POLSINELLI

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

October 31, 2018

Kara Friedman
(312) 873-3639
(312) 819-1910 fax
kfriedman@polsinelli.com

FEDERAL EXPRESS

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

Re: Application for Exemption Permit - Chicago Surgery Center, LLC

Dear Mr. Constantino:

Enclosed is an application for a certificate of exemption (COE) for the change of ownership of Hispanic-American Endoscopy Center, LLC dba Chicago Endoscopy Center (the "Operating Entity"). The applicants, as we discussed through technical assistance with staff, are the Operating Entity which after the closing of the transaction will be owned by two individuals, each 50%, Igor Russo and Ryan Rosenthal. After the closing of the transaction, the real estate will be owned by 3536 Fullerton, LLC.

We have enclosed a check for $2500 payable to the Illinois Department of Public Health to cover the filing fee.

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

Sincerely

Kara Friedman

Kara Friedman

Attachments

E-060-18

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2018-2 Edition

ORIGINAL

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

RECEIVED
NOV 01 2018
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Chicago Surgery Center, LLC		
Street Address: 3536 W. Fullerton Ave		
City and Zip Code: Chicago, IL 60647		
County: Cook	Health Service Area: 6	Health Planning Area:

Legislators

State Senator Name: Iris Y. Martinez
State Representative Name: Will Guzzardi

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

Exact Legal Name: Hispanic American Endoscopy, L.L.C.
Street Address: 3538 W. Fullerton Ave
City and Zip Code: Chicago, IL 60647
Name of Registered Agent: Brian Timothy Morrow
Registered Agent Street Address: 717 Maple Ave
Registered Agent City and Zip Code: Downers Grove, IL 60515
Name of Chief Executive Officer: Ramon A. Garcia
CEO Street Address: 3538 W. Fullerton Ave
CEO City and Zip Code: Chicago, IL 60647
CEO Telephone Number: 773-772-1212

Type of Ownership of Applicants

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

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Dr. Ryan Rosenthal
Title: Owner
Company Name: APM
Address: 2935 W. 63rd Street, Chicago, IL 60629
Telephone Number: 773-776-3166
E-mail Address: ryan.rosenthal@apm.info
Fax Number:

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: Chicago Surgery Center, LLC
Street Address: 3536 W. Fullerton Ave
City and Zip Code: Chicago, IL 60647
County: Cook Health Service Area: 6 Health Planning Area:

Legislators

State Senator Name: Iris Y. Martinez
State Representative Name: Will Guzzardi

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

Exact Legal Name: 3536 Fullerton, LLC
Street Address: 6933 W. North Ave
City and Zip Code: Oak Park, IL 60302
Name of Registered Agent: Wayne Shapiro
Registered Agent Street Address: 111 W. Washington St, Ste 920
Registered Agent City and Zip Code: Chicago, IL 60602
Name of Chief Executive Officer: Igor Russo
CEO Street Address: 6933 W. North Ave
CEO City and Zip Code: Oak Park, IL 60302
CEO Telephone Number: 773-776-3166

Type of Ownership of Applicants

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

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Dr. Ryan Rosenthal
Title: Owner
Company Name: APM
Address: 2937 W. 63rd Street, Chicago, IL 60629
Telephone Number: 773-776-3166
E-mail Address: ryan.rosenthal@apm.info
Fax Number:

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

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli
Address: 150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

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: Kara Friedman
Title: Attorney
Company Name: Polsinelli
Address: 150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Garcia Properties, Inc.
Address of Site Owner: 3538 W. Fullerton Ave, Chicago IL 60647
Street Address or Legal Description of the Site: 3536 W. Fullerton Ave, Chicago IL 60647 **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee after the Project is Complete

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

Exact Legal Name: Hispanic American Endoscopy Center, L.L.C.
Address: 3538 W. Fullerton Ave, Chicago, IL 60647

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

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

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

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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.

Hispanic American Endoscopy Center, L.L.C d/b/a Chicago Surgery Center, LLC, (the "ASC") is a multi-specialty surgical treatment center location in Chicago, Illinois. In the proposed transaction, Dr. Roman Garcia will sell his interest to Dr. Ryan Rosenthal and Dr. Igor Russo. Dr. Rosenthal and Dr. Russo will each have 50% ownership interest in the ASC.

Assuming approval at or before the December 4, 2018 Health Facilities Services Review Board ("HFSRB") meeting, the parties intended to close this transaction at the end of the December with an effective date of January 1, 2019.

Related Project Costs

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

Land acquisition is related to project ☒ Yes ☐ No
Purchase Price: $ 2,000,00

Fair Market Value: $2,000,000

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
☐ APORS
☐ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the Application being deemed incomplete.

CERTIFICATION

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

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

This Application is filed on the behalf of Hispanic American Endoscopy Center, L.L.C. *

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE	SIGNATURE
Ramon A. Garcia, M.D. PRINTED NAME	PRINTED NAME
Sole Member PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 22 day of October	Notarization: Subscribed and sworn to before me this _____ day of _____
Signature of Notary	Signature of Notary
Seal	Seal

SEAN WEIL
Official Seal
Notary Public - State of Illinois
My Commission Expires Oct 8, 2019

*Insert the EXACT legal name of the applicant

CERTIFICATION

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

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

This Application is filed on the behalf of 3536 Fullerton, LLC*

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

DR. Igor Russo
PRINTED NAME

Managing Member
PRINTED TITLE

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

Xaviera Allison
Signature of Notary

Seal

XAVIERA ALLISON
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
December 20, 2021

SIGNATURE

Dr. Ryan Rosenthal
PRINTED NAME

Managing Member
PRINTED TITLE

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

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

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.

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:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(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

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)(8) - A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility	X
1130.520(b)(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.

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.

CHARITY CARE			
	Year	**Year**	**Year**
Net Patient Revenue			
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.

Section I, Identification, General Information, and Certification
Applicants

Certificate of Good Standing for 3536 Fullerton, LLC and Hispanic American Endoscopy Center, L.L.C. d/b/a Chicago Surgery Center, LLC is attached at Attachment – 1.

Attachment – 1

File Number 0105909-2

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

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

HISPANIC AMERICAN ENDOSCOPY CENTER, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 26, 2003, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 23RD *day of* OCTOBER *A.D.* 2018 .

Authentication #: 1829600810 verifiable until 10/23/2019
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

File Number 0730887-6

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

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

3536 FULLERTON, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON OCTOBER 30, 2018, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 31ST *day of* OCTOBER *A.D.* 2018 .

Authentication #: 1830401888 verifiable until 10/31/2019
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

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

The property deed and letter of intent for the building located at 3536 W. Fullerton Ave, Chicago, IL 60647 is attached at Attachment – 2.

Attachment – 2

0416039138

Doc#: 0416039138
Eugene "Gene" Moore Fee: $28.50
Cook County Recorder of Deeds
Date: 06/08/2004 04:38 PM Pg: 1 of 3

QUIT CLAIM DEED

The Grantor, RAMON A. GARCIA, a person married to MARILYN S. GARCIA, of Village of Winnetka, County Cook, State of Illinois, for and in consideration of TEN AND NO/100 ($10.00) DOLLARS, and other good and valuable consideration in hand paid, CONVEYS and QUIT CLAIMS to Grantee, to GARCIA PROPERTIES, INC., the all right, title and interest in and to the following described Real Estate situated in the County of Cook, in the State of Illinois, to wit:

LOT 19 IN S.A. SMALLEY'S SUBDIVISION OF THE WEST 1/2 OF LOT 16 IN KIMBELL'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 AND THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT 25 ACRES IN THE NORTHEAST CORNER) IN COOK COUNTY, ILLINOIS.

PERMANENT REAL ESTATE INDEX NO. 13-26-423-039

COMMONLY KNOWN AS: 3536 W. Fullerton, Chicago, IL 60647

This is not Homestead property.

Dated this 31ST day of March, 2004.

X _____
RAMON A. GARCIA

GG

SY
2pg3
B
my
JP

Attachment - 2

STATE OF ILLINOIS, COUNTY OF Cook ss. I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT, RAMON A. GARCIA, personally known to me to be the same person(s) whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes set forth.

Given under my hand and Official Seal this 31 day of March, 2004.

Notary Public

OFFICIAL SEAL
VICKY LEE KOVACS
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 03/05/06

Commission Expires:

THIS INSTRUMENT WAS PREPARED BY: Brian T. Morrow, 6301 S. Cass Avenue, Suite 200, Westmont, IL 60559.

Mail To:

Address of Property:

3536 W. Fullerton
Chicago, IL 60647

Send Subsequent Tax Bills To:

Recorder's Office Box No.

EXEMPT UNDER PROVISIONS OF PARAGRAPH e, SECTION 31-45 OF THE REAL ESTATE TRANSFER TAX LAW.

3/31/04
DATE

BUYER, SELLER OR SELLERS REPRESENTATIVE

STATEMENT BY GRANTOR AND GRANTEE

The Grantor or his Agent affirms that, to the best of his knowledge, the name of the Grantee shown on the Deed or Assignment of Beneficial Interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire title to real estate under the laws of the State of Illinois.

Dated March 31, 2004

Signature: _____
Grantor or Agent

Subscribed and sworn to before me
by the said Agent - Brian Morris
this 31 day of March, 2004
Notary Public _____

OFFICIAL SEAL
VICKY LEE KOVACS
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 03/08/07

The Grantee or his Agent affirms and verifies that the name of the Grantee shown on the Deed or Assignment of Beneficial Interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire and hold title to real estate under the laws of the State of Illinois.

Dated March 31, 2004

Signature: _____
Grantee or Agent

Subscribed and sworn to before me
by the said Agent - Brian Morris
this 31 day of March, 2004
Notary Public _____

OFFICIAL SEAL
VICKY LEE KOVACS
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 03/08/07

Note: Any person who knowingly submits a false statement concerning the identity of a Grantee shall be guilty of a Class C misdemeanor for the first offense and of a Class A misdemeanor for subsequent offenses.

(Attached to Deed or ABI to be recorded in Cook County, Illinois, if exempt under the provisions of Section 4 of the Illinois Real Estate Transfer Tax Act.)

Revised 10/02-cp

October 22, 2018

Re: Proposed Real Estate Transaction

Dear Dr. Garcia.:

This real estate letter of intent ("LOI"), dated October 22, 2018 (the "Effective Date"), confirms the planned sale of the building located at 3536 West Fullerton, Chicago, Illinois 60647 (the "Real Estate") and associated planned leasing arrangements.

The current owner of the Real Estate is Garcia Properties, Inc. ("Seller"). The buyer of the Real Estate, shall be 3536 Fullerton, LLC, a newly formed entity owned 50% by Ryan Rosenthal, D.C. and 50% by Igor Russo, D.C. ("Buyer"). After the sale of the Real Estate to Buyer, Buyer will, in turn, lease the Real Estate to Hispanic-American Endoscopy Center, LLC d/b/a Chicago Endoscopy Center, ASTC which currently leases the Real Estate from Seller. The expected material terms of the sale of the Real Estate will be set forth pursuant to a negotiated real estate contract.

It is expressly understood that this LOI is not intended to be, and shall not be construed to be, a binding commitment, agreement or contract and that the parties shall not be entitled to any recourse, in the form of damages, equitable relief or otherwise, for expenses incurred or benefit conferred or lost in the event that there is a failure, for whatever reason, of the parties to agree on any term or terms and/or provisions of definitive agreements.

[Signature Page of Real Estate LOI to Follow]

Sincerely,

Ryan Rosenthal, D.C.

Igor Russo, D.C.

ACCEPTED AND AGREED:
to this 22th day of October, 2018:

Ramon Garcia, M.D.

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

Hispanic American Endoscopy Center, L.L.C. is the operating entity for Chicago Surgery Center, LLC, which is the trade name of the ASC. Following the transaction Hispanic American Endoscopy Center, L.L.C. will remain the operating entity for the facility. The Illinois Certificate of Good Standing for Hispanic American Endoscopy Center, L.L.C. is attached at Attachment – 3.

File Number 0105909-2

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

HISPANIC AMERICAN ENDOSCOPY CENTER, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 26, 2003, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 23RD *day of* OCTOBER *A.D.* 2018 .

Jesse White

SECRETARY OF STATE

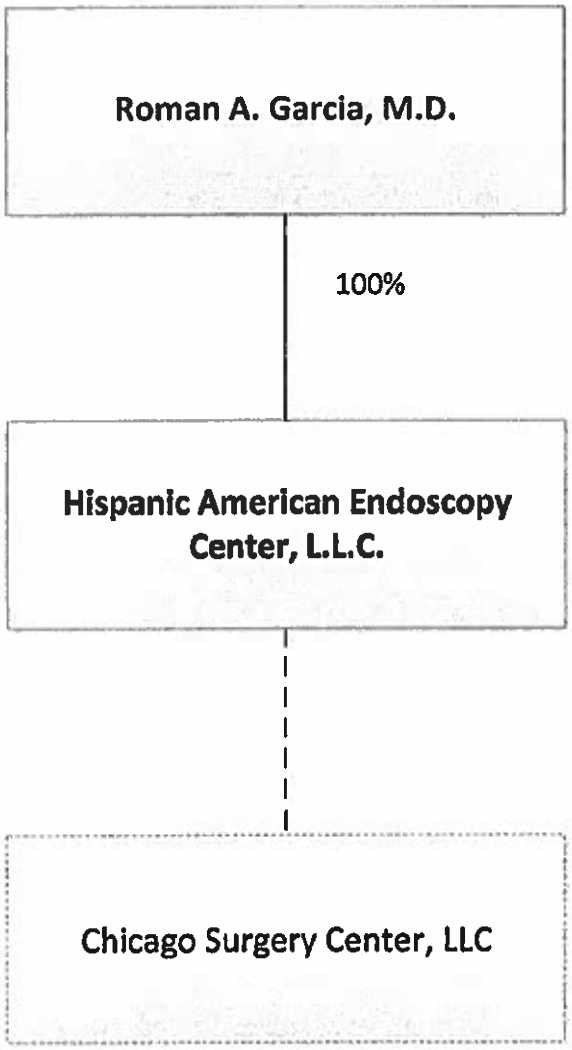
Authentication #: 1829600810 verifiable until 10/23/2019
Authenticate at: http://www.cyberdrive.illinois.com

Section I, Identification, General Information, and Certification
Organizational Relationships

The organizational chart showing the current ownership structure of Hispanic American Endoscopy Center, L.L.C., along with the post-closing ownership structure is enclosed at Attachment – 4.

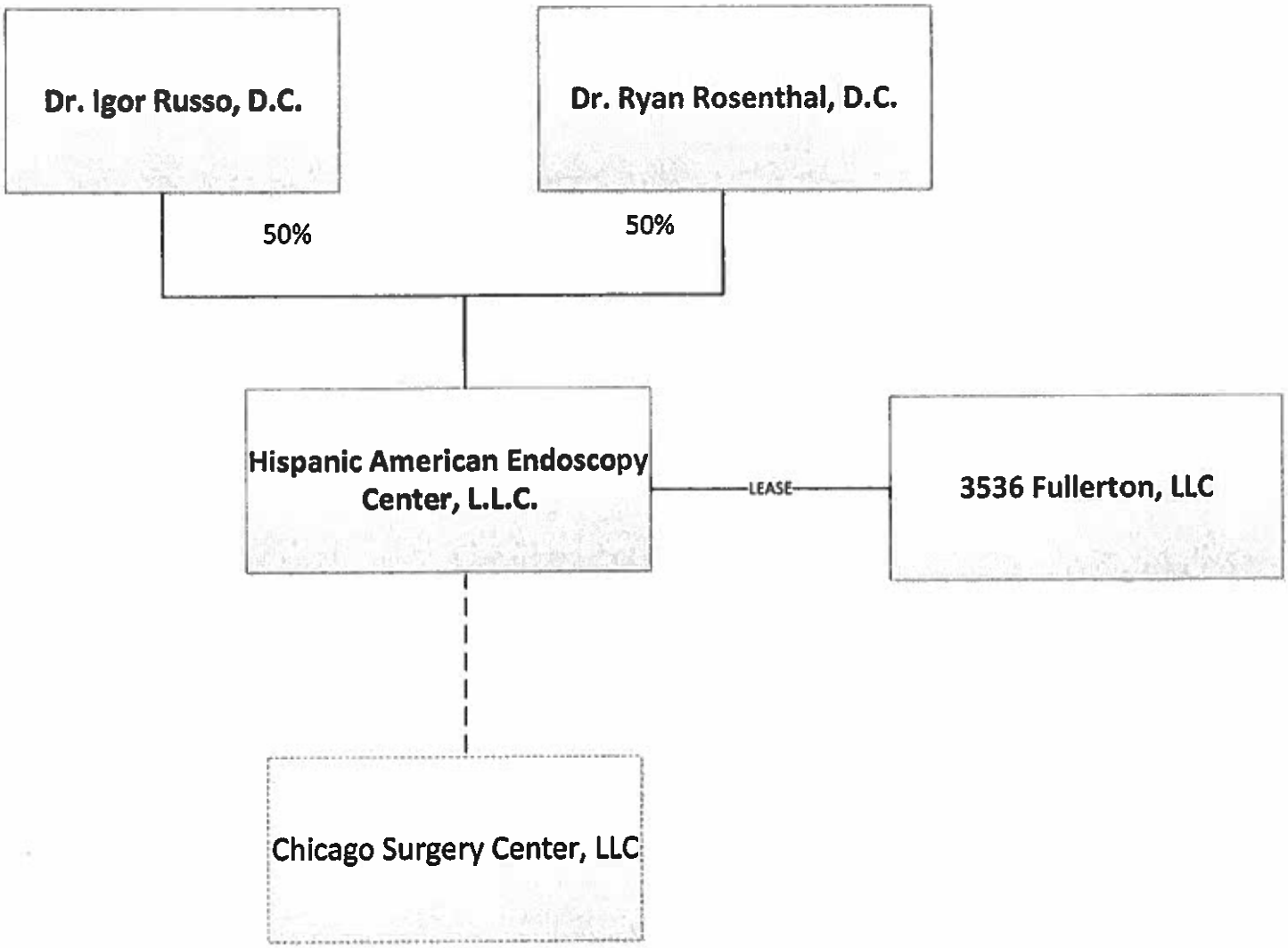
Attachment – 4

CHICAGO SURGERY CENTER, LLC
CURRENT ORGANIZATIONAL STRUCTURE



ATTACHMENT - 4

CHICAGO SURGERY CENTER, LLC
PROPOSED ORGANIZATIONAL STRUCTURE



ATTACHMENT - 4

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

Background of Applicant

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

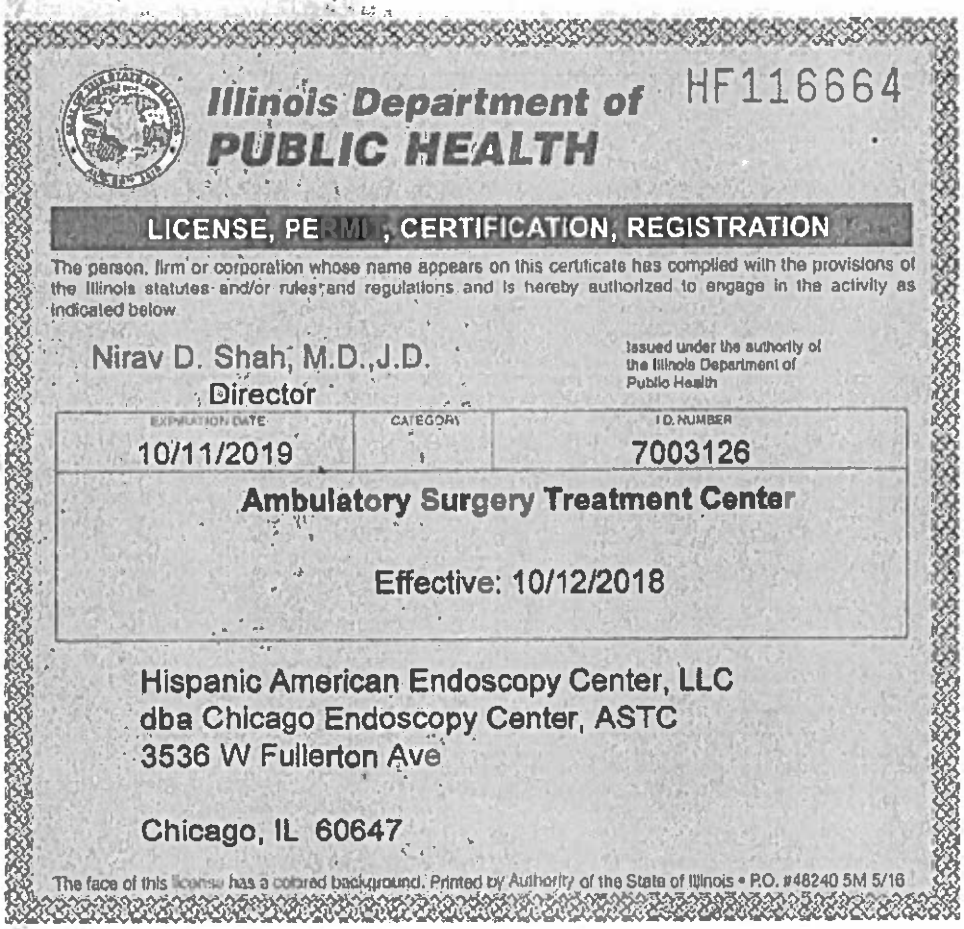
   Applicant owns and operates only one health care facility: Chicago Surgery Center, LLC, located at 3536 W. Fullerton Ave, Chicago, IL 60647.

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

   By their signature on the Certification pages to this application, each of the Applicants attest that no adverse action has been taken by IDPH, CMS, or any other State or Federal Agency against any facility owned and/or operated by them during the three years prior to the filing of this application.

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

   By their signature on the Certification pages to this application, each of the Applicants authorize the HFSRB and IDPH to access any documents necessary to verify the information submitted, including but limited to: (i) official records of DPH or other State Agencies; (ii) the licensing or certification records of other states, when applicable; and (iii) the records of national recognized accreditation organizations.



Illinois Department of PUBLIC HEALTH

HF116664

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

Nirav D. Shah, M.D., J.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
10/11/2019		7003126

Ambulatory Surgery Treatment Center

Effective: 10/12/2018

Hispanic American Endoscopy Center, LLC
dba Chicago Endoscopy Center, ASTC
3536 W Fullerton Ave

Chicago, IL 60647

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #48240 5M 5/16

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 10/11/2019

Lic Number 7003126

Date Printed 10/1/2018

Hispanic American Endoscopy Center,
dba Chicago Endoscopy Center, AST
3536 W Fullerton Ave
Chicago, IL 60647-2443

FEE RECEIPT NO.

The Joint Commission

January 23, 2018

Ramon A. Garcia, M.D.
President
Hispanic American Endoscopy Center
3536 W Fullerton Avenue
Chicago, IL 60647

Joint Commission ID #: 462063
Program: Ambulatory Health Care
Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 01/05/2018

Dear Dr. Garcia:

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 27, 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,

Mark Pelletier

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

October 22, 2018

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

Dear Vice Chair Sewell:

I hereby certify under penalty of perjury as provided in §1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by Hispanic American Endoscopy Center, L.L.C. in the State of Illinois during the three years prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

Ramon A. Garcia, M.D.
Sole Member
Hispanic American Endoscopy Center, L.L.C.

Subscribed and sworn to me
This 22 day of October, 2018

SEAN WEIL
Official Seal
Notary Public - State of Illinois
My Commission Expires Oct 8, 2019

Notary Public

3536 West Fullerton Avenue . Chicago, Illinois 60647

773-772-1212 Fax: 773-772-8666

Section III, Change of Ownership
Criterion 1110.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

Applicable Review Criteria – CHOW

1. **1130.520 (b)(1)(A)- Names of the parties**

   The Applicants are 3536 Fullerton, LLC and Hispanic American Endoscopy Center, L. L. C. (collectively, the "Applicants")

2. **1130.520(b)(1)(B) – Background of the parties**

   Each of the applicants, by their signatures to the Certification pages of this application, attest 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.

   Each of the applicants, by their signatures to the Certification pages of this application, attest 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 facilities owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.

3. **1130.520(b)(1)(C) – Structure of the transaction**

   Hispanic American Endoscopy Center, L.L.C. is currently the approved operating entity of Chicago Surgery Center, LLC. Following the transaction, Dr. Ryan Rosenthal and Dr. Igor Russo will each have 50% ownership interest in Chicago Surgery Center, LLC. Hispanic American Endoscopy Center, L.L.C. will remain the operating entity for the surgical center after the transaction closes.

4. **1130.520(b)(1)(D) – Name of Licensed Entity after Transaction**

   Hispanic American Endoscopy Center, L.L.C. will remain the licensee of the ASTC following the transaction.

5. **1130.520(b)(1)(E) – List of ownership or membership interests in such licensed or certified entity both prior to and after transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons**

   An organizational structure of the current owner, as well as the post-closing organizational structure of the proposed applicants are attached at Attachment - 4.

6. **1130.520(b)(1)(F) – Fair market value of assets to be transferred**

   The fair market value of the transferred assets is $2,000,000.

7. **1130.520(b)(1)(G) – Purchase price or other forms of consideration to be provided**

   Purchase price is $2,000,000.

8. **1130.520(b)(2) – Affirmations**

In accordance with 77 Ill. Adm. Code §1130.520, Applicants affirm that there is no project for which permits have been issued but which have not been completed.

9. **1130.520(b)(2) – If ownership change is for hospital, affirmation that the facility will not adopt a more restrictive charity care policy that 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.**

   Not applicable.

10. **1130.520(b)(2), A statement as to the anticipated benefits of the proposed changes in ownership to the community.**

    The purpose of the proposed acquisition of the Hispanic American Endoscopy Center, L.L.C. is to ensure patients in Chicago, Illinois have continued access to high quality, cost-effective surgical services. The Applicant will continue under existing Quality Assessment & Performance Improvement Plan.

11. **1130.520(b)(2) The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change of ownership**

    The purpose of the proposed acquisition of the Hispanic American Endoscopy Center, L.L.C. is to ensure patients in Chicago, Illinois have continued access to high quality, cost-effective surgical services. ASC charges and reimbursement are substantially lower than hospital charges and reimbursement and there is only a small supply of surgery centers in the city of Chicago.

12. **1130.520(b)(2) – A description of the facilities quality improvement program mechanism that will be utilized to assure quality control**

    The Applicants quality program mechanism is attached at Attachment 6-12. This is the current policy and will continue in effect after closing.

13. **1130.520(b)(2) – A description of the selection process that the acquiring entity will use to select the facilities governing body**

    The ASC will be managed it by its two sole members after closing, Dr. Ryan Rosenthal and Dr. Igor Russo.

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

    Not applicable.

15. **1130.520(b)(2) – A description or summary of any proposed changes to the scope of service or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition**

    There are no proposed changes to the scope of services or levels of care that were planned to be provided at the facility that are anticipated to occur within twenty-four months after the acquisition. However, if any such change is subsequently determined to be advantageous, the ASC will seek any associated approval that may be required for such a change consistent with the Health Facilities Service Review Board law and rules.

Quality Assessment & Performance Improvement Plan

In compliance with the Mission, Vision, and Values of this organization the purpose of our Quality Assessment & Performance Improvement Plan is to provide high quality of care to our patients. Our goal is to provide a planned, systematic and interdisciplinary (organization-wide) approach to identifying, measuring and assessing areas for improvement in clinical, administrative and managerial processes and outcomes.

The Quality Assessment & Performance Improvement Plan for this facility is a comprehensive program designed to objectively and systematically evaluate the quality and appropriateness of services provided, pursue opportunities to improve care, identify trends that warrant evaluation or action, modify processes to improve care in a continuous manner, and resolve identified problems using a multidisciplinary approach.

The Quality Assessment & Performance Improvement Plan implemented by the facility is one component of the facilitywide performance improvement program. The findings, conclusions drawn, recommendations made, actions taken, and the results/effectiveness of actions taken are communicated to the Board through the Quality Council (QC). Quarterly reports of the performance improvement activities are presented to the Quality Council (QC). All activities are reported to the Board on a quarterly basis.

The purpose of the Quality Assessment & Performance Improvement Plan of this organization is to carry out its mission. The facility will describe how it will plan, design, measure, assess, and improve its performance in-patient and organizational functions using the plan, do, check, act (PDCA) model.

Specific/key components within the facility's performance improvement program include:

a. Ongoing monitoring of performance measures to systematically assess and evaluate each department's performance in relation to appropriateness and quality of important aspects of care provided;
b. Systematic evaluation of care provided by personnel employed;
c. Ongoing evaluation, study and modification of processes within each department to continuously improve the services provided.
d. Opportunity for Improvement (OFI) form
e. Process Design
f. Performance Measurement
g. Performance Assessment
h. Performance Improvement

STRUCTURE:

In order to insure that the organization approaches PI in a planned, systematic, organization-wide manner, the following structure has been created:

Quality Council

This body is sometimes referred to as the Quality Improvement (QI) committee as well. This committee was designed to guide the direction of the organization's performance improvement projects. The committee members are a representation of clinical, non-clinical, administrative and medical staff members. They provide the following functions:

1. Improve the performance of the organization.
2. Review/coordinate performance improvement activities.
3. Ensure that measurement activities are complete, reliable, valid and accurate on an ongoing basis.
4. Identify performance improvement projects.
5. Prioritize performance improvement projects.

6. Review departmental reports of departmental indicators (quality control activities) that have been a variance for two consecutive quarters.
7. Act on information to improve organization performance.
8. Follow up the effectiveness of the actions taken over time.
9. Peer Review activities
10. Participation in external and internal performance benchmarking activities that allow for the comparisons of key performance measures with other similar organizations or with recognized best practices of national or professional targets or goals
11. Infection Control Activities
12. Risk Management/Incident Reporting Activities

COMPOSITION:

The Governing Board shall determine the composition of this council, (i.e., Safety Officer, Performance Improvement Coordinator). This council will be responsible for ensuring appropriate review and follow up of the ongoing activities pertaining to patient care.

Meetings will be held quarterly.

COMMUNICATION:

Cooperation and communication with the Owner, Medical Director, and staff providing continuous quality patient care.

PERFORMANCE IMPROVEMENT PROGRAM-EMPLOYEE ROLE:

Each employee of the facility has a direct role In the Quality Assessment & Performance Improvement Plan and the Performance Improvement process at the facility. By recognizing that each job task has the ability to affect the overall quality of the facility's activities, each employee comes to understand that every action has the capability to improve or lessen the quality of patient care. Performance Improvement is not the role of the supervisor, but the role of each individual employee.

PLAN:

The facility will identify methods for designing new processes and services and/ or the improvement of existing processes by the following criteria:

1. It is consistent with the organization's mission;
2. All resources have input in to the development of the plan;
3. Annual review of the plan and revisions are completed as necessary;
4. Approval from the Quality Council and Governing Board;
5. Evaluation of high risk, high volume, or problem prone areas;
6. The needs and expectation of the patients, staff, community, medical staff, payors and others is considered;
7. Common practice guidelines, and up to date sources of information are used for improvement.

MEASUREMENT:

In measuring performance improvement projects, the collection of data is what forms the basis for determining the level of performance of the existing processing and outcomes resulting from these processes. The measurement must be completed in a systematic, relate to the performance, and be appropriate in scope.

Data is measured by:

1. Process (goal-directed, interrelated series of actions events, mechanisms, or steps) and outcomes;
2. Indicates are established for both quality and quantity;
3. Satisfaction of our customers and their expectations.

PERFORMANCE IMPROVEMENT GUIDELINES:

Facilitator responsibilities:

1. Neutral for the group process;
2. Provides structure;
3. Focuses the group's direction;
4. Acts as a liaison/ mediator for the meetings, and ends the meeting if there are problems such as:
    a. Verbal attacks of ideas and or persons;
    b. Argumentative discussions;
    c. Unwillingness to participate;
    d. Repeated side conversations.

This person should:

1. Create an environment for equal participation and involvement;
2. Uses effective communication skills;
3. Responsible to feedback from the group;
4. Encourages resolution of issues and to take action;
5. Gives feedback on the success of the project;
6. Provides education and problem solving tools (conflict resolution, group development).

Facilitator qualities:

1. Ability to articulate;
2. Organized;
3. Sensitive to issues;
4. Tactful;
5. Confident;
6. Good listening skills;
7. Ability to paraphrase;
8. Patient;
9. Good teaching skills;
10. Effective written and verbal skills.

PROGRAM OBJECTIVES:

1. To systematically design, monitor, and evaluate the quality and effectiveness of patient care and organizational functions and processes;
2. To devise ways to improve and actively address identified problems;
3. To help staff improve the processes in which they are involved;
4. To encourage teamwork and establish communication strategies when problems or opportunities to improve services involve others;
5. To identify relationships between patient care, cost, and patient outcomes;
6. To promote a more effective and efficient utilization of our facility and the services we provide.

RESPONSIBILITIES:

Governance through the Quality Council shall be responsible for the over sight of the Performance Improvement Plan and activities and is ultimately responsible for any corrective actions, monitoring plans, and follow-up activities which may be deemed necessary on the basis of review findings.

The Quality Control Coordinator and/or designee will serve as the facilitator of the Quality Council/Performance Improvement committee and is responsible for:

1. Organization and presentation of data;
2. Supervision of staff in carrying out the Performance Improvement Plan;
3. Following up on effectiveness of action;
4. Preparing a written report of the year's results for the Governing Board;
5. Documenting revisions to the Performance Improvement Plan.

Performance improvement activities will be addressed through the company's Quality Council and will be comprised of individuals who perform various functions with the organization. The committee will meet quarterly and shall be responsible for:

1. Development and application of criteria;
2. Evaluation of data that influences important processes or outcomes related to patient care and organizational functions;
3. Identifying important problems and concerns;
4. Implementing measures to address and resolve problems and concerns;
5. Re-evaluating problems and concerns to determine whether corrective measures have been achieved and sustained to obtain the desired results.

Performance improvement problems identified shall be referred to the Quality Council and the Governing Board.

Annually the Governing Board will review the Quality Assessment & Performance Improvement Plan.

PRIORITIES:

Priorities will be established by the Quality Council and Governing Board based on the following:

1. *High Volume* (Care or service occurs frequently or affects large number of patients);
2. *High Risk* (Patients are potentially exposed to serious complications or are deprived of substantial benefits when care is not provided appropriately);
3. *Problem Prone* (Documented history of producing inappropriate variations in care/service);
4. *Regulatory Issue, or an area identified for on-going evaluation by and accreditation body, state or federal government or*
5. *An issue that has been identified through performance improvement activities.*

All changes made in priorities will be made by the Governing Board.

MODEL:

The Plan-Do-Check-Act cycle is the model to be used in carrying out Performance Improvement Activities.

PLAN

- An operational plan for testing the chosen improvement action is created;
- Data to monitor the process for improvement is determined;

DO

- Collect and analyze the data on the improvement process;
- Make improvement changes and take action when indicated and appropriate;

CHECK

- Establish decision/review points to determine the effectiveness of changes;
- Assess the effects of the improvements;
- Analyze the improvement results;

ACT

- Team meets on a regular basis to determine what was learned;
- Tests or actions re repeated if necessary to ensure process improvement;
- Communicate information to the Quality Council and Leadership.

DATA COLLECTION:

Data that will be considered for collection to monitor performance includes the following:

1. Performance measures related to accreditation and other requirements;
2. Patient statistics;
3. Financial data;
4. Outcomes of processes and services;
5. Patient and family needs, expectations and satisfactions;
6. Staff views regarding performance improvement and improvement opportunities;
7. Operative and other procedures that place patients at risk;
8. Medical necessary and appropriateness of care (utilization management)
9. Risk management activities (environment of care and infection control)
10. Quality control activities.
11. Peer Review Activities
12. Data from external and internal performance benchmarking activities that allow for the comparisons of key performance measures with other similar organizations or with recognized best practices of national or professional targets or goals. These can be defined by the organization.

Performance measurement indicators are essential for all data collection and are required when looking at statistical tools, such as control charts, Preto charts, histograms, and scatter diagrams. Statistical tools are especially helpful in comparing performance with historical patterns and assessing variation and stability.

Variation is inherent in very process and has two general types and causes.

Common cause variation is inherent in every process. A process that varies only because of common causes is considered "stable" and can be improved.

Special-cause variation arises from unusual circumstances or events that may be difficult to anticipate such as human error and mechanical malfunction. Special cause variation should be identified and eliminated; however removing a special cause does not improve the basic level of performance as it only eliminates defective, atypical, defective or irregular performance.

The organization's Quality Assessment & Performance Improvement Plan shall use appropriate statistical quality control techniques. The assessment of the Quality Assessment & Performance Improvement Plan shall include at the minimum the following:

1. Comparison to data over time.
2. Comparison with practice guidelines in the literature and expert opinions.
3. Comparison to external and internal databases.
4. Comparison to company internal databases.

Intensive assessment will occur in the following cases:

1. When there is undesirable variation.
2. When there is a sentinel event that triggers concern.
3. When trends or patterns are identified in the assessment of data.
4. When the organization's performance varies from recognized standards.
5. When the organization wishes to improve an already good performance.

When assessment leads to issues concerning individual performance the following shall occur:

1. The Medical Director will review licensed independent practitioner issues through its process of peer review.

2. The organization shall systematically improve its performance by improving existing and new processes.

Decisions to improve **existing** processes shall be based upon the following:

1. An undesirable change occurs.
2. It is part of an important function as defined by applicable accrediting bodies.
3. It is a required item for improvement by an accrediting body.
4. Consideration of the organization's mission, vision and/or priorities is impacted.

IMPLEMENTATION OF CHANGES:

The Quality Council shall direct the implementation of changes that are worthwhile improvements, which were identified through its' plan.

These improvements shall have the following characteristics:

1. The effect of the improvement is assessed, and if there is success it is implemented organization wide as appropriate.

2. Improvement efforts shall be directed at processes, **not** individuals. However, if an individual has performance problems that he or she is unable or unwilling to improve, his or her clinical privileges or job assignment are modified, as indicated, or other appropriate action will be taken via medical staff peer review, or according to the contractual terms, or policies.

3. Improvement activities of a facility-wide nature shall utilize a systematic approach to redesigning current processes or acting on opportunities for incremental improvement.

4. Examples of different approaches that a company might utilize include FOCUS-PDCA, etc. The Governing Board is responsible for deciding which approach is to be used.

The improvement activities shall meet the following expectations:

1. It will consider the impact on the relevant dimensions of performance.
2. It shall set performance expectations of change.
3. It shall included adopting, or creating new measures of performance.
4. It will involve those individuals, professionals, and services closest to the improvement activity.

ASSESSMENT:

The goal for the assessment process is to compare the facility with itself, with others, with standards, and with best practices. Assessments may be derived from authoritative sources such as professional associations, clinical literature, historical documentation or internal consensus.

Two types of indicators may be utilized: sentinel-event indicators and aggregate-data indicators.

1. A sentinel event indicator identifies an individual event or occurrence that is significant and triggers further investigation and review. The threshold will be set at 0% or 100%. A sentinel event is important in triggering an event for evaluation and is useful in risk management to prevent future occurrences. When a threshold is not set at 0% or 100%, it may be necessary not only to look at the total data but also to break down it more by individual, event, or situation.
2. Aggregate-data indicators quantify a process or outcome that may be related to many causes and may occur frequently. Aggregated-data indicators are divided into two types: continuous variable indicators and rate based indicators.

Continuous variable indicators: measures performance along a continuous scale (i.e. the number of patient visits; the number of surgical visits).

Rate based indicators: The value of each measurement is expressed as a proportion or as a ratio.

1. For a proportion, the number of occurrences is expressed in relationship to the entire group within which the occurrence could take place. The numerator is expressed as a subset of the denominator (i.e. the number of events/the number of surgeries).
2. For a ratio, the numerator and denominator measure different phenomena (i.e. the number of surgeries with infections/the number of number of surgeries).

ROOT CAUSE ANALYSIS:

Intensive assessment utilizing a Root Cause Analysis form is to be initiated whenever there is an undesirable variation in performance of the following:

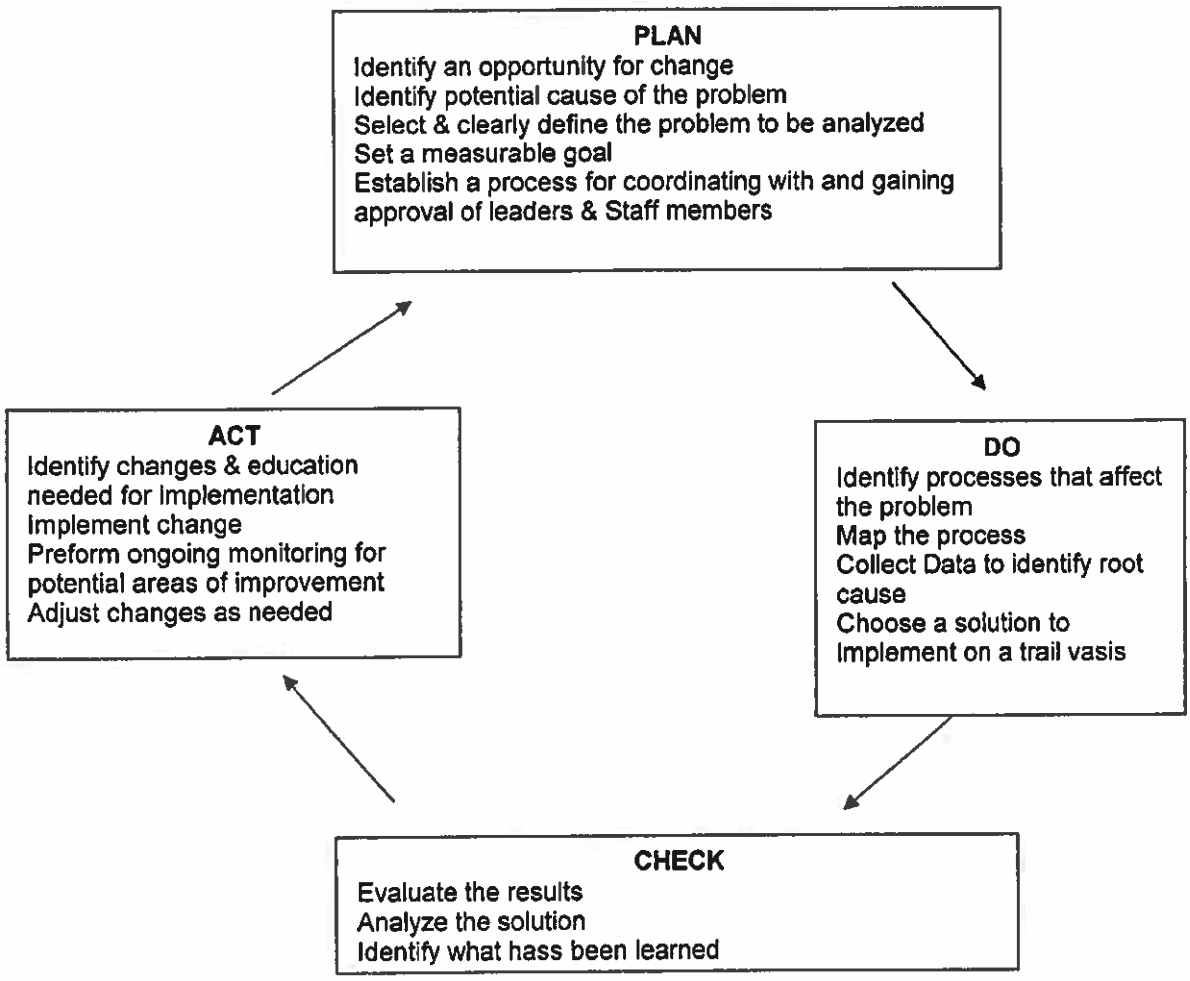
1. Important single events, absolute levels, patterns or tends that vary significantly and undesirably from those expected;
2. Performance varies significantly and undesirably from other organizations;
3. Performance varies significantly and undesirably from recognized standards;
4. Operative procedures that place patients at risk;
5. When a sentinel event, as defined by Sentinel Event Policy (accreditation agencies) has occurred.

WHAT IS PDCA?

The PDCA cycle is used to test and implement the process of improving a function using these steps:

PLAN	understand, then propose an improvement, and finally decide how an improvement action will be tested and how data will be collected to determine what effect the action has.
Do	perform the test by implementing the action on a small scale.
Checks	analyze the effect of the action being taken.
Act.	fully implement the action, reassess it and sometimes even choose another action.

PDCA:


PLAN
Identify an opportunity for change
Identify potential cause of the problem
Select & clearly define the problem to be analyzed
Set a measurable goal
Establish a process for coordinating with and gaining approval of leaders & Staff members
DO
Identify processes that affect the problem
Map the process
Collect Data to identify root cause
Choose a solution to Implement on a trail vasis
CHECK
Evaluate the results
Analyze the solution
Identify what hass been learned
ACT
Identify changes & education needed for Implementation
Implement change
Preform ongoing monitoring for potential areas of improvement
Adjust changes as needed

Section X, Charity Care Information

The table below provides charity care information for all ASTCs located in the State of Illinois that are owned or operated by the Applicants. The Applicants also participate in Medicare and Medicaid.

CHARITY CARE – [redacted]			
	2015	2016	2017
Net Patient Revenue	$1,819,711	$3,226,383	$284,587
Amount of Charity Care (charges)	$3,750	$0	$1,350
Cost of Charity Care	$3,750	$0	$1,350

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

INDEX OF ATTACHMENTS

ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	14-16
2	Site Ownership	17-22
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	23-24
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	25-27
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