

E-034-18

ORIGINAL

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

This Section must be completed for all projects.

JUN 08 2018

Facility/Project Identification

Facility Name:	Tinley Woods Surgery Center	HEALTH FACILITIES & SERVICES REVIEW BOARD	
Street Address:	18200 South LaGrange Road		
City and Zip Code:	Tinley Park, Illinois 60477		
County: Cook	Health Service Area 007		

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

Exact Legal Name:	Advocate Southwest Ambulatory Center, LLC d/b/a Tinley Woods Surgery Center		
Street Address:	18200 South LaGrange Road		
City and Zip Code:	Tinley Park, IL 60477		
Name of Registered Agent:	Midwest Surgical Management		
Registered Agent Street Address:	3811 Highland Avenue		
Registered Agent City and Zip Code:	Downers Grove, IL 60515		
Name of Chief Executive Officer:	Ronald P. Ladniak		
CEO Street Address:	127 Indian Drive		
CEO City and Zip Code:	Clarendon Hills, IL 60514		
CEO Telephone Number:	(630) 632-8361		

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 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:	Joe Ourth
Title:	Partner
Company Name:	Saul Ewing Arnstein & Lehr LLP
Address:	161 North Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number:	(312) 876-7815
E-mail Address:	Joe.Ourth@saul.com
Fax Number:	(312) 876-6215

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	Tinley Woods Surgery Center		
Street Address:	18200 South LaGrange Road		
City and Zip Code:	Tinley Park, Illinois 60477		
County:	Cook	Health Service Area	007 Health Planning Area: 031

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

Exact Legal Name:	Advocate-SCA Partners, LLC
Street Address:	569 Brookwood Village, Suite 901
City and Zip Code:	Birmingham, Alabama 35209
Name of Registered Agent:	CT Corporation
Registered Agent Street Address:	208 S. LaSalle Street, Suite 814
Registered Agent City and Zip Code:	Chicago, Illinois 60604
Name of Chief Executive Officer:	Bill Drehkoff
CEO Street Address:	510 Lake Cook Road, Suite 400
CEO City and Zip Code:	Deerfield, IL 60015
CEO Telephone Number:	(847) 317-3482

Type of Ownership of Applicants

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

Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
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Name:	Joe Ourth
Title:	Partner
Company Name:	Saul Ewing Arnstein & Lehr LLP
Address:	161 North Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number:	(312) 876-7815
E-mail Address:	Joe.Ourth@saul.com
Fax Number:	(312) 876-6215

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	Tinley Woods Surgery Center		
Street Address:	18200 south LaGrange Road		
City and Zip Code:	Tinley Park, Illinois 60477		
County:	Cook	Health Service Area	007 Health Planning Area: 031

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

Exact Legal Name:	United HealthCare Group Incorporated		
Street Address:	9900 Bren Road		
City and Zip Code:	East Minnetonka, MN 55343		
Name of Registered Agent:	CT Corporation		
Registered Agent Street Address:	1010 Dale Street N		
Registered Agent City and Zip Code:	St. Paul, MN 55117-5603		
Name of Chief Executive Officer:	David S. Wichmann		
CEO Street Address:	9900 Bren Road		
CEO City and Zip Code:	East Minnetonka, MN 55343		
CEO Telephone Number:	(952) 936-1300		

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.

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Title:	Partner
Company Name:	Saul Ewing Arnstein & Lehr LLP
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Telephone Number:	(312) 876-7815
E-mail Address:	Joe.Ourth@saul.com
Fax Number:	(312) 876-6215

Post Exemption 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:	David Spieske
Title:	Senior Director, Development
Company Name:	Surgical Care Affiliates
Address:	510 Lake Cook Road, Suite 402, Deerfield, Illinois 60015
Telephone Number:	(312) 852-1167
E-mail Address:	David.Spieske@SCASurgery.com
Fax Number:	

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Advocate Southwest Ambulatory Center, LLC d/b/a Tinley Woods Surgery Center
Address of Site Owner: 18200 South LaGrange Road, Tinley Park, Illinois 60477
Street Address or Legal Description of the Site: 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: Advocate Southwest Ambulatory Surgery Center, LLC, d/b/a Tinley Woods Surgery Center
Address: 18200 South LaGrange Road, Tinley Park, Illinois 60477
<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.illinois.gov/sites/hfsrb](http://www.illinois.gov/sites/hfsrb)).

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT**1. Project Classification**

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

Part 1110 Classification:

- Change of Ownership
- Discontinuation of an Existing Health Care Facility or of a category of service
- Establishment or expansion of a neonatal intensive care or beds

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.

Advocate Southwest Surgery Center, LLC d/b/a Tinley Woods Surgery Center ("Tinley Woods") is located at 18200 South LaGrange Road, Tinley Park, Illinois 60477 and is a multi-specialty, ambulatory surgical treatment center. The facility has 4 operating rooms and one procedure room.

Tinley Woods is presently owned collectively by multiple physician owners (51%) and Evangelical Services Corp. ("Evangelical"), a subsidiary of Advocate Health Care Network ("Advocate") (49%).

Under the proposed transaction, Advocate-SCA Partners, LLC ("Advocate-SCA") would acquire, contingent upon the Review Board's approval, over fifty percent of the ownership interest in Tinley Woods. Advocate Southwest Ambulatory Surgery Center, LLC d/b/a Tinley Woods Surgery Center will remain the licensed entity.

A diagram of the current ownership structure of each of Tinley Woods and Advocate-SCA and the post-transaction ownership structure of Tinley Woods is attached.

Project Costs and Sources of Funds (Neonatal Intensive Care Services only)

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)			
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			
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Purchase Price: \$	N/A	
Fair Market Value: \$	N/A	

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): _____

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

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.

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 Advocate Southwest Ambulatory 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.

Silvia Marra MD
SIGNATURE

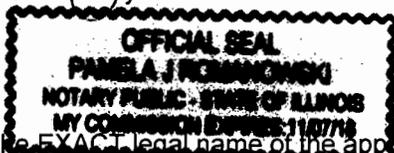
Silvia Marra, MD
PRINTED NAME

MD
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 24 day of May 2018

Pamela J Romanowski
Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

SIGNATURE

PRINTED NAME

PRINTED TITLE

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

Signature of Notary

Seal

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This Application is filed on the behalf of Advocate Southwest Ambulatory 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.

H. James Slinkman
SIGNATURE

H. James Slinkman
PRINTED NAME

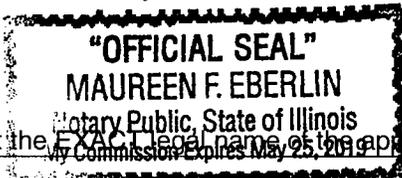
Director

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 29th day of may

Maureen F. Eberlin
Signature of Notary

Seal



*Insert the EXACT legal name of the applicant.

SIGNATURE

PRINTED NAME

PRINTED TITLE

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

Signature of Notary

Seal

CERTIFICATION

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- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Advocate-SCA Partners, 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.

William Dredhoff
SIGNATURE

William Dredhoff
PRINTED NAME

Member
PRINTED TITLE

SIGNATURE

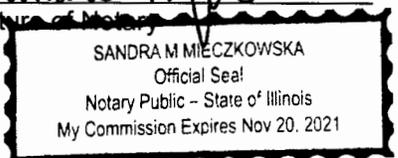
PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 29th day of May

Sandra Mieczkowska
Signature of Notary

Seal



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

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

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

This Application is filed on the behalf of Advocate-SCA Partners, 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

PRINTED NAME

PRINTED TITLE

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

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

Scott Powder

SIGNATURE

SCOTT Powder

PRINTED NAME

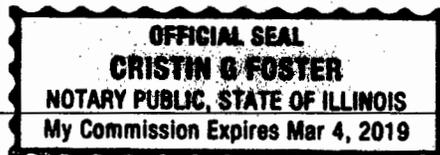
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 29 day of May 2018

Cristin G. Foster

Signature of Notary

Seal



CERTIFICATION

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

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- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of UnitedHealth Group Incorporated * 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.

Dannette L. Smith
SIGNATURE

Faraz A. Choudhry
SIGNATURE

Dannette L. Smith
PRINTED NAME

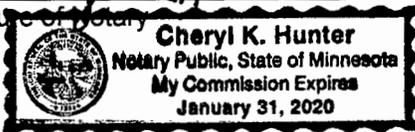
Faraz A. Choudhry
PRINTED NAME

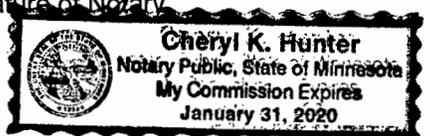
Sr. Deputy Gen Counsel
PRINTED TITLE

Sr. Associate General Counsel
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 4th day of Jun, 2018

Notarization:
Subscribed and sworn to before me
this 6th day of Jun 2018

Cheryl K. Hunter
Signature of Notary
Seal 

Cheryl K. Hunter
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.

Background

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest 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 1110.230 – Purpose of the Project, and Alternatives (Not applicable to Change of Ownership)

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 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 V. CHANGE OF OWNERSHIP (CHOW)**1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility**

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(2) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X
1130.520(b)(2) - A statement as to the anticipated benefits of	X

the proposed changes in ownership to the community	
1130.520(b)(2) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(2) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(2) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(2) - A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility	X
1130.520(b)(2)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X

Application for Change of Ownership Among Related Persons

When a change of ownership is among related persons, and there are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under the Act, the applicant shall submit an application consisting of a standard notice in a form set forth by the Board briefly explaining the reasons for the proposed change of ownership. [20 ILCS 3960/8.5(a)]

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

VI. 1120.120 - AVAILABILITY OF FUNDS (Neonatal Intensive Care Services only)

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]:**

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

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

SECTION VII. 1120.130 - FINANCIAL VIABILITY

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

Financial Viability Waiver

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

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

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 17, 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.

2. Variance

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

APPEND DOCUMENTATION AS ATTACHMENT 18, 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 19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. SAFETY NET IMPACT STATEMENT (DISCONTINUATION ONLY)

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

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent

with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 20.

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

APPEND DOCUMENTATION AS ATTACHMENT 20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. CHARITY CARE INFORMATION (CHOW ONLY)

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 41.

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

APPEND DOCUMENTATION AS ATTACHMENT 21, 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:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	25
2	Site Ownership	26
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	N/A
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	27-33
5	Flood Plain Requirements	34
6	Historic Preservation Act Requirements	35
7	Project and Sources of Funds Itemization	N/A
8	Financial Commitment Document if required	N/A
9	Cost Space Requirements	N/A
10	Discontinuation	N/A
11	Background of the Applicant	36-38
12	Purpose of the Project	N/A
13	Alternatives to the Project	N/A
	Service Specific:	
14	Neonatal Intensive Care Services	N/A
15	Change of Ownership	39-41
	Financial and Economic Feasibility:	
16	Availability of Funds	N/A
17	Financial Waiver	42
18	Financial Viability	N/A
19	Economic Feasibility	N/A
20	Safety Net Impact Statement	N/A
21	Charity Care Information	43-46

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Section I, Identification, General Information and Certification

Attachment 1, Type of Ownership of Applicants

An organizational chart showing the current ownership structure of Advocate Southwest Ambulatory Surgery Center, LLC ("Advocate Southwest" or "Tinley Woods"), along with the post-closing ownership structure of Tinley Woods, d/b/a Tinley Woods Surgery Center is included in Attachment 4. Good standing certificates for the necessary co-applicants are also attached:

1. Advocate Southwest Ambulatory Surgery Center, LLC: Advocate Southwest is an Illinois limited liability company to be owned by Advocate-SCA Partners, LLC (approximately 51%) the remainder by various physicians, none of whom individually will own than a 5% interest. All of the physician investors in Advocate-SCA meet the criteria of an accredited investor as defined in the Securities Act of 1933, Part 230, §230.501. A copy of Advocate Southwest's Illinois Good Standing Certificate is attached.
2. Advocate-SCA Partners, LLC ("Advocate-SCA"): Advocate-SCA is an Illinois limited liability company whose members are Evangelical Services Corp., a subsidiary of Advocate Aurora Health, Inc., (49%) and SCA-Illinois, LLC (51%). A copy of Advocate-SCA's Illinois Good Standing Certificate is attached.
3. Surgical Care Affiliates, LLC ("SCA"): SCA is a Delaware limited liability company registered to do business in Illinois. SCA is the parent entity of SCA-Illinois, LLC. SCA is a subsidiary of UHG and is the company that conducts surgical care operations for UHG. SCA is not a necessary co-applicant and is included only for informational purposes.
4. UnitedHealth Group Incorporated ("UHG"): UHG is a publically-traded Delaware corporation. A copy of UHG's Delaware Good Standing Certificate is attached. Because UHG only holds assets and performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois and, therefore, an Illinois Certificate of Good Standing for a foreign limited liability company is not applicable.

Section I, Identification, General Information and Certification

Attachment 2, Site Ownership

Advocate Southwest Ambulatory Surgery Center, LLC is the site owner. There will be no change in site ownership as a result of the proposed change in ownership.

Section I, Identification, General Information and Certification

Attachment 3, Operating Identity/Licensee

Advocate Southwest Ambulatory Surgery Center, LLC (“Advocate Southwest” or “Tinley Woods”) is and will continue to be the licensed entity operating the facility.

Advocate Southwest is an Illinois limited liability company. A copy of Advocate Southwest’s Illinois Good Standing Certificate is attached.

Tinley Woods is to be owned by Advocate-SCA Partners, LLC (“Advocate SCA”) (approximately 51%) and various physicians (approximately 49%), none of whom individually own more than a 5% interest. All of the physician investors in Advocate-SCA meet the criteria of an accredited investor as defined in the Securities Act of 1933, Part 230, §230.501. Advocate SCA is owned by SCA-Illinois, LLC (“SCA-Illinois”) (51%) and Advocate Health Care Network related entities (49%).

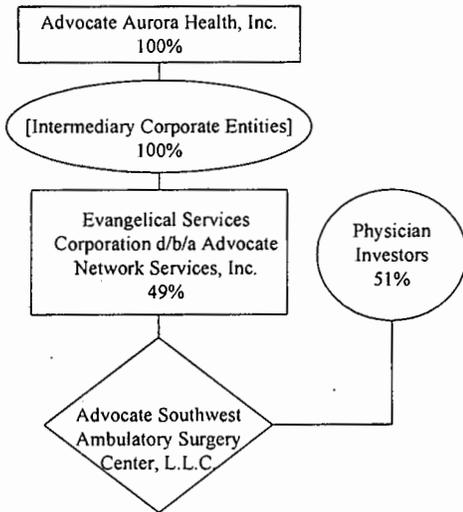
An organizational chart showing the current ownership structure of Tinley Woods, along with the post-closing ownership structure of Tinley Woods is included in Attachment 4.

Section I, Identification, General Information and Certification

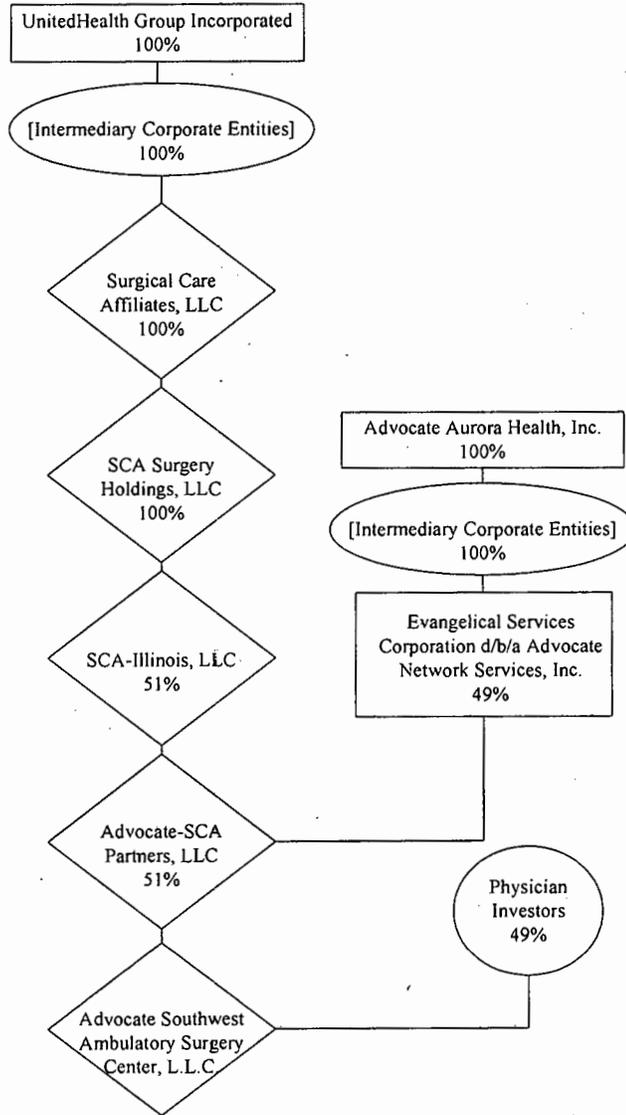
Attachment 4, Organizational Relationships

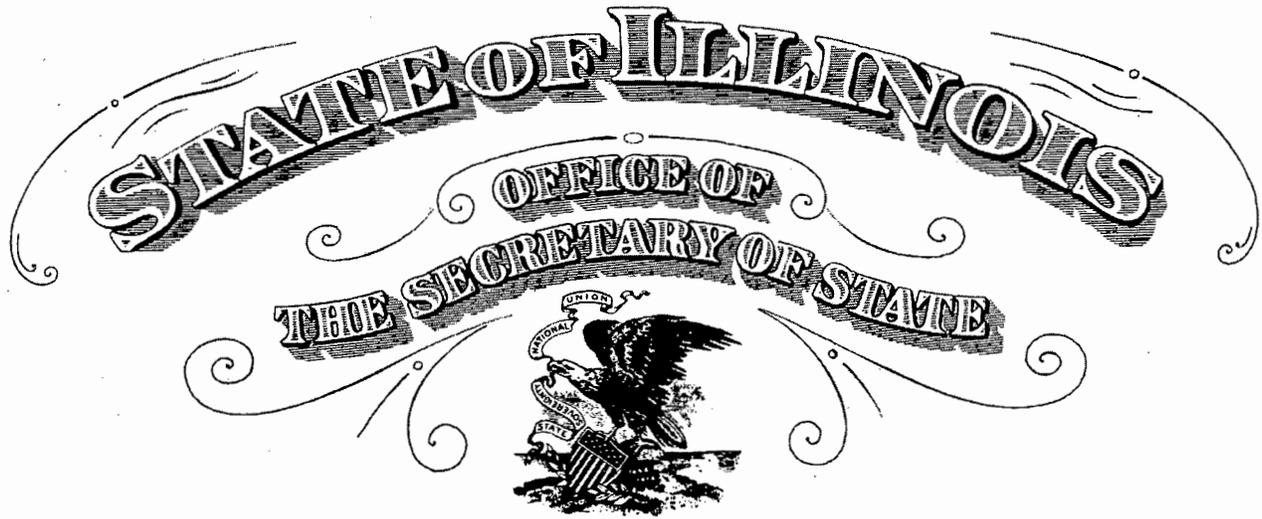
An organizational chart showing the current ownership structure of Advocate Southwest Ambulatory Surgery Center, LLC, along with its post-closing ownership structure is attached.

CURRENT STRUCTURE



POST-CLOSING STRUCTURE





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

ADVOCATE SOUTHWEST AMBULATORY SURGERY CENTER, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JUNE 19, 2000, 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 4TH day of JUNE A.D. 2018 .

Jesse White

SECRETARY OF STATE

Authentication #: 1815501840 verifiable until 06/04/2019

Authenticate at: <http://www.cyberdriveillinois.com>



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

ADVOCATE-SCA PARTNERS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON FEBRUARY 25, 2015, 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 FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS 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 4TH day of JUNE A.D. 2018 .



Jesse White

SECRETARY OF STATE

Authentication #: 1815501844 verifiable until 06/04/2019
Authenticate at: <http://www.cyberdriveillinois.com>

Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ADVOCATE-SCA PARTNERS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FOURTH DAY OF JUNE, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



5689691 8300

SR# 20184941303

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed in a small font.

Authentication: 202813993

Date: 06-04-18

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "UNITEDHEALTH GROUP INCORPORATED" IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FOURTH DAY OF JUNE, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



5777355 8300

SR# 20184941300

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed in a small font.

Authentication: 202813992

Date: 06-04-18

Section I, Identification, General Information and Certification

Attachment 5, Flood Plain Requirement

This section appears not to be applicable to a change of ownership COE application.

Section I, Identification, General Information and Certification

Attachment 6, Historic Resources Preservation Act Requirements

This section appears not to be applicable to a change of ownership COE application.

Section III, Background, Purpose of the Project, and Alternatives

Attachment 11, Background

1. **A listing of all health care facilities owned or operated by the Applicant, including licensing, and certificate if applicable.**

A list of all the Illinois ambulatory surgery treatment centers “controlled” by UnitedHealth Group Incorporated, through SCA, including licensing and certification information, is included.

2. **A certified listing of any adverse action taken against any facility owned and/or operated by the Applicant during the three years prior to the filing of the application.**

By their signatures on the Certification pages to this application, each of the Applicants attest that no adverse action has been taken against any facility owned and/or operated by them during the three (3) years prior to the filing of this application.

3. **Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.**

By their signatures to the Certification pages to this application, each of the Applicants authorize HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: (i) official records of DPH or other State agencies; (ii) the licensing or certification records of other states, when applicable; and (iii) the records of nationally recognized accreditation organizations.

SURGICAL CARE AFFILIATES FACILITIES IN ILLINOIS

FACILITY	LOCATION	LICENSE NO.	JOINT COMMISSION ACCREDITATION NO.	OTHER ACCREDITATION NO.
Hawthorne Surgery Center	240 Center Dr. Vernon Hills, IL 60061	7003188	452470	N/A
Loyola Ambulatory Surgery Center at Oakbrook Terrace	One South 224 Summit Ave., #201 Oakbrook Terrace, IL 60181	2138771	452472	N/A
Amsurg Surgery Center	998 129 th Infantry Dr. Joliet, IL 60435	7003160	452473	N/A
Northwest Surgicare	1100 W. Central Road, Lower Basement L4 Arlington Heights, IL 60005	7000920	N/A	AAAHC #1007
Belleville Surgical Center, Ltd., an Illinois Limited Partnership	28 North 64 th St., Belleville, IL 62223	7001175	N/A	AAAHC #74
Belleville Surgical Center, Ltd., Physicians' Surgical Center	311 West Lincoln St., Suite #300 Belleville, IL 62220	7003191	N/A	AAAHC #74
Center for Minimally Invasive Surgery Center	19110 Darwin Dr. Mokena, IL 60448	7003291	N/A	AAAHC #24142
Advocate Condell Ambulatory Surgery Center	825 S. Milwaukee Ave. Libertyville, IL 60048	7003208	N/A	N/A

Winchester Endoscopy	1870 W Winchester Rd., #146 Libertyville, IL 60048	7003202	N/A	AAACH #113063
Naperville Surgical Centre*	1263 Rickert Dr. Naperville, IL 60540	7003205	61274	N/A
Midwest Center for Day Surgery	311 Highland Avenue, Downers Grove, IL 60515	7001075	409	N/A
Advocate Sherman Ambulatory Surgery Center, LLC**	1445 North Randal Road, Elgin, IL 60123	N/A	N/A	N/A

*SCA has a non-controlling interest only.

** Approved as Project No. 16-038 and presently under construction

Section IV, Change of Ownership

Attachment 15, Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

Section 1130.520, Information Requirements for Change of Ownership of a Health Care Facility

1. **1130.520(b)(1)(A), Names of Parties:** The Applicants are: (i) Advocate Southwest Ambulatory Surgery Center, LLC, d/b/a Tinley Woods Surgery Center; (ii) Advocate-SCA Partners, LLC; and (iii) UnitedHealth Group Incorporated;

An organizational chart showing the current ownership structure of Advocate Southwest Ambulatory Surgery Center, LLC (“Advocate Southwest”), along with the post-closing ownership structure of Advocate Southwest is included in Attachment 4. Good standing certificates for each of the Applicants are included in Attachment 1.

2. **1130.520(b)(1)(B), Background of Parties:** Each of the Applicants, by their signatures to the Certification pages of this application, attest that they are fit, willing, able and have the qualifications, background and character to adequately provide a proper standard of health service for the community.

By their signatures on the Certification pages to this application, each of the Applicants attest that no adverse action has been taken against any facility owned and/or operated by each of them during the three (3) years prior to the filing of this application.

3. **1130.520(b)(1)(C), Structure of the Transaction:**

Tinley Woods is currently owned 49% by Evangelical Services Corporation, an affiliate of Advocate Health Care Network (“Advocate”) and 51% by physician investors (“Physician Investors”). The Physician Investor group includes some current facility management personnel with a total ownership interest of 1.5%. SCA or an affiliate of SCA would purchase a 25% indirect ownership interest by purchasing directly from Advocate. SCA and Advocate would each then contribute their equity to Advocate-SCA Partners, LLC, a joint venture between affiliates of Advocate and SCA. In addition, Advocate- SCA Partners would acquire the 1.5% interest of the management investors so that upon consummation of the proposed transaction the Joint Venture would own approximately 51% of the equity in the facility . AS part of the transaction, SCA would perform management services for Tinley Woods. The transaction is scheduled to close on July 1, 2018.

4. **1130.520(b)(1)(D), Name of Licensed Entity after Transaction:** Advocate Southwest Ambulatory Surgery Center, LLC will continue to be the licensed entity after the Proposed Transaction. There is no change in the licensed entity as a consequence of the Proposed Transaction.

5. **1130.520(b)(1)(E), List of Ownership/Membership Interests in Licensed Entity Prior to and After Transaction:** An organizational chart showing the current ownership structure of Advocate Southwest, along with the post-closing ownership structure of Advocate Southwest is included in Attachment 4. Good standing certificates for each of the Applicants are included in Attachment 1.

6. **1130.520(b)(1)(F), Fair Market Value of Assets to be Transferred:**

The fair market value of the total facility is estimated at \$5,529,784. The purchase price for the 25% indirect interest that SCA will acquire from Advocate will be \$1,382,446.

7. **1130.520(b)(1)(G), Purchase Price or Other Forms of Consideration to be Provided:**

The fair market value of the total facility is estimated at \$5,529,784. The purchase price for the 25% indirect interest that SCA will acquire from Advocate will be \$1,382,446.

8. **1130.520(b)(2), Affirmations:** In accordance with 77 Ill. Adm. Code §1130.520, each of the Applicants affirm the following:

a. The transaction documents contain a provision that closing is subject to CON and COE approvals.

b. No adverse action has been taken against any of the Applicants by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by any of the Applicants, directly or indirectly, within the past three years.

c. Any projects for which permits have been issued by the Review Board have been completed or will be completed or altered in accordance with the provisions of 77 Ill. Adm. Code §1130.520.

d. The Applicants understand that failure to complete the Affiliation in accordance with the applicable provisions of Section 1130.500(d) no later than 24 months from the date of exemption approval and failure to comply with the material change requirements of this Section will invalidate the exemption.

9. **1130.520(b)(2), Statement as to the Anticipated Benefits of the Proposed Changes in Ownership to the Community.**

There will be no immediate change in the operation of the Applicant facility.

10. **1130.520(b)(2), Statement as to the Anticipated or Potential Cost Savings, if any, That Will Result for the Community and the Facility as a Result of the Change in Ownership.**

There will be no immediate change in the operation of the Applicant facility.

11. **1130.520(b)(2), Description of the Facility's Quality Improvement Program Mechanism that will be Utilized to Assure Quality Control.**

There will be no immediate change in the operation of the Applicant facility.

12. **1130.520(b)(2), Description of the applicants' organizational structure, including a listing of controlling or subsidiary persons.**

Diagrams illustrating the ownership structure, both current and post transaction, are provided in Attachment 4.

13. **1130.520(b)(2), Description of the selection process that the acquiring entity will use to select the facility's governing body.**

The agreement will specify by name the seven members of the board of managers of Advocate Southwest Surgery Center, LLC. The process for selection thereafter will be that the physician members select four members and Advocate-SCA Partners will select three members.

14. **1130.520(b)(2), Statement that the applicants have prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility.**

The Applicants have or will prepare a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 that will be available for public review at Advocate Southwest Ambulatory Surgery Center, LLC.

15. **1130.520(b)(2), Description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within twenty-four (24) months after acquisition.**

There are no proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within twenty-four (24) months as a result of the transaction.

Section VII, Financial Viability

Attachment 17, Financial Viability Waiver

This application is for a change of ownership and § 1120.130 does not apply.

Section X, Charity Care Information

Attachment 21, Charity Care Information

Tinley Woods Surgery Center

CHARITY CARE			
	2016	2015	2014
Net Patient Revenue	\$10,480,972	\$5,175,975	\$5,844,119
Amount of Charity Care (charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0

Other SCA related ambulatory surgery centers provide charity care as follows:

Hawthorn Place Outpatient Surgery Center LP

CHARITY CARE			
	2016	2015	2014
Net Patient Revenue	\$15,440,746	\$14,717,427	\$11,843,929
Amount of Charity Care (charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0

Belleville Surgical Center, Ltd., d/b/a Physicians' Surgical Center, LLC

CHARITY CARE			
	2016	2015	2014
Net Patient Revenue	\$20,308,619	\$2,838,835	\$231,060
Amount of Charity Care (charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0

Northwest Surgicare

CHARITY CARE			
	2016	2015	2014
Net Patient Revenue	\$25,595,871	\$5,419,969	\$6,473,182
Amount of Charity Care (charges)	\$4,000	\$0	\$0
Cost of Charity Care	\$4,000	\$0	\$0

**Southwest Surgery Center d/b/a
Center for Minimally Invasive Surgery**

CHARITY CARE			
	2016	2015	2014
Net Patient Revenue	\$16,208,670	\$19,522,851	\$20,316,584
Amount of Charity Care (charges)	\$0	\$0	\$10,683
Cost of Charity Care	\$0	\$0	\$10,683

Winchester Endoscopy Center, LLC*

CHARITY CARE			
	2016	2015	2014
Net Patient Revenue	\$3,355,278	N/A	N/A
Amount of Charity Care (charges)	\$0	N/A	N/A
Cost of Charity Care	\$0	N/A	N/A

*As a relatively new facility which only became operational in 2016, there are no annual profile reports available for this facility prior to 2016.

Loyola Ambulatory Surgery Center at Oakbrook Terrace

CHARITY CARE			
	2016	2015	2014
Net Patient Revenue	\$3,911,269	\$4,646,212	\$5,703,660
Amount of Charity Care (charges)	\$92,149	\$0	\$0
Cost of Charity Care	\$92,149	\$0	\$0

Belleville Surgical Center, Ltd., an Illinois Limited Partnership

CHARITY CARE			
	2016	2015	2014
Net Patient Revenue	\$20,308,619	\$17,605,540	\$1,958,883
Amount of Charity Care (charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0

Amsurg Surgery Center

CHARITY CARE			
	2016	2015	2014
Net Patient Revenue	\$11,846,459	\$11,115,265	\$10,375,936
Amount of Charity Care (charges)	\$8,563	\$16,061	\$3,010
Cost of Charity Care	\$8,563	\$16,061	\$3,010

Midwest Center for Day Surgery

CHARITY CARE			
	2016	2015	2014
Net Patient Revenue	\$4,883,439	\$4,362,161	\$4,362,161
Amount of Charity Care (charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0

Naperville Surgical Centre*

CHARITY CARE			
	2016	2015	2014
Net Patient Revenue	\$9,162,047	\$2,759,138	\$2,834,902
Amount of Charity Care (charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0

*SCA has a non-controlling interest only.

SAUL EWING
ARNSTEIN
& LEHR ^{LLP}

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June 7, 2018

VIA FEDERAL EXPRESS

Mike Constantino, Chief Reviewer
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street--2nd Floor
Springfield, IL 62761

Re: Tinley Woods Surgery Center
Certificate of Exemption

Dear Mr. Constantino:

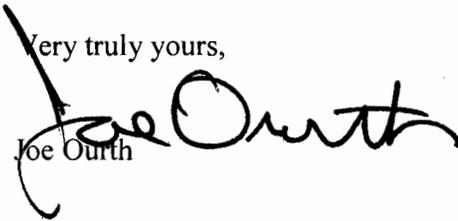
On behalf of Tinley Woods Surgery Center we are pleased to file our application for a Certificate of Exemption for change of ownership approval.

On October 14, 2016, the Review Board, acting through Chairwoman Olson, approved a COE for the change of ownership of Advocate Southwest Surgery Center, d/b/a Tinley Woods Surgery Center. The closing on that transaction had been put on hold. The parties now wish to proceed with the change of ownership of that facility. The structure of the transaction remains similar to what was previously approved in E-035-16 but key terms have sufficiently changed to require a new COE. Simultaneous with this request, Tinley Woods is filing a request to relinquish the 2016 exemption.

We are enclosing a check in the amount of \$2,500 for the necessary filing fee.

We thank the Board for the approval of the earlier COE and similarly ask the Board's approval of the replacement application.

Very truly yours,


Joe Ourth

Enclosure

Cc: David Spieske
Steve Demogerontas

161 North Clark • Suite 4200 • Chicago, IL 60601
Phone: (312) 876-7100 • Fax: (312) 876-0288

DELAWARE FLORIDA ILLINOIS MARYLAND MASSACHUSETTS NEW JERSEY NEW YORK PENNSYLVANIA WASHINGTON, DC

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