

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

**This Section must be completed for all projects.**

**Facility/Project Identification**

Facility Name: Northwest Community Day Surgery Center II LLC		
Street Address: 675 West Kirchoff Road		
City and Zip Code: Arlington Heights, Illinois 60005		
County: Cook	Health Service Area: 7	Health Planning Area: A-07

**Legislators**

State Senator Name: Ann Gillespie
State Representative Name: Thomas Morrison

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

Exact Legal Name: Northwest Community Day Surgery Center II LLC		
Street Address: 675 West Kirchoff Road		
City and Zip Code: Arlington Heights, Illinois 60005		
Name of Registered Agent: Stephen Scogna		
Registered Agent Street Address: 800 West Central Road		
Registered Agent City and Zip Code: Arlington Heights, Illinois 60005		
Name of Chief Executive Officer: Stephen Scogna, Manager		
CEO Street Address: 675 West Kirchoff Road		
CEO City and Zip Code: Arlington Heights, Illinois 60005		
CEO Telephone Number: (847) 618-5007		

**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

- 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 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: Shivani Bautista
Title: General Counsel
Company Name: NorthShore University HealthSystem
Address: 1301 Central Street, Evanston, Illinois 60201
Telephone Number: (847) 570-2000
E-mail Address: sbautista@northshore.org
Fax Number:

**Additional Contact** Person who is also authorized to discuss the Application]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli PC
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606
Telephone Number: (312) 873-3639
E-mail Address: Kfriedman@polsinelli.com
Fax Number:

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

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**Facility/Project Identification**

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County: Cook	Health Service Area: 7	Health Planning Area: A-07

**Legislators**

State Senator Name: Ann Gillespie
State Representative Name: Thomas Morrison

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

Exact Legal Name: Northwest Community Healthcare
Street Address: 800 West Central Road
City and Zip Code: Arlington Heights, Illinois 60005
Name of Registered Agent: Stephen Scogna
Registered Agent Street Address: 800 West Central Road
Registered Agent City and Zip Code: Arlington Heights, Illinois 60005
Name of Chief Executive Officer: Stephen Scogna
CEO Street Address: 800 West Central Road
CEO City and Zip Code: Arlington Heights, Illinois 60005
CEO Telephone Number: (847) 618-5007

**Type of Ownership of Applicants**

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APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

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**Facility/Project Identification**

Facility Name: Northwest Community Day Surgery Center II LLC		
Street Address: 675 West Kirchoff Road		
City and Zip Code: Arlington Heights, Illinois 60005		
County: Cook	Health Service Area: 7	Health Planning Area: A-07

**Legislators**

State Senator Name: Ann Gillespie
State Representative Name: Thomas Morrison

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

Exact Legal Name: NorthShore University HealthSystem
Street Address: 1301 Central Street
City and Zip Code: Evanston, Illinois 60201
Name of Registered Agent: Kristen Murtos
Registered Agent Street Address: 1301 Central Street
Registered Agent City and Zip Code: Evanston, Illinois 60201
Name of Chief Executive Officer: Gerald "J.P." Gallagher
CEO Street Address: 1301 Central Street
CEO City and Zip Code: Evanston, Illinois 60201
CEO Telephone Number: (847) 570-2000

**Type of Ownership of Applicants**

<input checked="" 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

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E-mail Address: Kfriedman@polsinelli.com
Fax Number:

**Post Exemption Contact**

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

Name: Shivani Bautista
Title: General Counsel
Company Name: NorthShore University HealthSystem
Address: 1301 Central Street, Evanston, Illinois 60201
Telephone Number: (847) 570-2000
E-mail Address: sbautista@northshore.org
Fax Number:

**Site Ownership after the Project is Complete**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Northwest Community Healthcare
Address of Site Owner: 800 West Central Road, Arlington Heights, Illinois 60005
Street Address or Legal Description of the Site: <b>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.</b>
<b>APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Current Operating Identity/Licensee**

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

Exact Legal Name: Northwest Community Day Surgery Center II LLC		
Address: 675 West Kirchoff Road, Arlington Heights, Illinois 60005		
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership	<input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<input checked="" type="checkbox"/> Limited Liability Company		

**Operating Identity/Licensee after the Project is Complete**

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

Exact Legal Name: Northwest Community Day Surgery Center II LLC

Address: 675 West Kirchoff Road, Arlington Heights, Illinois 60005

- |                                     |                           |                          |                     |                                |
|-------------------------------------|---------------------------|--------------------------|---------------------|--------------------------------|
| <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 |

- 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.**

### Narrative Description

In the space below, provide a brief narrative description of the change of ownership. 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.

NorthShore University HealthSystem, an Illinois not-for-profit corporation (“NorthShore”), and Northwest Community Healthcare, an Illinois not-for-profit corporation (“NCH”), are entering into a Membership Substitution Agreement (the “MSA”) which is scheduled to close December 31, 2020 or as soon thereafter as all closing conditions have been satisfied or waived (the “Closing”). Prior to the Closing, NCH is the controlling member of Northwest Community Day Surgery Center II LLC, an Illinois limited liability company (“NCDSC”). NCDSC operates an ambulatory surgical treatment center, located at 675 West Kirchoff Road, Arlington Heights, Illinois 60005. Under the MSA, NorthShore will become the sole member of NCH (the “Planned Transaction”), and, therefore, the indirect controlling member of NCDSC.

This application is part of a series of Certificates of Exemption (“COE”) applications for changes of ownership/control of the HFSRB regulated facilities owned by NCH in Arlington Heights and Des Plaines, Illinois (the “Facilities”). While a separate COE is required and will be filed for each of the Facilities, the MSA relates to all of the Facilities.

Subject to approval of this COE application, the legal entity licensed to operate NCDSC will not change as a result of the affiliation and no new corporate entity will be formed. Rather, the Planned Transaction is a member substitution in an Illinois not-for-profit corporation, NCH, and, as such, no consideration (e.g., money, property or other assets) will be given in connection with the transaction.

**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     N/A Member Substitution  
Purchase Price:    \$ N/A  
Fair Market Value: \$ N/A

**Project Status and Completion Schedules**

**Outstanding Permits:** Does the facility have any projects for which the State Board issued a permit that is not complete? Yes \_\_\_ No X. If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Anticipated exemption completion date** (refer to Part 1130.570): \_\_\_\_\_

**State Agency Submittals**

Are the following submittals up to date as applicable:

- Cancer Registry     N/A
- APORS     N/A
- 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 being deemed incomplete.**

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

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

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

This Application is filed on the behalf of Northwest Community Day Surgery Center II LLC, an Illinois limited liability company.

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

STEPHEN SCOGNA  
PRINTED NAME

PRESIDENT & CEO  
PRINTED TITLE

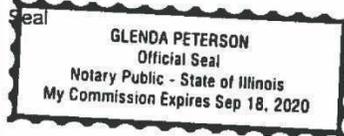
  
SIGNATURE

MICHAEL HARTKE  
PRINTED NAME

EXECUTIVE VICE PRESIDENT & COO  
PRINTED TITLE

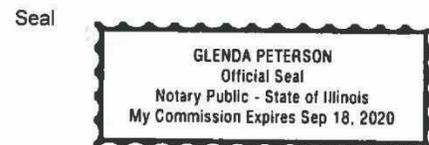
Notarization:  
Subscribed and sworn to before me  
this 13 day of July, 2020

  
Signature of Notary



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Subscribed and sworn to before me  
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Signature of Notary



\*Insert the EXACT legal name of the applicant

**CERTIFICATION**

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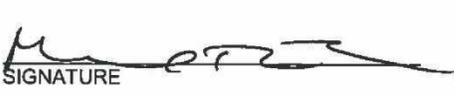
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In accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further 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 

STEPHEN SCOGNA  
PRINTED NAME

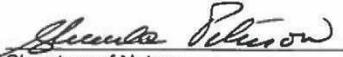
PRESIDENT & CEO  
PRINTED TITLE

SIGNATURE 

MICHAEL HARTKE  
PRINTED NAME

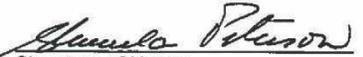
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PRINTED TITLE

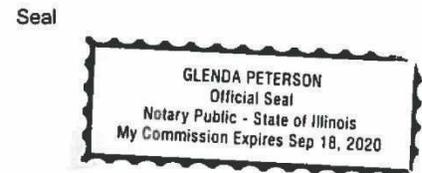
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Subscribed and sworn to before me  
this 13 day of July, 2020

  
Signature of Notary



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this 13 day of July, 2020

  
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\*Insert the EXACT legal name of the applicant

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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 NorthShore University HealthSystem, an Illinois not-for-profit corporation.**

**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

Gerald P. Gallagher  
PRINTED NAME

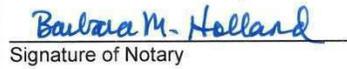
President and CEO  
PRINTED TITLE

  
SIGNATURE

Kristen Murtos  
PRINTED NAME

Chief Administrative and Strategy Officer  
PRINTED TITLE

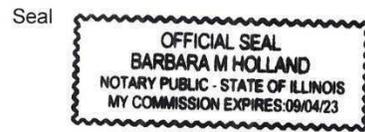
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this 10<sup>th</sup> day of July, 2020

  
Signature of Notary



Notarization:  
Subscribed and sworn to before me  
this 13<sup>th</sup> day of July, 2020

  
Signature of Notary



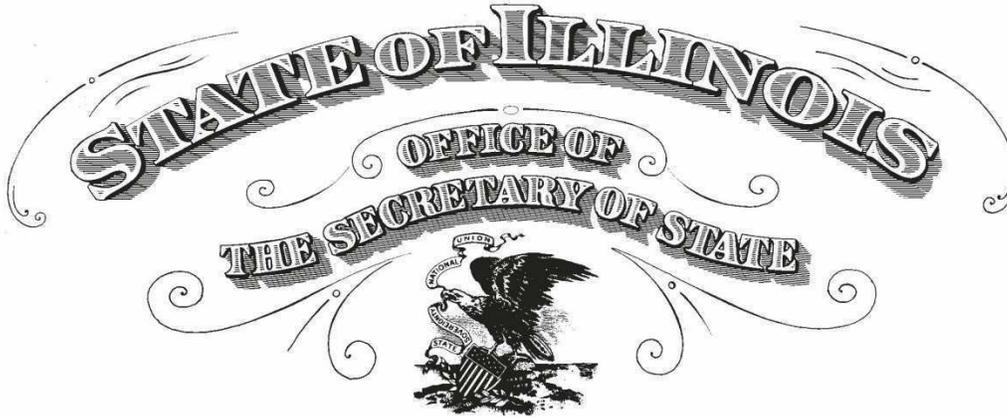
\*Insert the EXACT legal name of the applicant

**ATTACHMENT 1****Certificates of Good Standing**

Attached hereto as Attachment 1 are Good Standing Certificates issued by the Illinois Secretary of State for:

1. Northwest Community Day Surgery Center II LLC (“NCDSC”) (operator and licensee);
2. Northwest Community Healthcare (pre-closing controlling member of NCDSC); and
3. NorthShore University HealthSystem (post-closing controlling member of NCDSC).

File Number 0450530-1



**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*

NORTHWEST COMMUNITY DAY SURGERY CENTER II LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON SEPTEMBER 18, 2013, 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.



Authentication #: 2016700718 verifiable until 06/15/2021  
Authenticate at: <http://www.cyberdriveillinois.com>

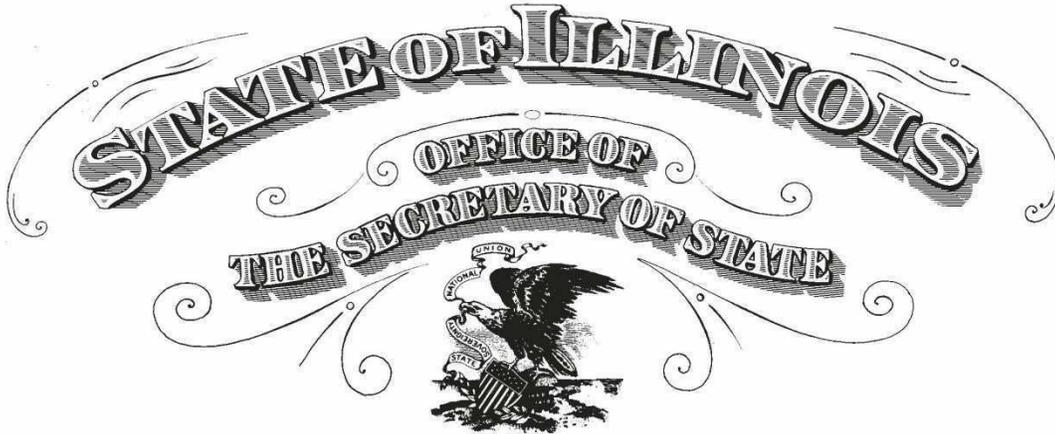
**In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 15TH day of JUNE A.D. 2020 .**

*Jesse White*

SECRETARY OF STATE

Attachment 1

File Number 5229-793-1



**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*

NORTHWEST COMMUNITY HEALTHCARE, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 11, 1981, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 2016700574 verifiable until 06/15/2021  
Authenticate at: <http://www.cyberdriveillinois.com>

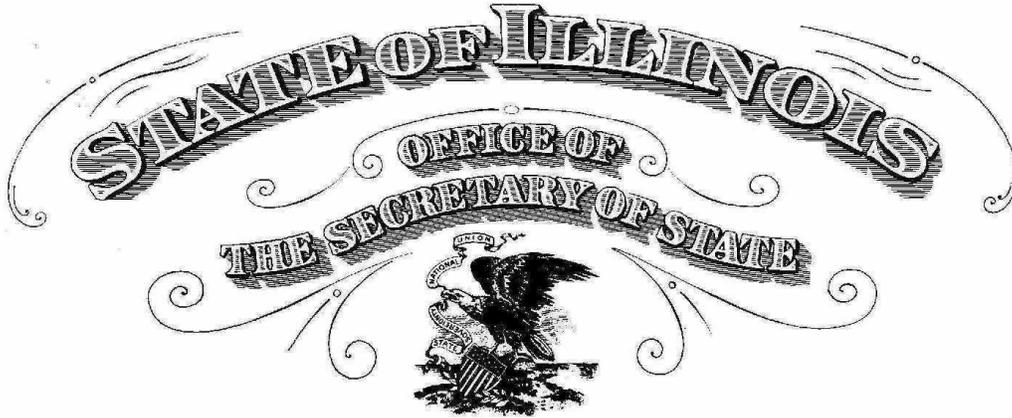
**In Testimony Whereof,** I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 15TH day of JUNE A.D. 2020 .

*Jesse White*

SECRETARY OF STATE

Attachment 1

File Number 0567-540-5



**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**

NORTHSHORE UNIVERSITY HEALTHSYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 04, 1891, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1914101502 verifiable until 05/21/2020  
Authenticate at: <http://www.cyberdriveillinois.com>

**In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 21ST day of MAY A.D. 2019 .**

*Jesse White*

SECRETARY OF STATE

Attachment 1

**ATTACHMENT 2**

**Site Ownership**

NCDSC leases its location at 675 West Kirchoff Road, Arlington Heights, IL 60005 (the "Lease"). The land is owned by NCH, and the Lease will not change as a result of the transaction.

**INTERCOMPANY LEASE AGREEMENT**

This **INTERCOMPANY LEASE AGREEMENT** (the “*Agreement*”) is effective as of January 1, 2014 (the “*Effective Date*”), by and between **Northwest Community Healthcare**, an Illinois not for profit corporation (“*NCH or Lessor*”), and **Northwest Community Day Surgery Center II**, an Illinois limited liability company (“*Center or Lessee*”) (the “*Center*”) (individually, a “*Party*,” and collectively, the “*Parties*”).

**RECITALS**

**WHEREAS**, Center is a licensed ambulatory surgical treatment center on the campus of NCH and NCH is a partial owner of the Center,

**WHEREAS**, To best serve its patients and the surrounding community including but not limited to, serving the medical and surgical needs of its patients, NCH desires to have a day surgery center on its campus;

**WHEREAS**, NCH is the owner of the parcel of land and building located in Arlington Heights and described in Exhibit A and attached hereto;

**WHEREAS**, NCH desires to rent certain space to the Center in order for Center meet the medical and surgical needs of NCH’s patients; and

**WHEREAS**, Center desires to rent such physical space from NCH as described in this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties, intending to be legally bound, agree as follows:

**ARTICLE I**  
**LEASED PREMISES; TERM**

**Section 1.1 Leased Premises.** For the consideration and upon the terms and conditions hereinafter expressed, Lessor leases the Leased Premises unto Lessee, here present and accepting the same, commencing on the Commencement Date (as defined below), for the Term (as defined below), unless otherwise terminated sooner in accordance with the terms and conditions set forth in this Lease. Lessee or Lessee’s agent has had an opportunity to visually inspect the Leased Premises and acknowledges that the Leased Premises appear in good and acceptable condition as of the execution of this Lease.

**Section 1.2 Limited Waiver of Warranties.** Except as otherwise provided in this Lease, NCH make no warranty of fitness, condition or title whatsoever, and Lessee hereby waives any such warranties and acknowledges that the NCH are not making any such warranties whatsoever, other than the warranty of peaceful possession against eviction from, or disturbance in fact caused by a person who successfully obtains, pursuant to final definitive judgment, ownership or a right to possession of, the Leased Premises, in whole or in material part, which adversely and materially affects the operations of the Hospitals. Notwithstanding the foregoing, and to the extent allowed by law, the NCH hereby agree that the NCH, at their sole cost, shall defend and

indemnify Lessee against any and all claims and lawsuits challenging the right of Lessee to lease and occupy, or otherwise materially disturbing Lessee's actual physical possession of, all or part of the Leased Premises which adversely affects the operations of the Hospital.

**Section 1.3 Term of Lease.** The Term of this Lease shall begin on the Commencement Date, and, unless earlier terminated in accordance with Sections 1.4 or 8.3, shall continue for an initial term of **five years (5) years** (the "Initial Term"). Beginning on the expiration of the Initial Term, this Agreement shall automatically renew for successive five (5) year terms (the "Renewal Term") unless otherwise terminated in accordance with Section 1.4 or Section 8.3 herein. Notwithstanding the foregoing, the Term of this Lease shall not exceed a total of ninety nine (99) years and this Lease shall automatically terminate upon completion of the 99th year.

**Section 1.4 Termination.** This Agreement may be terminated by either party, without cause, upon one hundred eighty (180) days prior written notice.

## ARTICLE II RENT

**Section 2.1 Monthly Base Rent.** During the Term, the annual base rent for the Leased Premises (the "Leased Premises Rent") shall be calculated at twenty seven dollars (\$27) per square foot and shall be *nine hundred one thousand, five hundred three dollars* (\$901,503.00). The Leased Premises Rent shall be payable by Lessee to NCH in twelve (12) equal monthly installments (the "Leased Premises Monthly Rent"), with the rent for the first month of the Initial Term being due and payable on the Effective Date, and the remaining installments being due and payable, respectively on the first (1st) day of each calendar month thereafter during the Term.

**Section 2.2 Fair Market Value of Rent.** The parties acknowledge and agree that during the Initial Term, the Leased Premises Rent may require adjustment to maintain fair market value for reasons including, but not limited to, a Taxing Authority(ies) levying federal, state and local taxes and fees on the Leased Premises. In addition thereto, prior to each Renewal Term, Lessor shall obtain a market analysis of the Leased Premises. In the event the market analysis indicates that the Leased Premises Rent requires adjustment to maintain fair market value, the parties agree to work in good faith to timely execute an amendment to this Agreement to reflect such change in Rent during the Initial Term or any Renewal Term.

**Section 2.3 No Adjustments or Offsets.** This Lease is intended to be a net lease, the Rent provided for herein shall be paid to Lessor without deduction for any expenses, charges, insurance, taxes or set-offs whatsoever of any kind, character or nature; it being understood and agreed to by Lessee that as between Lessee and Lessor, Lessee shall bear responsibility for the payment of all costs and expenses associated with the operation, maintenance and leasehold improvements of the Leased Premises unless otherwise specified in separate agreements between the parties. Under no circumstances will Lessor be required to make any payment on Lessee's behalf or for Lessee's benefit under this Lease, or assume any monetary obligation of Lessee or with respect to the Leased Premises under this Lease.

## ARTICLE III USE

**Section 3.1 Permitted Use.** The Leased Premises shall be used and/or occupied by Lessee solely for a the provision of medical, surgical and related healthcare services and the operation of medical and business offices to provide such services (“the Permitted Use”) and for no other purposes without the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned. Lessee will conduct the operations of the Hospitals on the Leased Premises in compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations, orders, codes and decrees (individually or collectively, the “Law”).

**Section 3.2 No Assignment.** Lessee shall not assign this Lease or any interest therein without the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned; provided, however, Lessee may, with prior written notice to Lessor.

**Section 3.3 No Subletting.** Lessee may not sublease all or any portion of the Leased Premises, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned.

**Section 3.4 Lessee Remains Liable.** In no event shall any assignment or subletting of all or any portion of the Leased Premises release Lessee from any obligations under this Lease, unless such release shall be evidenced by Lessor’s express written agreement at the time of such assignment or subletting, which agreement may be granted or withheld in Lessor’s sole discretion.

#### **ARTICLE IV OPERATION, MAINTENANCE, REPAIR, SECURITY AND OTHER SERVICES**

**Section 4.1 Operation.** Lessee shall be responsible to procure and maintain all services and equipment necessary or required for its operation and use of the Leased Premises.

**Section 4.2 Licenses and Permits.** Lessee shall procure and maintain all licenses and permits (if any) required for its use of the Leased Premises.

**Section 4.3 Maintenance and Repair.** Lessor shall, during the Term, at its sole cost and expense, maintain the Leased Premises, including all fixtures located therein, and make and perform all maintenance, repairs, restorations, and replacements to the Leased Premises, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, telephone, cable and other utility lines, plumbing, fire, life/safety, sprinkler and security systems, computer service, air and water pollution control and waste disposal facilities, fixtures, equipment, and appurtenances to the Leased Premises as and when needed to maintain them in as good a working condition and repair (ordinary wear and tear and casualty excepted) as existed as of the Commencement Date, regardless of whether such maintenance, repairs, restorations or replacements are ordinary or extraordinary, routine or major, foreseeable or unforeseeable and regardless of by whom such items were placed in the Leased Premises. All maintenance, repairs, restoration, or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Leased Premises.

#### **ARTICLE V INSURANCE**

Throughout the Term, Lessee shall secure and maintain or cause to be secured and maintained at its sole cost and expense policies of property insurance and commercial general liability insurance in such amounts satisfactory to Lessor.

## ARTICLE VI INDEMNIFICATION

**Section 6.1 Lessee's Indemnification to Lessor.** Lessee shall indemnify, defend and hold harmless Lessor and its board members, officers, agents, and employees, together with any of their respective successors and assigns (collectively, the "Lessor Indemnitees"), against any and all loss, cost, damage, liability or expense as incurred (including but not limited to actual attorneys' fees and legal costs) arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such person or persons which arises out of, is occasioned by or is attributable to the acts, omissions, use of, and/or activities on, the Leased Premises by Lessee or its officers, agents, employees, invitees, permittees, contractors or subcontractors.

**Section 6.2 Lessor's Indemnification.** To the extent authorized by Law, Lessor will indemnify, defend and hold harmless Lessee and its officers, agents and employees, together with any of their respective successors and assigns, from and against any claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including but not limited to actual attorneys' fees and legal costs) to the extent resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of Lessor, its board members, officers or employees.

## ARTICLE VII TAXES, FEES AND LICENSES

**Section 7.1 Payment of Taxes.** Lessor shall collect from Lessee and pay to the appropriate collecting authorities all federal, state and local taxes and fees ("Taxing Authorities"), which accrue during the Term on or against or with respect to the Leased Premises, if any. The parties acknowledge that as of the Effective Date, no taxes have been levied on the Lease Premises by Taxing Authorities for which Lessee would be required to pay in accordance with this Section 7.1. In the event, following execution of this Agreement, Taxing Authority(ies) levy a tax on the Leased Premises, Lessor shall adjust the Leased Premises Rent accordingly to reflect such taxes owed. The parties agree to work in good faith to timely execute an amendment to this Agreement to modify the Leased Premises Rent to include such taxes due.

**Section 7.2 Licenses.** Lessee shall maintain in effect all federal, state and local licenses and permits required for the operation of the business conducted by Lessee on the Leased Premises.

## ARTICLE VIII EVENT OF DEFAULT; REMEDIES

**Section 8.1 Lessee Event of Default.** Each of the following shall be an Event of Default by Lessee (each, a "Lessee Event of Default") under the terms of this Lease:

(a) failure by Lessee to pay Rent to Lessor on any date on which the same is due under this Lease, and this failure shall not be cured within fifteen (15) business days after the date of

written notice to Lessee of such failure;

(b) failure by Lessee to obtain and maintain all insurance as required under this Lease and/or to furnish to Lessor evidence thereof and/or evidence of payment thereof, if the failure is not cured within fifteen (15) business days after the date of written notice to Lessee of such violation;

(c) a court Order for relief in any involuntary case commenced against Lessee, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, and said Order is not vacated within one hundred twenty (120) days, or the entry of a decree or order by a court having jurisdiction appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of, or for Lessee or a substantial part of the properties of Lessee or order winding up or liquidation of the affairs of Lessee, and the continuance of any such decree or order unstayed and in effect for one hundred twenty (120) consecutive days;

(d) commencement by Lessee of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted;

(e) any failure by Lessee to comply with any material obligations of this Lease.

**Section 8.2 Lessor Event of Default.** A default by Lessor (a “Lessor Event of Default”) will occur under this Lease if Lessor fails to perform any of its obligations or covenants under this Lease, and such failure is not cured within thirty (30) business days after Lessor’s receipt of written notice from Lessee of this failure; provided, however, that no Lessor Event of Default will occur if Lessor begins to cure the failure forming the basis of the Lessor Event of Default within thirty (30) business clays after its receipt of such notice and continues such cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

**Section 8.3 Remedies.** In addition to any other remedies provided by Law and except as otherwise provided herein, following the occurrence of a Lessee Event of Default (as defined above), Lessor may, but shall not be obligated to, terminate this Lease.

**ARTICLE IX  
NOTICES**

**Notices.** Any notice herein required or permitted to be given shall be in writing and shall be hand-delivered (and deemed to be duly given on the date of such hand-delivery); or sent by prepaid, certified mail, return receipt requested (and deemed to be duly given three days after such mailing); or sent by prepaid overnight nationwide courier services such as FedEx, UPS or DHL (and deemed to be duly given the next day); each such notice to be addressed to the Parties as follows:

**To NCH: To Center:**

**Northwest Community Hospital Northwest Community Day Surgery Center  
BOO West Central Road Arlington Heights, IL 60005 675 W. Kirchoff Road  
With a copy to: Arlington Heights, Illinois 60525**

**V.P. and General Counsel,**

**at the same address**

or such other place or places as any of the Parties shall designate by written notice to the other.

**ARTICLE X  
MISCELLANEOUS**

**Section 10.1 LIMITATION OF LIABILITY.** NCH SHALL NOT BE LIABLE TO CENTER OR ANY THIRD PARTIES FOR LIABILITIES OR DAMAGES OF ANY KIND WHICH ARISE FROM, OR RELATE TO, THE PERFORMANCE OF NCH'S OBLIGATIONS SET FORTH IN THIS AGREEMENT, UNLESS SUCH ACTS OR OMISSIONS ARE NOT CONSISTENT WITH STATE AND FEDERAL STATUTES AND REGULATIONS, OR A GOOD FAITH INTERPRETATION THEREOF. EACH PARTY'S LIABILITY TO THE OTHER PARTY SHALL NOT EXCEED THE AMOUNT OF TWO MILLION DOLLARS (\$2,000,000); PROVIDED, HOWEVER, IN NO EVENT SHALL THIS LIMITATION OF LIABILITY EXTEND TO ANY ACT OR OMISSION ARISING OUT OF OR RELATED TO CENTER'S DIAGNOSIS, TREATMENT, MEDICAL PROCEDURE OR ANY OTHER MEDICAL SERVICE TO PATIENTS OF CENTER.

**Section 10.2 Lessor's Right to Enter Property.** Lessor reserves the right, but shall be under no obligation, to enter the Leased Premises at any time to inspect the same, as long as Lessor's inspection does not unreasonably interfere with Lessee's operations. Lessor shall attempt to provide Lessee with reasonable advance notice of its intent to inspect the Leased Premises, unless notice is impossible or impractical. Lessee shall have the right to have a representative accompany Lessor during such entry and inspection.

**Section 10.3 Assignment.** This Agreement may not be assigned, delegated or transferred by either party hereto; provided, however, that NCH may assign, delegate or transfer this Agreement or any rights or obligations hereunder to another corporation or entity, now or hereafter existing, which corporation or entity is an affiliate of Northwest Community Healthcare.

**Section 10.4 Amendment.** No amendment of any provision of this Agreement shall be effective, unless the same shall be in writing and signed by the Parties.

**Section 10.5 Counterparts.** This Agreement may be executed in two (2) counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

**Section 10.6 Applicable Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois without giving effect to conflict of laws principles.

**Section 10.7 Headings.** All references to "Articles," "Sections" and "Exhibits" in this Agreement are to Articles, Sections and Exhibits of this Agreement, unless otherwise specifically stated. Headings of Articles and Sections in this Agreement are solely for convenience of reference, do not constitute a part hereof, and shall not affect the meaning, construction or effect hereof.

**Section 10.8 Gender.** Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa, and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include all other genders.

**Section 10.9 Waiver of Terms.** Any of the terms or conditions of this Agreement may be waived at any time by the Party which is entitled to the benefit thereof, but only by a written

notice signed by the Party waiving such terms or conditions. The waiver of any term or condition shall not be construed as a waiver of any other term or condition of this Agreement.

**Section 10.10 Partial Invalidity.** In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

**Section 10.11 Exhibits.** The attached Exhibits shall be construed with and as an integral part of this Agreement to the same extent as if they had been set forth verbatim herein.

**Section 10.12 No Third-Party Beneficiaries.** This Agreement shall not confer any rights or remedies upon any person or entity other than the Parties and their respective successors and permitted assigns.

**Section 10.13 Entire Agreement.** This Agreement contains the entire understanding of the Parties with respect to the transactions contemplated hereby and supersedes all other agreements and understandings of the Parties on the subject matter hereof.

**Section 10.14 Force Majeure.** NCH shall not be liable for any failure, inability or delay in the performance of its obligations hereunder, if such failure, inability or delay is due to any cause beyond the reasonable control of NCH, and due diligence is used in curing such cause and in resuming performance.

**IN WITNESS WHEREOF,** the Parties hereto have executed this Agreement effective as of the Effective Date.

**NORTHWEST COMMUNITY HEALTHCARE**

By: \_\_\_\_\_

Its: Michael Hartke, Exec. V.P., COO

**NORTHWEST COMMUNITY DAY SURGERY CENTER II**

By: \_\_\_\_\_

Its: Stephen Scogna, President & CEO

**EXHIBIT A**  
**DESCRIPTION OF THE LEASED PREMISES**

LOCATION: 675 WEST IURCHOFF  
ARLINGTON HEIGHTS, ILLINOIS 60005

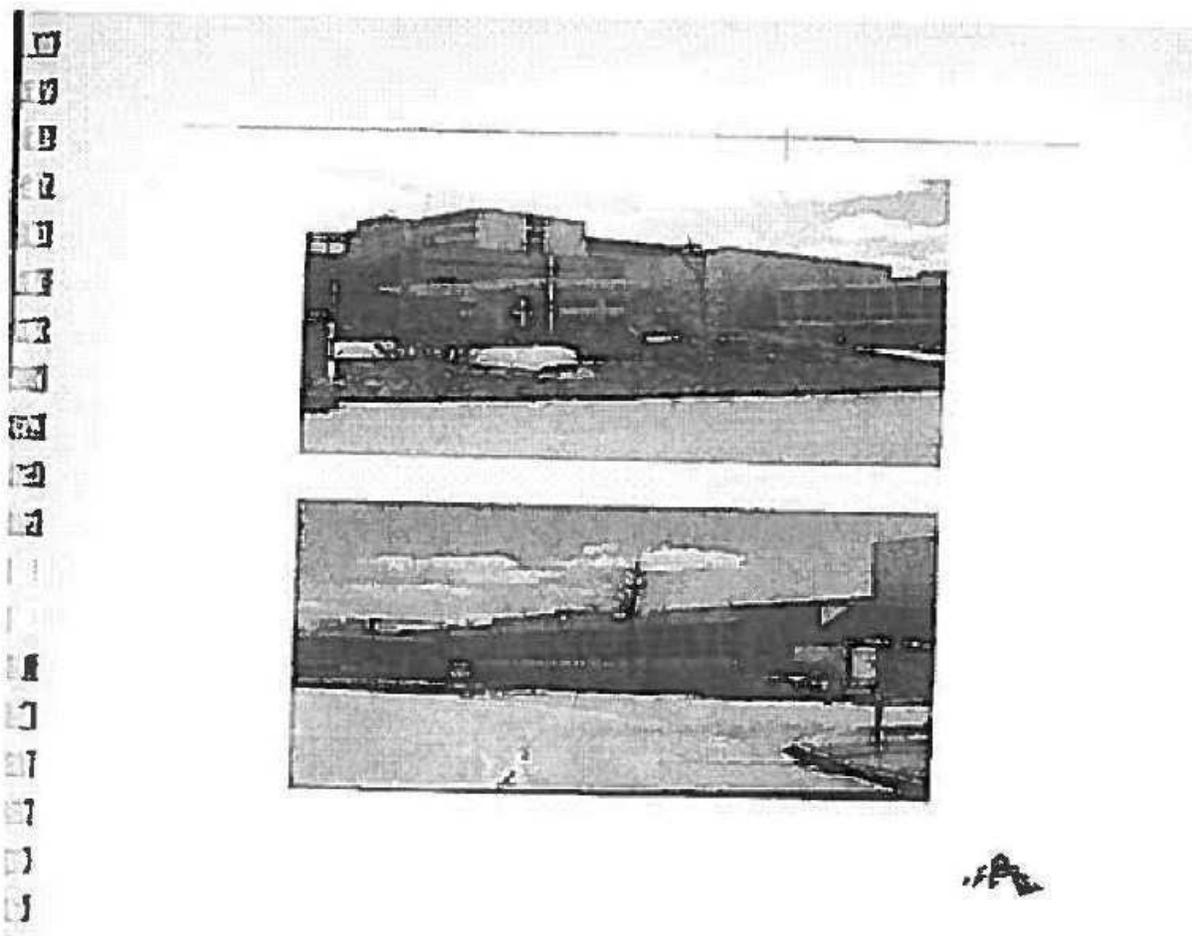
DATE(S) OF CONSTRUCTION: 1985,1993,1998, 2004

NUMBER OF LEVELS: One (1)

GROSS BUILDING AREA: 33,389 square feet

GENERAL CONDITION: Good

QUALITY OF CONSTRUCTION: Good



**ATTACHMENT 3****Operating Entity/Licensee**

Northwest Community Healthcare (“NCH”) is the current controlling member of Northwest Community Day Surgery Center II LLC in Arlington Heights, Illinois (“NCDSC”). NCDSC is the current licensee and operator of NCDSC. Copies of NCDSC’s ambulatory surgical treatment center license and accreditation by The Joint Commission are attached at Attachment 3. NCDSC’s CMS Certification Number (“CCN”) is 141032.

Following the completion of the contemplated transaction, NorthShore University HealthSystem will be the sole member of NCH, and, therefore, the indirect controlling member of NCDSC. Additionally, NCDSC will continue to be the licensee and operator of NCDSC.



October 13, 2017

Stephen Scogna  
President, Chief Executive Officer

Northwest Community Day Surgery Center  
II, LLC  
675 West Kirchoff Road  
Arlington Heights, IL 60005

Joint Commission ID #: 558537  
Program: Ambulatory Health Care  
Accreditation  
Accreditation Activity: 60-day Evidence of  
Standards Compliance  
Accreditation Activity Completed: 10/13/2017

Dear Mr. Scogna:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- **Comprehensive Accreditation Manual for Ambulatory Health Care**

This accreditation cycle is effective beginning July 13, 2017 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

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

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

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

**Illinois Department of PUBLIC HEALTH** HF 119965

**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
3/20/2021		7001209

**Ambulatory Surgery Treatment Center**

Effective: 03/21/2020

Northwest Community Day Surgery Center  
675 W Kirchhoff Rd  
Arlington Heights, IL 60005

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

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 3/20/2021  
Lic Number 7001209

Date Printed 2/21/2020

Northwest Community Day Surgery Ce  
675 W Kirchhoff Rd  
Arlington Heights, IL 60005-2371

FEE RECEIPT NO.

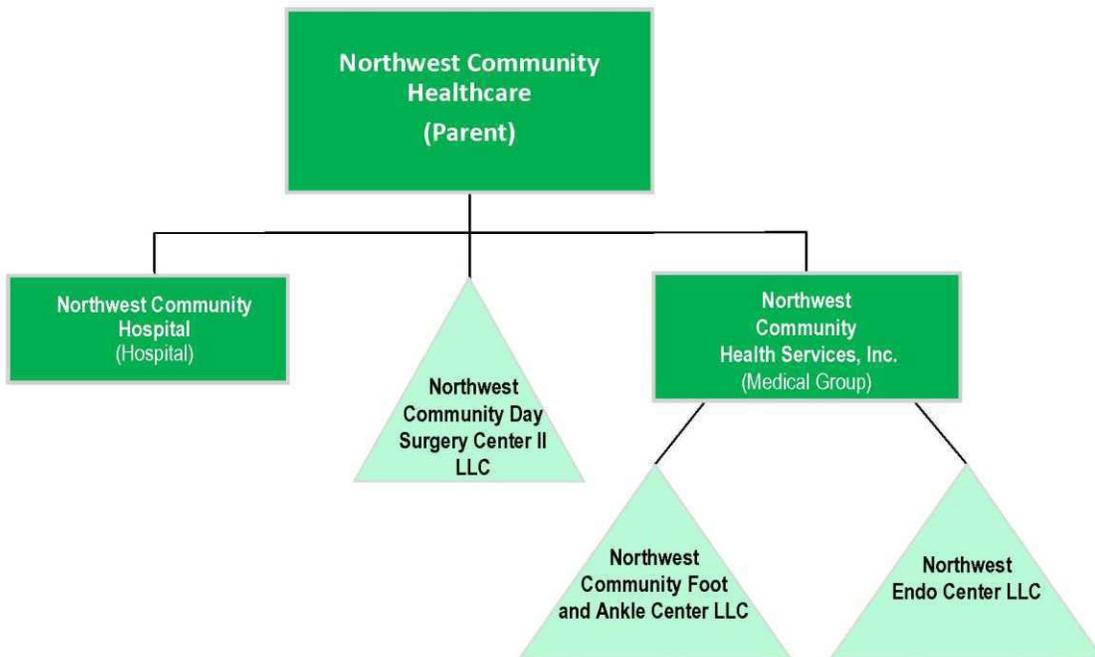
Attachment 3

**ATTACHMENT 4**

**Organizational Relationships**

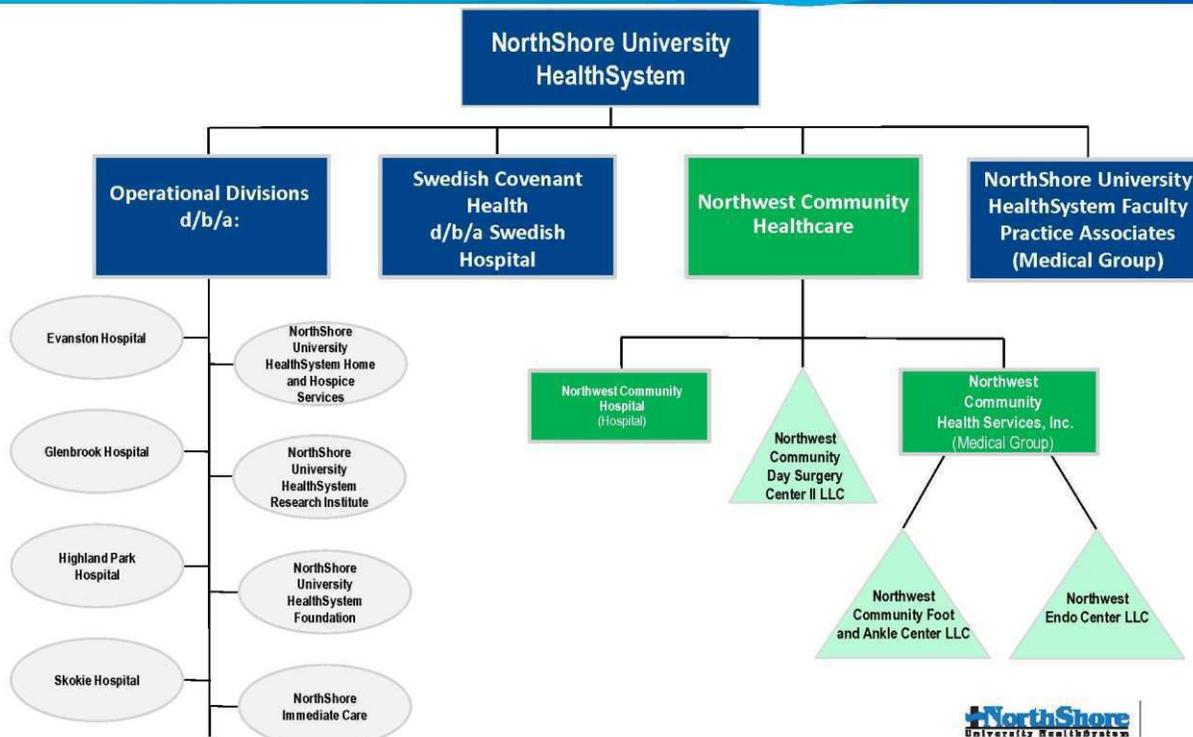
The pre-closing and post-closing organizational charts for NCDSC are attached hereto at Attachment 4.

# Pre-Closing Organizational Structure



Attachment 4

# Post-Closing Organizational Chart



Attachment 4

**SECTION II. BACKGROUND.****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. 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. 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.
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, 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 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.**

**ATTACHMENT 5****Background of Applicants****A. Northwest Community Day Surgery Center II LLC (“NCDSC”) and Northwest Community Healthcare (“NCH”)****1 & 2. A listing of all health care facilities owned or operated in Illinois by NCDSC and/or NCH, including licensing and certification numbers in Illinois.**

The controlling member of the NCDSC is NCH. The following is a list of Illinois health care facilities (as that term is defined under the Illinois Health Facilities Planning Act, 20 ILCS 3960 et seq. (the “Act”)) owned and/or operated by NCH:

Facility	Location	License No.	Accreditation No.
Northwest Community Hospital (“Hospital”)	800 West Central Road, Arlington Heights, Illinois 60005	0001701	4656
Northwest Endo Center LLC (“NEC”)	1415 South Arlington Heights Road, Arlington Heights, IL 60005	7003210	117454
Northwest Community Foot and Ankle Center LLC (“NCFAC”)	1455 East Golf Road, Des Plaines, IL 60016	7003213	120139
Northwest Community Day Surgery Center II LLC	675 W. Kirchoff Road, Arlington Heights, IL 60005	7001209	558537

Copies of NCDSC’s ambulatory surgical treatment center license and accreditation are attached at Attachment 3. Copies of NEC’s, NCFAC’s and Hospital’s licenses and accreditations are attached at Attachment 5.

**3. Attestation.**

In signing this Certificate of Exemption (“COE”) application, NCDSC attests that, in the last three years prior to filing of this COE application, there has been no “adverse action” (as that term is defined in 77 IAC 1130.140) against any Illinois facility owned and/or operated by NCDSC. A copy of NCH and NCDSC’s attestation statement relating to their good standings is attached at Attachment 5.

**4. Authorization.**

The Illinois Health Facilities and Services Review Board (“HFSRB”) and the Illinois Department of Public Health (“IDPH”) are hereby authorized by NCDSC to access any documents necessary to verify the information submitted with this COE application pertaining to NCDSC, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

**B. NorthShore University HealthSystem (“NorthShore”)**

The following is a list of all Illinois health care facilities (as that term is defined in the Act) owned by NorthShore:

1. Evanston Hospital, located at 2650 Ridge Avenue, Evanston, IL 60201 (“Evanston Hospital”);
2. Highland Park Hospital, located at 777 Park Avenue West, Highland Park, IL 60035 (“Highland Park Hospital”);
3. Glenbrook Hospital, located at 2100 Pfingsten Road, Glenview, IL 60025 (“Glenbrook Hospital”);
4. Skokie Hospital, located at 9600 Gross Point Road, Skokie, IL 60076 (“Skokie Hospital”); and
5. Swedish Covenant Hospital d/b/a Swedish Hospital, located at 5145 N. California Avenue in Chicago, Illinois (“Swedish Hospital”).

Copies of Evanston Hospital’s, Highland Park Hospital’s, Glenbrook Hospital’s, Skokie Hospital’s and Swedish Hospital’s licenses and NorthShore’s accreditation by The Joint Commission are attached at Attachment 5. Evanston Hospital, Glenbrook Hospital and Skokie Hospital operate under CCN 14-0010, Highland Park Hospital operates under CCN 14-0010A, and Swedish Hospital operates under CCN 14-0114.

**2. A listing of all health care facilities owned (at least 5%) and/or operated in Illinois by NorthShore.**

NorthShore also has a five percent (5%) or greater indirect, partial ownership interest in the following Illinois health care facilities:

1. North Shore Surgical Center, located at 3725 West Touhy Avenue, Lincolnwood, IL 60712;
2. Ravine Way Surgery Center, located at 2350 Ravine Way, #500, Glenview, IL 60025; and
3. River North Same Day Surgery Center, located at 1 East Street, #300, Chicago, IL 60611.

**3. Attestation.**

NorthShore attests that in the last three years prior to filing of this COE application, there has been no “adverse action” (as that term is defined in 77 IAC 1130.140) against any Illinois health care facility owned and operated by NorthShore and subject to HFSRB jurisdiction. A copy of NorthShore’s attestation statement relating to its good standing is attached at Attachment 5.

**4. Authorization.**

HFSRB and IDPH are hereby authorized by NorthShore to access any documents necessary to verify the information submitted with this COE application relating to NorthShore, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition



675 W. Kirchoff Road  
Arlington Heights, IL 60005

847-618-7060  
nch.org

July 13, 2020

Courtney Avery, Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

Dear Ms. Avery:

On behalf of Northwest Community Day Surgery Center II LLC ("NCDSC") and Northwest Community Healthcare ("NCHC"), I certify to the Illinois Health Facilities and Services Review Board (the "HFSRB") as follows:

1. Neither NCDSC nor NCHC has experienced an any adverse action (as that term is defined in 77 IAC 1130.140) against any Illinois health care facility owned and operated by them during the three-year period immediately prior to the filings of Certificate of Exemption ("COE") applications relating to the change of control of (i) Northwest Community Hospital, located at 800 West Central Road, Arlington Heights, Illinois 60005, (ii) Northwest Community Day Surgery Center II LLC, located at 675 West Kirchoff Road, Arlington Heights, Illinois 60005, (iii) Northwest Community Foot and Ankle Center LLC, located at 1455 East Golf Road, Des Plaines, Illinois 60016, and (iv) Northwest Endo Center LLC, located at 1415 South Arlington Heights Road, Arlington Heights, Illinois 60005.
2. NCDSC and NCHC authorize the HFSRB and Illinois Department of Public Health (the "IDPH") to access information to verify documentation or information submitted by them in connection with the COE filing requirements or to obtain any documentation or information which the HFSRB or IDPH finds pertinent to the COE applications mentioned above.

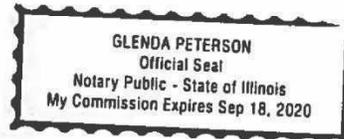
Sincerely,

Stephen Scogna  
Chief Executive Officer and President

Notarized: State of Illinois, County of Cook

Subscribed and sworn before me this 13<sup>th</sup> day of July, 2020.

Notary  
My commission expires: 9/18/2020



# HOSPITAL LICENSE

		<b>Illinois Department of PUBLIC HEALTH</b>	HF 119281
<b>LICENSE, PERMIT, CERTIFICATION, REGISTRATION</b>			
<small>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.</small>			
<b>Ngozi O. Ezike, M.D.</b>		<small>Issued under the authority of the Illinois Department of Public Health</small>	
<b>Director</b>			
<small>EXPIRATION DATE</small>	<small>CATEGORY</small>	<small>ID NUMBER</small>	
<b>12/31/2020</b>		<b>0001701</b>	
<b>General Hospital</b>			
<b>Effective: 01/01/2020</b>			
<b>Northwest Community Hospital</b> <b>800 W Central Road</b> <b>Arlington Heights, IL 60005</b>			
<small>The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #18-493-001 10M 9/18</small>			



January 3, 2018

Stephen Scogna  
Chief Executive Officer

Northwest Community Hospital  
800 West Central Road  
Arlington Heights, IL 60005

Joint Commission ID #: 4656  
Program: Hospital Accreditation  
Accreditation Activity: 60-day Evidence of  
Standards Compliance  
Accreditation Activity Completed: 01/03/2018

Dear Mr. Scogna:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- **Comprehensive Accreditation Manual for Hospitals**

This accreditation cycle is effective beginning October 21, 2017 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

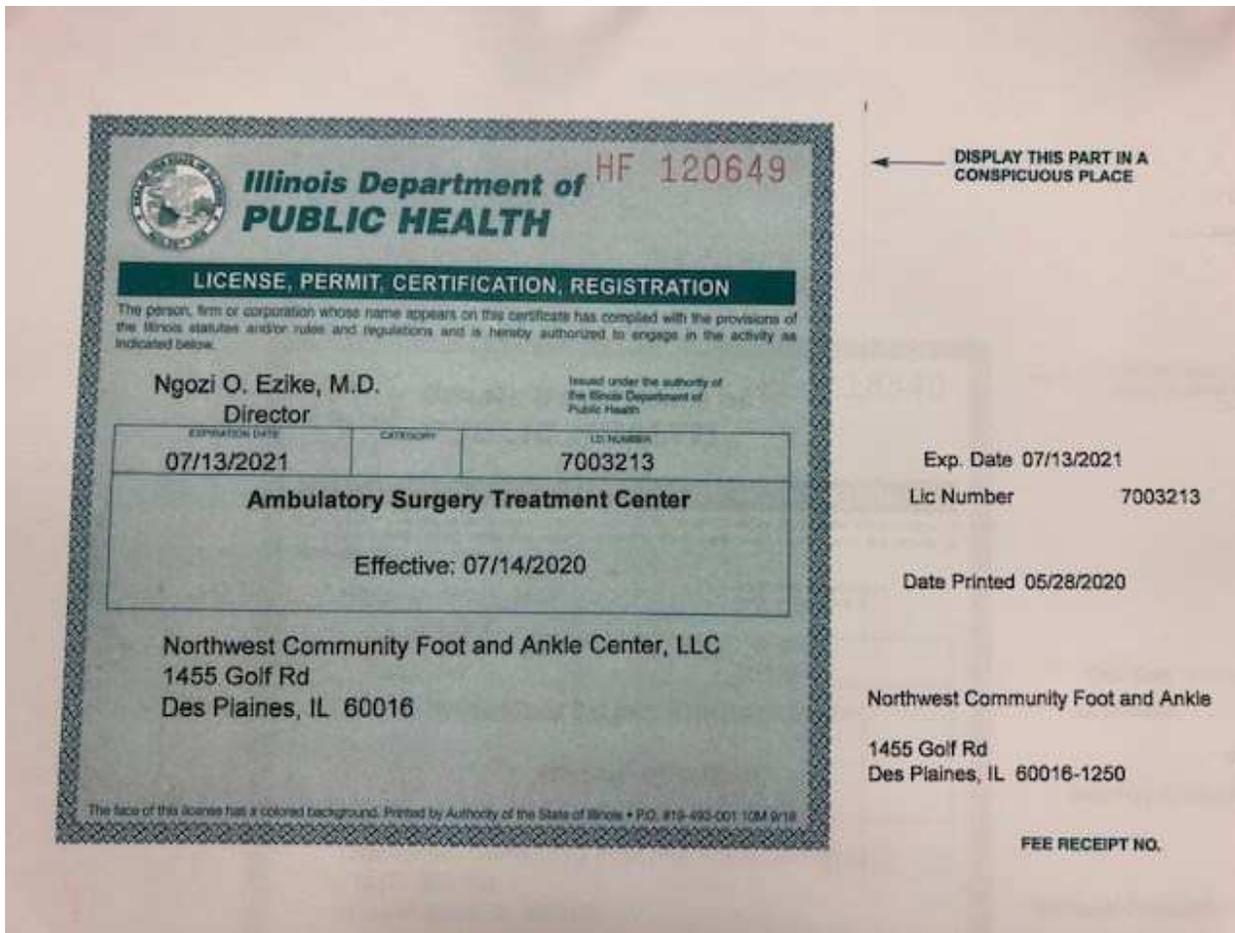
The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

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



Attachment 5



## ACCREDITATION NOTIFICATION

June 25, 2018

<b>Organization #</b>	120139	<b>Program Type</b>	Ambulatory Surgery Center
<b>Organization Name</b>	Northwest Community Foot and Ankle Center LLC dba Northwest Community Healthcare Weil Surgery Center		
<b>Address</b>	1455 E Golf RD Ste 131,		
<b>City   State   Zip</b>	Des Plaines	IL	60016-1253
<b>Decision Recipient</b>	Ms. Kathleen Quinlan		
<b>Survey Date</b>	5/30/2018-5/31/2018	<b>Type of Survey</b>	Initial Accreditation/Initial Medicare Deemed Status Survey
<b>Deficiency Level</b>	Standard	<b>Correction Method</b>	Document Review, Plan of Action, Self Attestation
<b>Accreditation Type</b>	Full Accreditation	<b>Recommend Medicare Deemed Status</b>	Yes
<b>Acceptable Plan of Correction Received</b>	6/20/2018	<b>Correction Timeframe</b>	May - 2018 to June - 2018
<b>Accreditation Term Begins</b>	6/20/2018	<b>Accreditation Term Expires</b>	6/20/2021
<b>Special CC:</b>	<b>CMS CO - Baltimore</b> <b>CMS RO V — Chicago</b>	<b>CMS Certification Number (CCN)</b>	“Pending”
<b>Accreditation Renewal Code</b>	D5576340120139		
<b>Complimentary AAAHC Institute study participation code</b>			120139FREEIQI

As an ambulatory surgery center (ASC) that has undergone the AAAHC/Medicare Deemed Status Survey, your ASC has demonstrated its compliance with the AAAHC Standards and all Medicare Conditions for Coverage (CfC). The AAAHC Accreditation Committee recommends your ASC for participation in the Medicare Deemed Status program. CMS has the final authority to determine participation in Medicare Deemed Status.

**Next Steps**

74150502.1

Attachment 5

**ARTICLE XI Leadership and staff of your ASC should take time to thoroughly review your Survey Report and Plan of Correction (PoC).**

- Subsequent surveys by AAAHC will seek evidence that deficiencies from this survey were addressed within the timeframes of your PoC.
- The Summary Table provides an overview of compliance for each chapter applicable to your organization.

**ARTICLE XII AAAHC Standards, policies and procedures are reviewed and revised annually. You are invited to participate in the review through the public comment process each fall. Your organization will be notified when the proposed changes are available for review. You may also check the AAAHC website in late summer for details.**

**ARTICLE XIII Accredited ASCs are required to maintain operations in compliance with the current AAAHC Standards and policies. Updates are published annually in the AAAHC *Handbooks*. Any mid-year updates are announced and posted to the AAAHC website, [www.aaahc.org](http://www.aaahc.org).**

**ARTICLE XIV In order to ensure uninterrupted accreditation, your ASC should submit the *Application for Survey* approximately five months prior to the expiration of your term of accreditation. In states for which accreditation is mandated by law, the *Application* should be submitted six months in advance to ensure adequate time for scoping and scheduling the survey.**

**NOTE:** You will need the Accreditation Renewal Code found in the table at the beginning of this document to submit your renewal application.

**Additional Information**

The complimentary AAAHC Institute study participation code on the first page of this document may be used to register for one six-month, AAAHC Institute for Quality Improvement benchmarking study. Please visit [www.aaahc.org/institute](http://www.aaahc.org/institute) for more information.

Throughout your term of accreditation, AAAHC will communicate announcements via e-mail to the primary contact for your organization. Please be sure to notify us ([notifyeast@aaahc.org](mailto:notifyeast@aaahc.org)) should this individual or his/her contact information change.

If you have questions or comments about the accreditation process, please contact AAAHC Accreditation Services at 847.853.6060. We look forward to continuing to partner with you to deliver safe, high-quality health care.



**Illinois Department of PUBLIC HEALTH** HF 119858

**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.

**Director** Ngozi O. Ezike, M.D. Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	LD NUMBER
2/6/2021		7003210

**Ambulatory Surgery Treatment Center**

Effective: 02/07/2020

Northwest Endo Center LLC  
1415 S Arlington Heights Road  
Arlington Heights, IL 60005

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-463-001 10M 8/18

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 2/6/2021  
Lic Number 7003210  
Date Printed 2/3/2020

Northwest Endo Center LLC  
1415 S Arlington Heights Road  
Arlington Heights, IL 60005-3765

FEE RECEIPT NO.



## ACCREDITATION NOTIFICATION

August 9, 2017

<b>Organization #</b>	117454	<b>Program Type</b>	117454
<b>Organization Name</b>	Northwest Endo Center, LLC		
<b>Address</b>	1415 S. Arlington Heights Road,		
<b>City   State   Zip</b>	Arlington Heights	IL	60005
<b>Decision Recipient</b>	Ms. Dorene Savage		
<b>Survey Date</b>	7/6/2017-7/7/2017	<b>Type of Survey</b>	EOS/ Initial Medicare Deemed Status Survey
<b>Deficiency Level</b>	AAAHC Standard Standard	<b>Correction Method</b>	Plan of Action Self-Attestation Document Review
<b>Accreditation Type</b>	Full Accreditation	<b>Recommend Medicare Deemed Status</b>	Yes
<b>Acceptable Plan of Correction Received</b>	7/27/2017	<b>Correction Timeframe</b>	June-2017 to August- 2017
<b>Accreditation Term Begins</b>	7/27/2017	<b>Accreditation Term Expires</b>	7/26/2020
<b>Special CC:</b>	CMS CO - Baltimore CMS RO xx – Chicago	<b>CMS Certification Number (CCN)</b>	Pending
<b>Accreditation Renewal Code</b>	EF478996117454		
<b>Complimentary AAAHC Institute study participation code</b>	117454FREEIQI		

As an ambulatory surgery center (ASC) that has undergone the AAAHC/Medicare Deemed Status Survey, your ASC has demonstrated its compliance with the AAAHC Standards and all Medicare Conditions for Coverage (CfC). The AAAHC Accreditation Committee recommends your ASC for participation in the Medicare Deemed Status program. CMS has the final authority to determine participation in Medicare Deemed Status.

**Next Steps**

Improving Health Care Quality Through Accreditation for 30 Years

[www.aaahc.org](http://www.aaahc.org)5250 Old Orchard Road, Suite 200  
Skokie, Illinois 60077TEL 847/ 853 6060  
FAX 847/ 853 9028

Organization # 117454  
Organization: Northwest Endo Center, LLC  
August 9, 2017  
Page 2

1. Leadership and staff of your ASC should take time to thoroughly review your Survey Report and Plan of Correction (PoC).
  - Subsequent surveys by AAAHC will seek evidence that deficiencies from this survey were addressed within the timeframes of your PoC.
  - The Summary Table provides an overview of compliance for each chapter applicable to your organization.
2. AAAHC Standards, policies and procedures are reviewed and revised annually. You are invited to participate in the review through the public comment process each fall. Your organization will be notified when the proposed changes are available for review. You may also check the AAAHC website in late summer for details.
3. Accredited ASCs are required to maintain operations in compliance with the current AAAHC Standards and policies. Updates are published annually in the AAAHC *Handbooks*. Any mid-year updates are announced and posted to the AAAHC website, [www.aaahc.org](http://www.aaahc.org).
4. In order to ensure uninterrupted accreditation, your ASC should submit the *Application for Survey* approximately five months prior to the expiration of your term of accreditation. In states for which accreditation is mandated by law, the *Application* should be submitted six months in advance to ensure adequate time for scoping and scheduling the survey.

**NOTE:** You will need the Accreditation Renewal Code found in the table at the beginning of this document to submit your renewal application.

#### Additional Information

The complimentary AAAHC Institute study participation code on the first page of this document may be used to register for one six-month, AAAHC Institute for Quality Improvement benchmarking study. Please visit [www.aaahc.org/institute](http://www.aaahc.org/institute) for more information.

Throughout your term of accreditation, AAAHC will communicate announcements via e-mail to the primary contact for your organization. Please be sure to notify us ([notify@aaahc.org](mailto:notify@aaahc.org)) should this individual or his/her contact information change.

If you have questions or comments about the accreditation process, please contact AAAHC Accreditation Services at 847.853.6060. We look forward to continuing to partner with you to deliver safe, high-quality health care.



ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition



Gerald P. Gallagher  
President and CEO

1301 Central Street  
Evanston, IL 60201  
www.northshore.org

Phone (847) 570-5151

Courtney Avery, Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, IL 62761

Dear Ms. Avery:

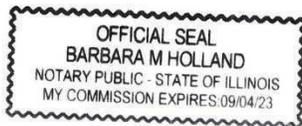
On behalf of NorthShore University HealthSystem, I certify to the Illinois Health Facilities and Services Review Board (the "HFSRB") as follows:

1. NorthShore University HealthSystem has not had any adverse action (as that term is defined in 77 IAC 1130.140) against any Illinois health care facility owned and operated by it during the three-year period immediately prior to the filings of Certificate of Exemption ("COE") applications relating to the change of control of (i) Northwest Community Hospital, located at 800 West Central Road, Arlington Heights, Illinois 60005, (ii) Northwest Community Day Surgery Center II LLC, located at 675 West Kirchoff Road, Arlington Heights, Illinois 60005, (iii) Northwest Community Foot and Ankle Center LLC, located at 1455 East Golf Road, Des Plaines, Illinois 60016, and (iv) Northwest Endo Center LLC, located at 1415 South Arlington Heights Road, Arlington Heights, Illinois 60005.
2. NorthShore University HealthSystem authorizes the HFSRB and Illinois Department of Public Health (the "IDPH") to access information to verify documentation or information submitted by NorthShore University HealthSystem in connection with the COE filing requirements or to obtain any documentation or information which the HFSRB or IDPH finds pertinent to the COE applications mentioned above.

Sincerely,

Gerald P. Gallagher  
President and CEO

Notarized: State of Illinois, County of Cook  
Subscribed and sworn before me this 10<sup>th</sup> day of  
July, 2020.



Barbara M. Holland

Notary

My commission expires: 9/4/23

A Teaching Affiliate of  
the University of Chicago  
Pritzker School of Medicine

Hospitals • Medical Group • Research Institute • Foundation

HF 119297



**Illinois Department of  
PUBLIC HEALTH**

**LICENSE, PERMIT, CERTIFICATION, REGISTRATION**

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/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	I.D. NUMBER
12/31/2020		0000646
<b>General Hospital</b>		
Effective: 01/01/2020		

**NorthShore University HealthSystem  
dba NorthShore Univ. HealthSystem Evanston Hospital  
2650 Ridge Avenue  
Evanston, IL 60201**

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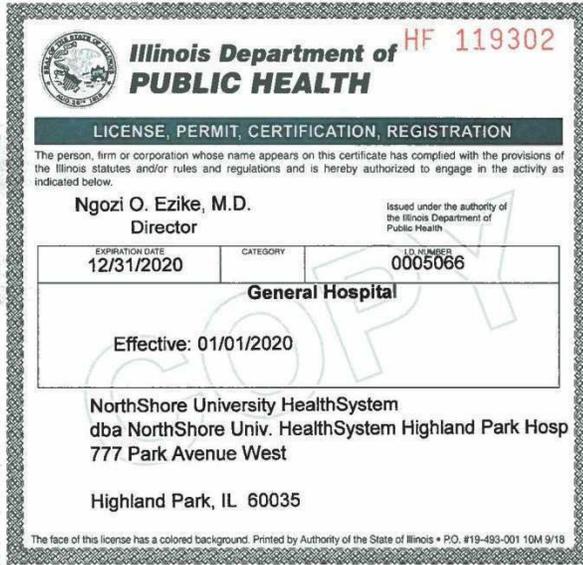
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Exp. Date 12/31/2020  
Lic Number 0000646

Date Printed 11/15/2019

NorthShore University HealthSystem  
dba NorthShore Univ. HealthSystem E  
2650 Ridge Avenue  
Evanston, IL 60201

FEE RECEIPT NO.



**Illinois Department of PUBLIC HEALTH** HF 119302

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 12/31/2020	CATEGORY	LO NUMBER 0005066
<b>General Hospital</b>		
Effective: 01/01/2020		

NorthShore University HealthSystem  
dba NorthShore Univ. HealthSystem Highland Park Hosp  
777 Park Avenue West

Highland Park, IL 60035

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Exp. Date 12/31/2020

Lic Number 0005066

Date Printed 11/15/2019

Validation Num

NorthShore University HealthSystem  
dba NorthShore Univ. HealthSystem Hi  
777 Park Avenue West  
Highland Park, IL 60035

FEE RECEIPT NO.

**Illinois Department of PUBLIC HEALTH** HF 119299

**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
12/31/2020		0003483

**General Hospital**

Effective: 01/01/2020

NorthShore University HealthSystem  
dba NorthShore Univ. HealthSystem Glenbrook Hospital  
2100 Pfingsten Road  
Glenview, IL 60025

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Exp. Date 12/31/2020  
Lic Number 0003483

Date Printed 11/15/2019

NorthShore University HealthSystem  
dba NorthShore Univ. HealthSystem G  
2100 Pfingsten Road  
Glenview, IL 60025

FEE RECEIPT NO.



**Illinois Department of  
PUBLIC HEALTH** HF 119303

**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	I.D. NUMBER
12/31/2020		0005587
<b>General Hospital</b>		
Effective: 01/01/2020		

**NorthShore University HealthSystem  
dba NorthShore University HealthSystem Skokie Hospital  
9600 Gross Point Rd  
Skokie, IL 60076**

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CONSPICUOUS PLACE

Exp. Date 12/31/2020

Lic Number 0005587

Date Printed 11/15/2019

NorthShore University HealthSystem  
dba NorthShore University HealthSystem  
9600 Gross Point Rd  
Skokie, IL 60076

FEE RECEIPT NO.



*grants this*

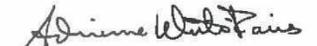
**CERTIFICATE OF ACCREDITATION**

*to*

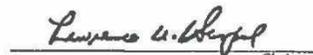
**Swedish Covenant Hospital**  
Chicago, IL

*This Facility has met the applicable HFAP accreditation requirements and is therefore fully accredited by the Healthcare Facilities Accreditation Program*

2018-2021

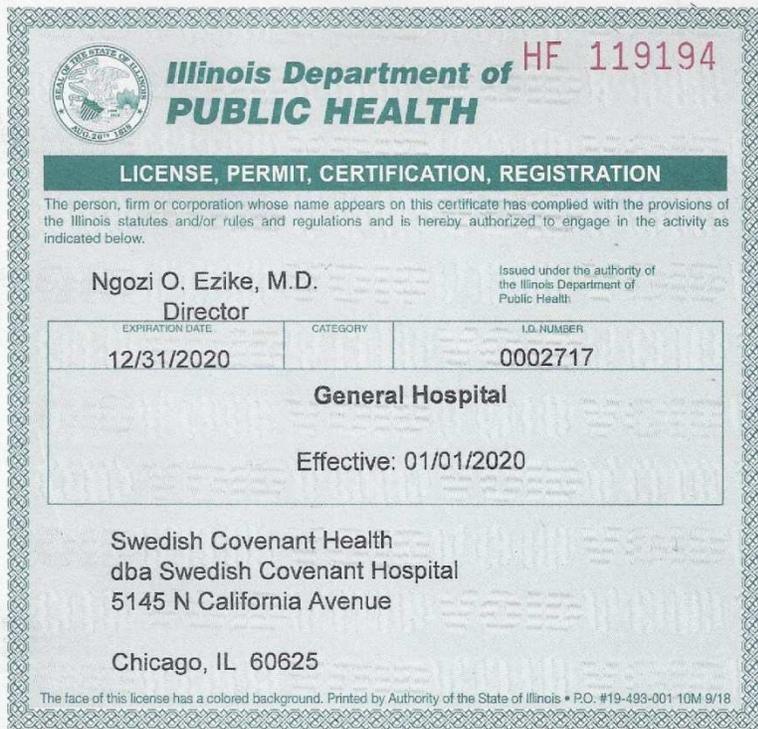
  
Executive Director  
American Osteopathic Association



  
Chairman  
Bureau Healthcare Facilities Accreditation

  
President  
American Osteopathic Association





**Illinois Department of PUBLIC HEALTH** HF 119194

**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	I.D. NUMBER
12/31/2020		0002717

**General Hospital**

Effective: 01/01/2020

Swedish Covenant Health  
dba Swedish Covenant Hospital  
5145 N California Avenue  
Chicago, IL 60625

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← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 12/31/2020

Lic Number 0002717

Date Printed 10/29/2019

Swedish Covenant Health  
dba Swedish Covenant Hospital  
5145 N California Avenue  
Chicago, IL 60625

FEE RECEIPT NO.



AMERICAN OSTEOPATHIC ASSOCIATION

**BUREAU OF HEALTHCARE FACILITIES ACCREDITATION  
HEALTHCARE FACILITIES ACCREDITATION PROGRAM**

142 E. Ontario Street, Chicago, IL 60611-2864 ph 312 202 8258 | 800-621 -1773 X 8258

February 28, 2018

Anthony Guaccio  
Chief Executive Officer  
Swedish Covenant Hospital  
5145 N California Ave  
Chicago, IL 60625

Dear Mr. Guaccio:

The American Osteopathic Association's Bureau of Healthcare Facilities Accreditation (BHFA) reviewed the triennial Deficiency Assessment Report for your Acute Care Hospital and granted Full Accreditation with resurvey within 3 years and does recommend that the Centers for Medicare and Medicaid Services Regional Office (CMS, RO) approve continued deemed status for:

Swedish Covenant Hospital  
5145 N California Ave  
Chicago, IL 60625

Center for Ambulatory Surgery  
Foster Medical Pavilion  
5215 North California, Suite #800  
Chicago, IL 60625

Outpatient Cardiac and Pulmonary Rehab  
Galter LifeCenter  
5157 N. Francisco, 2<sup>nd</sup> Floor  
Chicago, IL 60625

Wound Care/Hyperbaric Treatment  
Winona Building  
2751 W. Winona, 3<sup>rd</sup> Floor  
Chicago, IL 60625

CyberKnife Cancer Institute  
160 E Illinois St.  
Chicago, IL 60611

Outpatient Rehab Services  
Galter LifeCenter, 1st and 2nd Floors  
5157 N. Francisco  
Chicago, IL 60625

Pain Management  
Foster Medical Pavilion  
5215 N. California, Suite #600  
Chicago, IL 60625

**Program:** Acute Care Hospital  
**CCN #** 140114  
**HFAP ID:** 119094  
**Triennial Survey Dates:** 12/11/2017 – 12/14/2017  
**Plan(s) of Correction Received:** 01/12/2018  
**Effective Date of Accreditation:** 01/29/2018 – 01/29/2021

TREATING OUR FAMILY AND YOURS

[www.osteopathic.org](http://www.osteopathic.org) | [do-online.org](http://do-online.org)

Attachment 5

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

Foster Medical Pavilion Lab and X-ray  
5215 N. California, Suite #713  
Chicago, IL 60625

Condition Level Deficiencies:  None  
(Use crosswalk and CFR citations, if applicable):

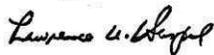
Swedish Covenant Hospital does not have Swing Beds and was not surveyed under those standards.

Swedish Covenant Hospital has a DPU Rehab Unit and a DPU Psych Unit and was surveyed under those standards. The facility met the requirements for both units.

This accreditation decision was reached on February 21, 2018 by the BHFA's Executive Committee.

In reviewing your report, the Bureau of Healthcare Facilities Accreditation (BHFA) made the observations that are contained on the enclosed Bureau Progress Report and requires that an Interim Progress Report be received in the AOA Division of Healthcare Facilities Accreditation prior to **December 10, 2018**.

Sincerely,



Lawrence U. Haspel, D.O.  
Chairman, Bureau of Healthcare Facilities Accreditation  
The Healthcare Facilities Accreditation Program  
LUH/CDC

c: CMS Central Office  
Region V, CMS

**SECTION III. CHANGE OF OWNERSHIP (CHOW)****Transaction Type. Check the Following that Applies to the Transaction:**

- Purchase resulting in the issuance of a license to an entity different from current licensee.
- Lease resulting in the issuance of a license to an entity different from current licensee.
- Stock transfer resulting in the issuance of a license to a different entity from current licensee.
- Stock transfer resulting in no change from current licensee.
- Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee.
- Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee.
- Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity.
- Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets.
- Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility.
- Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee.
- Change of ownership among related persons resulting in a license being issued to an entity different from the current licensee
- Change of ownership among related persons that does not result in a license being issued to an entity different from the current licensee.
- Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets and explain in "Narrative Description."

**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:**

<b>APPLICABLE REVIEW CRITERIA</b>	<b>CHOW</b>
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)(3) - 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)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

1130.520(b)(5) - 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)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(9)- 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

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

## **ATTACHMENT 6**

### **1130.520. Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility**

#### **Names of Parties, Post-Closing Licensee and Structure of the Transaction -(1130.520 (b)(1)(A), (b)(1)(B) and (b)(1)(C))**

NorthShore University HealthSystem, an Illinois not-for-profit corporation (“NorthShore”), and Northwest Community Healthcare, an Illinois not-for-profit corporation (“NCH”), are entering into a Membership Substitution Agreement (the “MSA”) which is scheduled to close December 31, 2020 or as soon thereafter as all closing conditions have been satisfied or waived (the “Closing”). Prior to the Closing, NCH, through its subsidiary Northwest Community Health Services, Inc., is the controlling member of Northwest Community Foot and Ankle Center LLC, an Illinois limited liability company (“NCFAC”). NCFAC operates an ambulatory surgical treatment center, located at 1455 East Golf Road, Des Plaines, IL 60016. Under the MSA, NorthShore will become the sole member of NCH (the “Planned Transaction”), and, therefore, the indirect controlling member of NCFAC.

This application is part of a series of Certificates of Exemption (“COE”) applications for changes of ownership/control of the HFSRB regulated facilities owned by NCH in Arlington Heights and Des Plaines, Illinois (the “Facilities,” as specified further below). While a separate COE is required and will be filed for each of the Facilities, the MSA relates to all of the Facilities.

NorthShore is a fully integrated health care delivery system serving primarily the north Chicago and northern suburbs of the greater Chicagoland area. Its operations include, among other things, five Illinois general acute care hospitals and three outpatient ambulatory surgical treatment centers.

Additionally, NCH has a controlling interest in Northwest Community Hospital, located at 800 West Central Road, Arlington Heights, Illinois 60005 (“Hospital”), and several ambulatory surgical treatment centers, including Northwest Endo Center LLC, located at 1415 South Arlington Heights Road, Arlington Heights, IL 60005 (“NEC”), and Northwest Community Day Surgery Center II LLC, located at 675 West Kirchoff Road, Arlington Heights, IL 60005 (“NCDSC” and collectively with NEC, NCFAC and Hospital, the “Facilities”).

Pursuant to the MSA, NorthShore will (i) become the sole and controlling member of NCH and (ii) will indirectly control the Facilities. NCFAC has three operating rooms and provides orthopedic and podiatry surgical services.

As part of the Planned Transaction, NCFAC will maintain its license and neither NCFAC’s name nor the legal entity that owns the physical plant and capital assets of NCFAC will change, but its affiliation with NorthShore may be included in signage, publications and other media.

#### **List of Membership Interests -1130.520(b)(1)(E)**

Prior to the completion of the Planned Transaction, NCH, through its subsidiary Northwest Community Health Services, Inc., is the controlling member of NCFAC. After the closing of the Planned Transaction, NorthShore will be the sole member of NCH, and, therefore, the indirect controlling member of NCFAC.

#### **Fair Market Value of Assets -1130.520(b)(1)(F)**

The fair market value of NCDSC is \$4,079,400.<sup>1</sup>

**Purchase Price -1130.520(b)(1)(G) (NOT APPLICABLE)**

The transaction is a membership substitution in an Illinois not-for-profit corporation. As such, no consideration (e.g., money, property or other assets) will be given in connection with the membership interest substitution.

**Affirmation regarding Outstanding CON Permits -1130.520(b)(2)**

NCDSC has no outstanding Certificate of Need permits or exemptions.

**Potential Benefits and Cost Savings of the Planned Transaction -1130.520(b)(4) and (b)(5)**

*Potential Benefits*

NCDSC is joining NorthShore to become a part of a regional, community-focused healthcare system across Chicago's north and northwest suburbs. The affiliation will enhance delivery of top-quality primary, immediate and specialty care services, and provide broader geographic access connecting patients to care close to home. By coming together, patients throughout the region will benefit from two exemplary physician networks of employed and independent doctors providing localized care decisions and enhanced services growing and convenient access points. NorthShore will work to define and implement the integration of NCDSC in a manner that:

- Continues to expand and improve patient access to comprehensive, convenient, high quality, outpatient healthcare throughout the communities, including access to advanced specialty care across the combined system;
- Continues to improve and manage the health status of the population of the communities served by the combined system;
- Continues to invest in facilities, equipment, network developments and information technology;
- Promotes community health and well-being through enhanced patient care;
- Builds the medical community through strongly-aligned relationships and enhanced education and developmental opportunities among primary care, core specialist, subspecialist, group practice physicians and other members of the staff;
- Enhances sound stewardship through the efficient delivery of all services, resulting in favorable financial performance for the system entities;
- Develops a comprehensive delivery system, resulting in improved outcomes and quality of life for patients;
- Enhances physician, payor and patient preference; and

<sup>1</sup> This figure reflects the NCH's portion of its membership interest in NCDSC based on NCDSC's enterprise value. This valuation represents a snapshot of the fair market value which is subject to changes over time based on fluctuations in the data in the ordinary and non-ordinary course of business.

- Enhances community benefit and public policy advocacy.

The parties believe this transaction will result in delivering superior value and quality to patients, physicians and payers, and will also be in the best interests of the community at large.

*Potential Cost Saving.*

The Planned Transaction will present significant opportunities to improve health care delivery and access to services provided in the combined system's service area in a manner that results in cost savings and other efficiencies that will ensure that NorthShore and NCH can more effectively continue their shared charitable mission and purposes. Such opportunities will likely include initiatives for integration of information technology and system-wide support functions, with the goal of enhancing operational uniformity, efficiency, quality, outcomes and performance, as well as access to in-house resources of NorthShore's system.

**Quality Improvement Program to be Utilized at NCDSC – 1130.520(b)(6)**

NCH and NorthShore share a longstanding commitment to a culture of quality, safety, service and evidence-based practices. By aspiring to consistently engage in process improvement and improve consistency to meet the highest standards for quality and patient satisfaction, NCDSC and NorthShore will continue to advance the commitment to delivering care that is of the highest quality, and eliminates preventable harm. It is also anticipated that NorthShore will evaluate opportunities to integrate NCDSC's quality plan with NorthShore's quality plan after the closing of the Planned Transaction.

**Governing Body Composition/Selection Process -1130.520(b)(7)**

Upon consummation of the Planned Transaction, the officers and members of NCDSC will remain the same and continue to consist of physician representatives and board members appointed by NCH.

**Scope of Services – 1130.520(b)(9)**

There will be no changes in the Categories of Service provided by NCDSC within 24 months following the closing of the Planned Transaction with NorthShore unless it applies for and obtains approval from the HFSRB to make any adjustments necessary to best address the health care needs of the community served by NCDSC.

**SECTION IV.CHARITY CARE INFORMATION**

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 7.**

<b>CHARITY CARE</b>			
	<b>Year</b>	<b>Year</b>	<b>Year</b>
<b>Net Patient Revenue</b>			
Amount of Charity Care (charges)			
Cost of Charity Care			

**APPEND DOCUMENTATION AS ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**ATTACHMENT 7**

## 1. Charity Care Information – Northwest Community Day Surgery Center II LLC

	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Net Patient Revenue	\$14,603,651	\$13,883,900	\$14,365,963
Amount of Charity Care (charges)	\$558,863	\$291,650	\$100,530
Cost of Charity Care	\$123,237	\$69,952	\$29,366

## 2. Charity Care Information – NorthShore University HealthSystem

	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Net Patient Revenue	\$1,270,483,123	\$1,295,160,316	\$1,407,899,750
Amount of Charity Care (charges)	\$62,776,737	\$70,231,298	\$73,166,467
Cost of Charity Care	\$15,967,076	\$17,190,094	\$18,270,106

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

<b>INDEX OF ATTACHMENTS</b>		
<b>ATTACHMENT NO.</b>		<b>PAGES</b>
1	Applicant Identification including Certificate of Good Standing	14-17
2	Site Ownership	18-26
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	27-29
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	30-32
5	Background of the Applicant	34-53
6	Change of Ownership	57-59
7	Charity Care Information	61