500	\$0
3	Cost of Charity Care	\$9,850	\$16,500	\$0
4	Ratio of the cost of Charity Care to Net Patient Revenue	0%	1%	0%

Physician Letters

Required documentation of anticipated physician referrals is found in the Appendix of this application.



MIDWEST

BONE AND JOINT SURGERY

Felix F. Ungacta, M.D., Board Certified Orthopedic Surgeon
Derek Lambert, NP-BC

September 10, 2019

Illinois Health Facilities and Services Review Board
525 West Jefferson St., 2nd Floor
Springfield, IL 62761

Dear Review Board:

We are surgeons specializing in Orthopedic Surgery. We write to you in support of the expansion of Metroeast Endoscopic Surgery Center. Please accept this letter to verify our anticipated referrals to Metroeast Endoscopic Surgery Center upon approval of the pending application to add Orthopedic Surgery.

During the past 12 months, we have performed a total of 410 surgical procedures at the hospitals and surgery centers identified in Table 1 below. Due to technological advances, outpatient procedures have become a growing part of our surgical practice, and we expect similar or larger case volume going forward. With the addition of these specialties at Metroeast Endoscopic Surgery Center, we expect to refer patient volume in Table 1 below.

Table 1 - Historical and Projected referrals

Name and Location of Licensed Facility	Outpatient Cases (8/1/2018 to 8/30/2019)	Projected Referrals to Metroeast Endoscopic Surgery Center (Outpatient Cases)
HSHS ST JOSEPH HIGHLAND	372	200
HSHS ST JOSEPH BREESE	36	20
HSSH HOLY FAMILY	2	1
Total	410	221

A list of the zip codes of residence for associated patients treated in the last 12 months is provided below. My projected patient procedure to be performed at Metroeast Endoscopic Surgery Center will primarily come from the geographic service area of Metroeast Endoscopic Surgery Center.

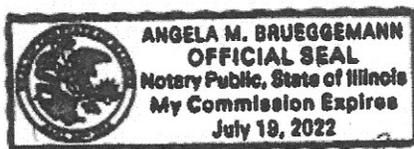
Patient by Zip Code	Number of Patients
62249	108
62230	64
62293	45
62246	28
62216	18
62231	18
62245	14
62275	12
Other	103
Total	410

This information contained in this letter is true and correct to the best of our knowledge. The anticipated referral volumes noted in Table 1 have not been used to support another pending or approved certificate of need application.

We support the proposed expansion of surgical specialties at Metroeast Endoscopic Surgery Center and urge the Health Facilities and Services Review Board to approve this application.

Sincerely,

Felix F Ungacta, MD
Board Certified Orthopedic Surgeon



September 10, 2019



Kara Friedman
Polsinelli PC
312-873-3639
kfriedman@polsinelli.com

Mr. Michael Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

Re: Certificate of Need Application

Dear Mike:

Metroeast Endoscopic Surgery Center, LLC hereby submits the attached Certificate of Need application to add orthopedic surgery as a surgical specialty at its existing surgery center located at 5023 N. Illinois St. Suite 3 Fairview Heights, IL 62208. For your review, I have attached the following:

1. An original and one copy of the completed application for permit
2. A check for \$2,500 for the application processing fee

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

Sincerely,

A handwritten signature in cursive script that reads "Kara Friedman".

Kara M. Friedman

Attachments